

Evolution of the Federal Center-Northern regions financial relationship and its consequences for “organized” migration out of the North

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Introduction

With the ongoing cardinal transformations in Russia's national economy, the northern territories have experienced intensification of the problems of development and functioning of their social and economic complexes. That has urged researchers to undertake a study of general trends and specifics of structural changes in regional economies and the mechanism of interaction between the federal and territorial tiers of the public governance.

The problem of regulation of socio-economic development of the Russian North is one of the most serious challenges facing the Russian economic reform agenda. The problem is unquestionably comprehensive, and it embraces numerous legal, social, economic, financial, racial, historical, ecological and other aspects, which requires an identification of several principle problems (primarily of financial and economic nature) that require an immediate solution in the frame of improvement (development of a new) economic and legal model of the government regulation of the Russian northern territories' development.

At the same time the identification of the most plumbing problems may not be arbitrary – the logic of their choice has to be determined by:

1. Objectives of development the socio-economic potential of the Russian North;
2. Maximization of budget effects while implementing a 'Northern policy' in RF;
3. Alleviation of social tension in the northern territories.

Considering the specifics of functioning of the Russian northern regions' economies and proceeding from the noted objectives and logic, the present research is to highlight financial relations between the federal center and the Northern regions (including the Northern Supply problem).

At the same time the specifics of the financial relations between the federal center and the northern regions to a significant extent is determined by:

- The current approach to the typology of the North, including that at the legislative level;
- The contents of the Russian law on the government support to the northern territories, including the key problem of social guarantees and compensations to the local population, and the Northern Supply.

The problem of "organized" migration should also be considered in the context of the financial relations between the federal center and the northern regions, which primarily can be attributed to the fact that the elimination of social tension in the northern regions through the 'organized' migration to a significant extent may become possible in the framework of the policy aimed at rationalizing relations between budgets of different tiers, and different kinds of benefits and compensations. A positive effect of such an approach is proved, in particular, by the experience

gained by IET in the course of the research into migration problems for the World Bank and the RF government (“The comprehensive evaluation of socio-economic and financial implications of the migration of the population from the northern territories”, 1998), “Evaluation of economic efficiency of the pilot project of assistance to the migration of non-able-bodied and unemployed population from the Far North regions and elaboration of financial aspects of local development plans in the pilot regions”, 1999)¹.

Hence, the research was focused on the following problems:

- Typology of the northern regions, including legal aspects (prerequisites for evaluation);
- Brief overview of the socio-economic development of the northern regions’ development up to 2000 (prerequisites for evaluation);
- Evaluation of ‘Northern benefits’ and compensations in the context of abolition of their compulsory nature;
- Bills needed to modify the economic policy with respect to the northern benefits and compensations(recommendations);
- Evaluation of the specifics of financial relations between the federal center and the northern regions;
- Problems of provision of the northern regions with goods (‘Northern Supply’), evaluation of its financial problems;
- Particular evaluation of the legal base of ‘Northern Supply’;
- Evaluation of possible implications and calculation of the budget effect from the population’s migration from the northern territories
- a comprehensive overview of fiscal relations between the federal and territorial governments in Canada.

¹ The authors use particularly some conceptual approaches and principles (models) of calculations contained in the noted papers. At the same time, due to the different object of analysis and the necessity to revise the statistical database, the support papers may be used herein just as an introductory and reference material, which necessitates their revision and update.

Part 1. Prerequisites of the analysis of the Federal Center – Northern Regions financial relationship

1.1. The problem of the typology of the Northern regions

As the radical transformation of the Russian national economy progressed, the problems of the development and functioning of the social and economic complexes of the Northern territories aggravated. This fact has actualized the study of general and specific features of the structural changes in the regional economy and the mechanism of interaction between the federal and territorial levels of the government.

While studying the economy of the Russia's North it shall be taken into account that this term is rather a geographical concept and it is not linked to any specific economic region. In fact, one of the methodological problems of the internal typology and classification of the Extreme North and the territories with equal status is that the administrative and territorial boundaries of the Russian Federation subjects and the social and economic zones of the regions in Russia's North do not coincide. This circumstance makes the obtaining of information for the research work more difficult as in practice Goskomstat, the Ministry for Revenues, the Ministry for Economy, the Finance Ministry provide statistical data, normative documents and analytical materials classified by subjects of the Russian Federation.

The starting point of the study of the Russia's North economy is the theoretical generalization and the detailed scientific elaboration of methodological approaches and methodological principles relevant to the concept of the "North" and to the problems of typology, delimitation of districts and zoning.

The general concept of the "North" is defined as territories within certain physical and geographical parameters. The legal interpretation of the Extreme North areas and territories with the equal status in the Russia's economy has been traditionally regulated by Decisions of the Russian Federation Government by the inclusion into a list of concrete territories. Russia's territories included into the Extreme North area in geographical terms are a band stretching latitude-wise from 82' (Rudolf Island) to 44' (the South Kurile Islands), so the term "the economy of Russia's North" is somewhat blurred. This interpretation of the "North" differs from definitions generally accepted in the international practice.

While defining the "North" as an area of people's economic activities, the principle moments are qualitative and quantitative evaluation of the totality of social, economic, national, ethnical, natural, and climatic factors and conditions. However, unfortunately even in this case the typology of territories in Russia's North basing on individual categories allows to describe only regional specifics, while failing to detect typical general features.

As per Federal law No. 78-FZ of June 19, 1996, "On Principles of the State Regulation of Social and Economic Development of the Russian Federation' North" the definition of "North" includes the part of the Russian Federation territory situated in high latitudes, which is characterized by severe natural and climatic conditions, and by higher costs of production and of satisfying the basic needs of the populace. After the law has been adopted the federal legislation regulates the drawing of boundaries of territories classified as areas in the Extreme North and of districts in the North. However, a Federal Law draft "On Demarcation of Districts in the Russian Federation's North" has not been adopted yet.

In recent years Russian economists have rather lively discussed the issues of typology and division into districts of the economy in the Russia's North. Domestic practices of the economic district demarcation by setting large economic areas does not correspond to new trends and processes in the management of territories in the Russia's North. A comparative analysis of methodological approaches to the setting of district boundaries and the evaluation of economic activities in Northern regions, to specifics of the formation of social, labor, national, and ethnic relations, and to regulating mechanisms, will no doubt facilitate the comprehension of the general and specific features of development. Generalization of international experiences from Scandinavian countries, Canada, and other states related to division into districts and zoning in Northern territories is of theoretical and practical importance when forming a concept and development strategies for Russia's North. On the other hand, an analysis of retrospective specifics of the economic development of the Russia's North, and of practical results of restructuring the economy of Russia's North also has an international importance, since about 3/4 of the world populace of the Arctic zone resides in this region.

In terms of methodology the method of purpose-oriented division into districts, which was tested in practice while elaborating regional development programs for the Canada's North, is of interest. In the framework of this approach it is necessary to solve methodological problems of singling out the Russian North as a geo-social-economic region, which includes several political, administrative, physical, and geographical districts, which are characterized by unique common natural, climatic, social, and economic factors: remoteness from principal populated areas, development sites isolated from each other, resource-oriented economy, high capital intensity of production, underdeveloped system of services. Besides, an important role among these factors is played by the specifics of the Russia's North development, which to a large extent are determined by the seasonal character of delivery of physical and technical resources, and of consumer goods, possible only in the period when river and sea transport is able to navigate.

A research into the geo-social-economic system of Russia's North will facilitate the determination of the role and importance of this region in terms of sectoral, territorial, and administrative development problems on the national scale. The practical importance of the results

will be revealed as the principal guidelines for the improvement of the mechanism of coordination between the federal and regional levels of government on issues of the prospective development of the region will be determined. The analysis of the development of the Russian Northern territories permitted to single out the following actual guidelines for the study of the region:

- The typology of the Northern territories;
- The characteristics of the resource potential and the role the North plays in the development of the Russian economy;
- The specifics of the functioning of territorial systems and specifics of regional crises;
- The determination of parameters of the dynamic change and optimization of the demographic structure of the populace.

1.1.1. General Typology Problems in regard to the Northern Regions

As Russia progressed toward the market economy the problem of the improvement of the methodology and methods of division into districts and zoning actualized. The traditional approach to the economic district demarcation by setting large economic areas and its application to the Russian North does not correspond to new trends and processes in the management of territories. As the social and economic situation and the conditions, under which the economy functioned, changed, the problems encountered in the functioning of economic agents and regulation of labor relations in the Northern regions aggravated. There arose an urgent necessity to elaborate a concept of the restructuring of the Northern regional economies taking into account the specifics of the utilization of the production factors, formation of productional, transport, communications, and social infrastructures, as well as regional institutional systems. The qualitative characteristics of the Russian North are the basis for singling out this region as the object of study and management.

Depending on the purposes and objects of a study the economic and geographical typologies may be divided into the following typologies:

- Spatial systems – countries, districts, urban landscapes, towns and rural settlements;
- Geographical boundaries [57];²
- Territorial networks: transport routes, development routes, productional and social infrastructure [73];
- Territorial links [34].

Regions and districts are most important among spatial systems. Districts are territories distinct from other territories not by one indicator, but by the totality of its constituent elements in their unity, interconnection, and integrity; as a matter of fact this integrity is an objective condition and a normal result of the development of this territory. Economic districts have an important quality of complex systems – the hierarchy. The hierarchy of districts exists in all countries with

² For the bibliography see Annex 1.1. to Section 1.

practically no exceptions; however, the number of tiers and concrete parameters of districts of different ranks mainly depend on the size of the territory and the population of the country. The Russian economic geography presents a rather stable concept of three tiers of economic districts: large economic districts, economic sub-districts, and economic micro-districts [23], [25]. District grids often coincide with administrative and territorial grids. This fact is an evidence of the objectivity of the demarcation of economic districts of any rank, recognized by a majority of the scholars in the field of economic geography.

The concept of regions is much more definite. Usually regions are defined as large spaces not coinciding with the existing hierarchy of economic regions. As a rule, regions are singled out for achieving concrete research and practical aims, including political goals.

However different, districts and regions represent spatial systems and, therefore, are objects of economic geographical typologies. The principles of regional typology have been the subject of a lively discussion of domestic and foreign scholars. The most general typologies are economic and geographical ones.

Purely geographical typologies are basing on the topologic qualities of territories that determining more stable characteristics across time [6], [33], [41], [48]. In contradistinction to the system of regional economic indicators subject to dynamic changes in the process of regional development, the topologic qualities most commonly remain unchanged.

Characterization of regions in real typologies is of the structural and spatial nature, which intrinsically combines geographical and economic criteria. Such an approach to the regional typology assumes the intrinsic inclusion of temporal and functional criteria of the typology of regions [13], [35]³.

Generally, economic and geographical typologies proceed from defining the characteristic functional criteria of a territorial system. The majority of typological characteristics is based on the system of indicators of the economic specialization of regions. The narrowness of this approach may be overcome by elaborating complex typologies. In this case the topological criteria are supplemented with indicators of the sectoral structure of regional economies, energy production cycles, functioning and development of territorial productional, inter-sectoral, and local complexes, as well as types and systems of economy. Of special interest are regional typologies based on the evaluation of the internal transport component [82].

In the context of economies in transition the factor of the nearness to a border emerged as a typological dominant. The international experience demonstrates that contact functions of borders came to prevail over the barrier ones in the course of the economic integration processes, and the

³ The division in long-developed and newly-developed districts was related to the typology of regions in European and American countries, centers of industrial development, and to the definition of the US West frontiers (Turner). The crisis of old mining and metallurgical regions in England, Germany, France, USA resulted in singling out regions by the character of propulsive industries. An original approach was taken by Russian researchers, who singled out pioneer, reconstructional, and highly-intensive types of economic development for East Siberia [28].

border regions in the member countries of the European Union, in Canada, USA, Mexico, China, and Hong Kong acquired considerable development advantages.

In Russia a large number of former interior regions became border ones. The Murmansk Region, Karelia, and the Leningrad Region benefited most as they became next-door neighbors of the EU. Regions situated along the former border of the RSFSR. Due to the gradient of prices and other economic indicators new borders present objective prerequisites for faster economic development of border regions.

Economic typologies are basing on the systems of regional development indicators: Gross Regional Product (GRP), per capita incomes, social and production infrastructures, roles played by basic industries in the regional specialization [17], [47], [62]⁴. Economic regional typologies directly depend on the systems of price formation, the qualities of indicators used in the process of analysis, the reliability of national and regional statistics, the determination of the boundaries of regions, for which the comparison of indicators is conducted, according to the accepted typology. The economic approach to the setting of district boundaries includes the most complex methodologies of classification and typology basing on the methods of main components, factor and multivariate cluster analyses [8], [20], [26], [78], [87], [88], [89].

The topological criterion of singling out “problem” or “extreme” regions is widely applied in the economic and geographical typology [21], [36]. These regions include geographical regions situated in zones, where people can not live, or their existence is strained outside artificially created full-scale habitats. Natural extreme regions are the Extreme North, the Arctic regions, high mountains and deserts; Antarctica is often called the “super-extreme” region. Anthropogenic extreme regions originate due to errors in economic activities of people..

In the terms of economy the extreme nature of a region is practically always related to higher levels of direct and overall costs of reproduction that requiring the respective compensation (subsidies) provided by governmental and non-governmental structures. In transitional economies undergoing radical changes of the economic mechanism there emerged methods of regional typology based on the criteria of indicators demonstrating the presence of problems and conflicts in institutional, territorial, and administrative structures [19], [21]. In the framework of this approach there has been worked out the concept of relations within the “Center – periphery” system. The approach is focused on the typology of regions according to the criterion of the receptiveness to innovations [90]. In this connection there arises the most urgent question of the scientific substantiation of the indicators used to determine the typology of regions.

Traditionally, projects of the economic development of Northern regions have been mainly concerned with assessments of climatic factors and their effect on production processes. The social and economic conditions were only described and did not significantly affect the decision-making,

what might have led to the diversification of approaches to the development of various Northern territories. As a result, errors related to the underestimation of high costs, the establishment of large towns and settlements with no future for them, for instance, in the North of the European Russia and in Western Siberia (in provinces rich with coal, oil and natural gas deposits) involved, were being found at the practical stages of the implementation of projects. The necessity of the systematic subsidizing of regions as the chief condition of maintaining normal living standards in permanent settlements was not considered at the planning stage (Murmansk is an illustration of this). As economic situation shifted, the problems of the functioning of social and economic complexes in the Northern territories aggravated. This fact determined the actuality of the theoretical generalization and scientific elaboration of methodological approaches relevant to the concept of the “North”, to evaluation of the production in the North, and specifics of social, in particular, labor relations evolving there.

1.1.2. Criteria of singling out districts situated in the Extreme North and territories with equal status

1.1.2.1. Typology by natural and geographical criteria

Twenty seven subjects of the Russian Federation, or parts of them, belong to the Russia’s North (six Republics, 3 Areas, 10 Regions, and 8 Autonomous Districts). There are 11.7 million people residing in the Russian North, that is about 8 per cent of the total population in the country; 181 thousand of them belong to small Northern ethnic groups.

The general analysis of geographical, natural, and climatic factors does not result in finding some common characteristics permitting to establish a typology, basing on which these or other territories of Russia were classified as belonging to the Extreme North, since their geographical characteristics and natural and climate conditions differ too much. Russia’s territories included into the Extreme North area in geographical terms are a band stretching latitude-wise from 82’ (Rudolf Island) to 44’ (the South Kurile Islands).

Since the beginning of the intensive development of the Russia’s North in early 1930s the typology scheme based on the combination of two categories of indicators – natural-geographic and economic-geographic (authored by S. L. Lutskaya and S. V. Slavin [67]) – has been adopted and remained the most acceptable.

According to this scheme, the low density of the population (less than 5 people per 1 km²) and severe climatic conditions preventing the development of open-ground grain crop-growing and livestock-grazing, except reindeer breeding. The low population density is the most specific indicator permitting to define the North, or more exactly its southern boundary.

⁴ O. G. Dmitrieva is currently elaborating typologies basing on the indicators characterizing the quality of life [18].

From the standpoint of climatic conditions the Russian territory is usually divided into the main zone of settlement and concentration of economy, the Northern zone, and the mountain settlement and economic zone. The Northern zone is situated to the North of the long-inhabited economically developed territories.

The Russian North as defined on the base of climatic indicators is divided into two sub-zones:

- The Far North is the territory with extreme natural and climatic conditions characterized by the remoteness from the railway network, underdeveloped transportation system and dependent on the seasonal deliveries of material and technical resources, and of consumer goods, possible only in the period when river and sea transport is able to navigate.
- The Near North is the territory with severe climate situated to the North of the main zone of settlement relatively close to the railway network.

Although this approach to the definition of the North certainly is of scientific and practical value, the limited effectiveness of the criteria pertaining to only economic and geographical specifics of territories determined its methodological flaws. The approach suggested by S. V. Slavin did not take into account that the boundary of the North may change depending on anthropogenic conditions.

The basic problem of identifying and delimiting the North is related to the determination of the fundamental criteria. The majority of researchers recognize that such criteria shall be physical and geographical conditions determining specific factors, features and the nature of the economic development of a district. The impossibility of the stable large-scale grain crop-raising as the basis of agriculture and stock breeding is recognized as the distinctive and immutable feature of the North in economic and geographical terms.

TABLE 1.1. DISTRIBUTION OF POPULATION ACROSS THE TERRITORY OF THE NORTH

Region	Population		Population density (pers. per 100 km ²)	Share of urban population, % of the total population of the territory	Transportation	
	Mil. pers.	%				
Russia	146,3	100,0	868	73,0		
Far North	Extreme North	2,0	1,4	46	80,4	Local aviation + water routes
	Mid-North	3,1	2,1	107	74,8	+ road transport
Near North	6,6	4,5	286	72,2	+ railroad transport	
Adjacent zone	29,0	19,8	1172	67,6	Full accessibility of transport	
Main zone	105,6	72,1	3300	75,7		

Source: Goskomsever, Institute of Geography of RAS

According to the typology elaborated by G. A. Agranat, the Southern boundary of the North shall be the line, on which the sum of temperatures over the vegetative period makes from 1600⁰ to 1800⁰ (daily average temperature above 5⁰), defined as the boundary of stable grain crop-raising [1], [2]⁵.

⁵ W. L. Morgan defines the North as a territory outside the boundaries of the grain crop-raising economy in the Proceedings of the Royal Society of Canada.

L. E. Hamelin, a Canadian geographer studying the problems of the district demarcation and typology of the North, is the author of the method of the systemic qualitative and quantitative evaluation of territories based on the totality of physical and geographical, and economic and geographical indicators assessed in accordance with a score scale⁶. He singled out 10 physical and geographical, and economic and geographical indicators: geographical latitude, the temperature of the warmest month, the duration of the cold period, the duration of the seasonal freezing of the soil, quantity of precipitation, the degree of woodiness, density of population, economic development, the level of production costs. For each of these indicators the degree of the “Nordicity” of the territory was set in the range from 250 to 1000 points. Basing on the score, L. E. Hamelin singled out regions of the Middle North (up to 500 points), Greater North (750 points), Extreme North (1000 points).

This scheme of the typology of Northern regions by L. E. Hamelin was widely used both in America and Canada, and in West European countries while estimating bonuses for the work in the territories with extreme conditions. The most important rational point of the methods of district delimitation and zoning elaborated by L. E. Hamelin is the flexibility of determining the necessary level of material rewards encouraging the inflow of population to this or that region of the North, and the elimination of “threshold differentials” at the boundaries of Northern zones. Some scholars find the method somehow flawed, because some of the indicators (latitude, average temperatures, frost) are intrinsic to other regions, therefore they may be assigned high “frost” values[9]. Besides, according to this theory the North may “disappear” from maps altogether, since in the process of development and settlement of a territory the degree of its “Nordicity” will diminish. Certainly, in the process of development the North is dynamically changing; however, the specific manifestations of the “Nordicity” are an immanent characteristic of concrete territories..

1.1.2.2. Typology based on conditions under which people reside and work in the Russian North

The “Nordicity” manifests itself in many forms and may be characterized by such components and indicators as “cold discomfort.” Indeed, the discomfort caused by climatic conditions, which arise due to the cold effect of a complex of meteo-factors, affects not only humans, but the functioning of various artificial and natural systems, and is recognized as an indicator of “Nordicity.” At the same time, the discomfort is related to other manifestations of the “Nordicity”:

- Ecological – suppressed self-restoring ability of natural systems;
- Biological – relative scarcity of species;
- Geo-technical – permafrost.

⁶ The methods applied by L. E. Hamelin are thoroughly reviewed in [38].

The cold discomfort is the most studied component of the “Nordicity.” A key question in studying it is the elaboration of indicators, including complex indicators, permitting to evaluate the degree of discomfort.

The typology is based on the differentiation of Northern territories according to the criterion of the severity of climatic conditions. The North is divided into zones depending on the character of the complex effect the environment has on the conditions of life and production [37], [38], [39], [51]. While determining the integral indicator of the discomfort of the territories included into the Russian North, 18 characteristics grouped under 13 indicators of discomfort, and 4 factors of discomfort are used. The discomfort is evaluated according to a system of scores assigned depending on the numerical value of each factor.

The natural and climatic factor, which takes into account the effect the complex of meteorological factors has on the human organism, is most important. The chief criteria for the zoning of a territory are the following indicators: air temperatures; humidity; barometric pressure; solar (ultraviolet) radiation, wind speed; irregularity of day and night times. The combination of the first four factors evaluated according to the score scale is called the biological index of the severity of the meteorological regime (BISM). The application of BISM in practice permits to determine the typology of the Northern regions according to the criterion of the degree of comfort for the populace.

By applying methods of indexing, score ranking, and other methods three zones may be singled out: absolutely discomfort (including the Arctic sub-zone – 0.8 mil. sq. km), extreme discomfort, and discomfort. The total square occupied by these zones makes 11.4 mil. sq. km, or 66.7 per cent of the Russia’s territory. Districts of the Extreme North and the territories with equal status shall be those evaluated at less than 7 points.

TABLE 1.2. RUSSIAN TERRITORY AS BROKEN DOWN BY LIVING AND WORKING CONDITIONS.

Degree of comfort	Score	Territory		Climatic conditions
		Thous. km ²	%	
Russia	-	17,1	100	
Comfort	10,0 – 8,0	3,2	18,7	Comfort
Relative comfort	7,99 – 7,0	2,5	14,6	Relative comfort
Discomfort	6,99 – 6,0	2,5	14,6	Compensated discomfort
Extreme discomfort	5,99 – 4,0	3,5	20,5	
Absolute discomfort	3,99 and below	5,4	31,6	Non-compensated discomfort

The zone of absolute discomfort includes the Magadan Region, the Chukotka AD, Taimyr (Dolgano-Nenets) AD, Koryak AD, Nenets AD, a considerable part of the Yamal-Nenets AD and the Republic of Sakha (Yakutia), as well as parts of the Murmansk and Kamchatka Regions, the Krasnoyarsk Area (the town of Norilsk, the Evenk AD), the Republic of Komi (the towns of Vorkuta and Inta), the Khabarovsk Area, the Sakhalin Region.

The typology based on the conditions, under which people reside and work, not only permits to delimit districts and internal zones, but is an active instrument for determining the size of

necessary future compensations for higher costs the production and requirement of the populace's needs involves. This is achieved by expanding the list of indicators the typology is based on and by singling out the factors behind the higher cost of living in the North:

- Social and economic factors – the duration of the heating season; the sum of the active temperatures over the vegetative period; the summarized thermal insulation of clothing;
- Economic and geographical – the density of rural population, the degree of agricultural development of the territory; accessibility of transport;
- Medical and biological factors – the risk of residence, which characterizes the degree of the suitability of the territory for the settlement by new migrants and evaluates the effect of the natural and climatic factors on the life span.

It shall be noted that in this case the determination of the boundaries of the North fully depends on the dynamics and changes of the socio-economic and technical and economic factors and conditions. The criteria for the division into districts by zones is the degree of the increase in cost of the development of territories [40]. It seems feasible to limit the study of prerequisites for the implementation of the program of encouraging the resettlement to districts within the Russian North zone of absolute discomfort. The existence of people in these districts is related to the highest costs, and the spontaneous outflow of the populace from these regions is most apparent.

TABLE 1.3. REGIONAL DISCOMFORT INDEXES ADJUSTED FOR TRANSPORT AND FUEL COEFFICIENTS

RF Subject	Regional Discomfort Index	Adjusted Regional Discomfort Index	Correction factors	
			Transport	Fuel
Republic of Karelia	0,37	0,83	0,3	0,16
Republic of Komi	0,6	1,72	0,9	0,22
Republic of Sakha (Yakutia)	1,6	4,22	2,1	0,52
Republic of Tyva	0,31	1,5	0,9	0,29
Krasnoyarsk Area	0,81	2,24	1,1	0,33
Norilsk Nickel		3,81	1,8	0,41
Khabarovsk Area	0,7	2,76	1,7	0,36
Arkhangelsk Region	0,4	2,07	1,5	0,17
Irkutsk Region	0,59	2,4	1,5	0,31
Kamchatka Region	1,3	3,62	2,1	0,22
Magadan Region	1,8	4,49	2,3	0,39
Murmansk Region	1,1	1,82	0,6	0,12
Sakhalin Region	0,52	2,83	2,1	0,21
Koryak AD	1,6	4,85	3,0	0,25
Nenets AD	1,7	3,54	1,6	0,24
Taimyr AD	1,81	3,82	1,6	0,41
Yamal-Nenets AD	1,21	3,13	1,6	0,32
Chukotka AD	2,2	6,99	4,4	0,39
Evenk AD	1,5	3,91	2,0	0,41

Source: RF Ministry of Economy

The typology elaborated by the Kola Scientific Center of the Russian Academy of Science has served as the basis for the draft Federal Law “On Demarcation of Districts in the Russian Federation’s North” prepared by the Goskomsever of Russia in compliance with RF Government Decision No. 107-r of January 18, 1992, and RF Government Decision No. 1664 of December 31, 1997. The same typology served as the basis, on which the Federal Law “On Allocation of Housing Subsidies among Districts of the Extreme North and Territories with Equal Status in 1996” was elaborated.

1.1.2.3. Generalized typology by social and economic indicators

The typology of districts of the Extreme North by the criterion of limited accessibility (by road transport) and limited “delivery period.”

This typology is mainly purposed for the determination of the districts of the Extreme North requiring the state support for the organization of advance delivery of fuel, lubricants, and consumer goods. This typology singles out the districts with limited duration of the navigation, i.e. with limited access. Since the Federal Law draft “On Demarcation of Districts in the Russian Federation’s North” has not been adopted yet, at present the List of the regions included into the Extreme North and territories with equal status, for which the duration of navigation is limited approved by RF Government Decision No. 502 of April 23, 1996. At present the materials concerning the determination of the Discomfort Index provided by the Kola Scientific Center of RAS serve as the basis of recommendations of the Ministry of Economic Development aimed at the improvement of the organizational and financial mechanism of deliveries to the Northern regions.

Typologies based on per capita budgetary revenues and expenditures, evaluation of factors affecting revenues and expenditures of regional budgets.

This typology is used to determine the amounts of financial aid (transfers) from the Federal Fund for Financial Aid to the Subjects of the Russian Federation.

The degree of the budgetary security is determined basing on the data on the aggregate budgetary revenues and current expenditures provided by the RF Ministry of Finance, and on the population in each RF subject. This typology permits to determine, on the one hand, the degree of economic welfare of districts of the Extreme North (judging by the balance between the internal revenue base of regional or local budgets and their current expenditures), and, on the other hand, by indirect indicators characterizing the costs necessary to meet the basic needs of the population..

This typology groups the RF subjects, which fully or in part belong to the Extreme North, basing not only on their geographical locations, but also takes into account the most important factors affecting revenues and expenditures of regional budgets. These factors include:

- The remoteness from the central regions of the country coupled with lacking or underdeveloped railroad and motor transport;
- The development of the budgetary network related to the density of the population;

- The duration of the heating season, determined, first of all, by climatic conditions;
- The limited period of time available for deliveries of goods, and the share of the population residing in the respective districts.

However, the information necessary for the computation is available only for the RF subjects whose whole territory is located in the Extreme North. Besides, the data does not permit to evaluate the indicators for the territories within the RF subjects. In order to determine these indicators for each town and district belonging to the Extreme North the data should be provided by respective subjects of the Russian Federation.

Typology of districts of the Extreme North by the subsistence level.

According to the Russian legislation the subsistence levels in the subjects of the Russian Federation submitted by the executive authorities shall be annually approved by legislative (representative) authorities of these subjects with allowance for natural and climatic conditions, national traditions, local traditions of consumption of goods and services by major social and demographic groups of the populace.

Due to these considerations the subsistence level may be used as an integral indicator, which objectively characterizes the differences between the costs required to meet the basic needs of the populace across the districts of the Extreme North.

1.1.3. An outline of the evolution of the normative and legal basis and the legal interpretation of the North

The term “Extreme North” applied to a strictly defined territory has for the first time appeared at the time the territories were divided into districts in the “Regulations Concerning the Benefits for Persons Working in the Extreme North of the RSFSR” approved by the All-Russian Central Executive Committee (ARCEC) and the Council of People’s Commissaries (CPC) on May 10, 1932. The list of territories with the status equal to districts of the Extreme North has been for the first time approved by the Decision of the USSR CPC on November 18, 1945.

The main guidelines of the normative and legal regulation of the social and economic relations in the territories included into the Russian North have been the problems of the definition of geographical boundaries, social safety and guarantees for the populace residing and working in the North, deliveries of products to these territories. Since recently the legislation adopted some norms regulating the resettlement of some categories of citizens from the Northern territories.

Traditionally, the legal interpretation of the Northern territories (as demonstrated by the chronological development of the legislation concerning the North) was limited to including lists of concrete territories, in some cases including concrete townships and factories, in the texts of documents. At the same time, the legislation lacked any strict general definition of the “North” (determining only the lists of concrete territories). In essence, the generalization occurred only in the economic and geographical context as the term “Extreme North” was used by analogy with the

terms “Far East” or “European North.” For instance, Federal Law “On Basic Principles Governing the State Regulation of the Social and Economic Development of the North of the Russian Federation” No. 78-FZ of June 19, 1996, defined the North as the high-latitude part of the Russian Federation territory characterized by severe natural and climatic conditions and by higher costs of production and meeting basic needs of the populace (Article 1).

As concerns the “territories with equal status,” this term has for the first time appeared in Decree of the Presidium of the Supreme Council of the USSR of February 10, 1960, while the concrete definition of these territories (the list) was approved later, in 1967.

Later this basic list of districts of the Extreme North was constantly changed and amended. The USSR Council of Ministers included new territories and localities, included some of the territories “with equal status” to the basic list, etc. In 1983 the list was restructured and has practically remained the same since (with some later additions and amendments concerning certain territories).

So, until 1996 the inclusion of Russian territories in the districts of the Extreme North or those granted the equal status was regulated by Decisions of the Government of the Russian Federation via Lists of the districts of the Extreme North and the territories with equal status.

Upon the approval of Federal Law “On Basic Principles Governing the State Regulation of the Social and Economic Development of the North of the Russian Federation” No. 78-FZ of June 19, 1996, the demarcation of boundaries of the territories belonging to the Extreme North and the delimitation of the Northern districts has been regulated by the federal legislation. However, a Federal Law draft “On Demarcation of Districts in the Russian Federation’s North” is still under discussion.

As a result, the List of Districts of the Extreme North approved by Decision of the USSR Council of Ministers No. 1029 on November 10, 1967, is still in force. The most drastic revision and restructuring of the list was approved by Decision of the USSR Council of Ministers No. 12 of January 3, 1983.

As concerns numerous additions and amendments, they were made mainly with regard to individual territories and localities⁷. For instance, a recent individual amendment included some territories in the Republic of Tyva into the regions belonging to the Extreme North and territories with equal status (Decision of the RF Government No. 856 of July 18, 1994). According to the List, the following territories belong to the Extreme North:

- Islands in the Arctic Ocean and its seas, and islands in the Bering Sea and the Sea of Okhotsk (except islands in the White Sea);
- Republic of Sakha (Yakutia);

⁷ See, for instance, the following versions: Decision of the USSR Council of Ministers No. 594 of June 23, 1990; RF Government Decision No. 25 of November 27, 1991; RF President Order No. 293-rp of April 24, 1993; Presidential Decrees No. 2226 of December 20, 1993 and No. 577 of March 22, 1994, etc.

- Kamchatka Region;
- Magadan Region;
- Murmansk Region;
- Koryak AD;
- Nenets AD;
- Taimyr (Dolgano Nenets) AD;
- Chukotka AD;
- Evenk AD;
- Yamal Nenets AD;

Besides, certain administrative territories belonging to the Republic of Karelia, Komi (including towns of Vorkuta and Inta), the Arkhangelsk Region, the Republic of Tyva, the Krasnoyarsk Area (including the town of Norilsk), the Khabarovsk Area, the Irkutsk Region, the Sakhalin Region.

The legislation includes two other lists alongside with the basic one. These lists introduce different criteria for the structuring of the entries of the basic list. One of the lists is broken down by the conditions of deliveries, the other – by districts populated by small Northern ethnic groups. The former list serves to settle the problems of deliveries to the Northern territories. The granting to some of the items in the list the priority concerning the delivery of products (goods) allowed the suppliers to operate under preferential regimes without receiving individual authorizations.

The elaboration of the list of territories with limited duration of the navigation (the Northern regions included in the basic list were broken down by the criterion of limited and all-year navigation) served a different purpose. The legislators intended to regulate the order of deliveries; however, the essence of these two lists is the same (the regulation of deliveries).

The list of districts populated with the small Northern ethnic groups was aimed to allocate the social benefits and guarantees for persons residing in the Northern territories, small ethnic groups, precisely to the addressees, and in particular, to determine the criteria of granting social pensions.

While the inclusion of the districts of the Extreme North may be justified by their geographical specifics, now it is practically impossible to determine the objective factors behind the inclusion of some concrete districts of Russia in the list of territories with the status equal to that of the territories in the Extreme North, since the respective original normative acts were approved without sufficient scientific substantiation. In particular, it concerns the list of regions requiring the state support due to the conditions of delivery. As per Goskomsever data, 29 districts out of 153 included in the list have stable all-year connections with the main Russian transport network and with all localities in their territories and therefore should be excluded from the list of districts with the limited duration of deliveries. In fact, the lack of the methodological principles of district delimitation and typology of the Russian North is a factor braking the formation of the uniform

legal basis for the determination and enforcement of the system of legal and normative acts ensuring the realization of social guarantees stipulated by the Constitution.

The normative and legal basis of the support the state renders to the social and economic development of the Northern districts has not become the system of interrelated and complementary laws yet. At present it consists of three federal laws, some North-related individual articles of federal laws concerning Russia at large, a number of the RF Presidential decrees and decisions of the RF Government.

Federal laws are poorly adjusted to the changes, which have occurred in the national economy, and take little heed of the potential of the federal budget and the budgets of the RF subjects. Presidential decrees and decisions of the RF Government are mainly aimed at the settlement of individual problems faced in the course of the social and economic development of the North. A number of normative and legislative acts determining the policies related to the sphere of the state support are often amended, what results in drastic transformations of the mechanism of the state support of the deliveries to the Northern districts. In this relation it is necessary to inventory and to analyze the practices of the enforcement of the RF laws, to liquidate the gaps in the legislation, and to reform it aiming to create a sound normative and legal base.

1.2. Social and economic development of the Northern regions by year 2000: a brief outline

1.2.1. Mineral, raw material and natural resources of the Russian North.

The utilization of the natural and raw material potential of the Northern regions is of a substantial importance for the Russian economy. As per Goskomstat estimates, up to 80 per cent of surveyed and predicted mineral resources, over 60 per cent of forest resources, and 90 per cent of fresh water resources are concentrated in Russia's North. Ninety seven per cent of the total natural gas, three fourth of oil, 90 per cent of tin, the major share of gold, diamonds, copper, nickel, 15 per cent of coal are extracted here; 20 per cent of the total electric power and all apatite concentrate are produced in the Northern regions. The Northern regions are major areas where timber is logged and processed. Their aggregate share makes over one half of the total timber production in Russia. Over half of the fish and sea produce yield, as well as 1/4 of canned fish products make the share of the Northern regions.

As concerns mineral and raw materials, the Republic of Sakha (Yakutia) is ranked third among Russia's regions with 8.64 per cent of the total Russia's resources. As concerns major mineral resources, the industrial extraction of gold, diamond, mica-phlogopite, hard and brown coal, iron ore, natural gas, tin, tungsten, complex ores, and piezoelectric crystal deposits is of special importance.

TABLE 2.1. STRUCTURE OF AGGREGATE MINERAL AND RAW MATERIAL RESOURCES BY DISTRICTS, % OF THE TOTAL, IN KIND.

	Mineral and Raw Material Resources		Hydrocarbon Raw Materials	
	% of total Russia's resources	Ranking	% of total Russia's resources	Ranking
Russian Federation, total	100,0		100,0	
Across regions:				
Republic of Sakha (Yakutia)	8,64	3	1,57	6
Murmansk Region	2,71	9	2,45	5
Magadan Region	2,64	10		
Yamal-Nendets AD	2,17	12	44,85	1
Arkhangelsk Region	1,89	15	0,71	14
Nenets AD			1,25	8
Khanty-Mansi AD	1,45	19	30,52	2
Republic of Komi	1,36	20	1,19	10
Taimyr AD			0,35	19

Source: Goskomstat

The Murmansk Region is well-known due to its apatite-nepheline ore deposits in Khibiny and is the monopolist as concerns the production of the apatite concentrate in Russia. At the same time, copper and nickel ores, and mineral construction materials are extracted in the region. As concerns mineral and raw material resources, the Murmansk Region is ranked ninth among Russia's regions.

Reserves of gold, tin, wolfram, mercury, and other minerals in the Magadan Region determine its ranking (10th) among top 20 Russia's regions in terms of the aggregate reserves of mineral and raw material, as well as the character of its economic specialization.

High rankings of the Yamal-Nenets (12th) and Khanty-Mansi (19th) Autonomous Districts, the Arkhangelsk Region (15th) and the Republic of Komi (20th) are determined by colossal fossil fuel reserves. For instance, the Komi Republic's territory contains 1/2 of the total oil reserves and 1/3 of the total gas reserves in the North of the European part of Russia.

Commercial reserves of gold, tin, wolfram, mercury are situated within the Chukotka Autonomous District. The development of fossil fuel deposits in the Nenets and Evenk Autonomous Districts has been started.

While analyzing natural and raw material resources, huge reserves of timber and biological resources of the regions in Russia's North shall be taken into account.

The total timber resources of the Republic of Karelia make 849 mil. m³, The Sakhalin Region (the central part of the island) has about 400 mil. m³ of liquid spruce and fir forests suitable for lumbering. In the Komi Republic the forested area and forestry growing stock make almost half of the mature forests in the European part of Russia's North. In the Republic of Sakha more than 80 per cent of the territory are covered with taiga, where Daurian larch prevails, and in the Evenk Autonomous District more than 80 per cent of the territory are covered with larch taiga.

The unique nature of Kamchatka and large biological resources, spawning areas of salmon concentrated near the peninsula's coasts determine the specific formation of the economic structure

in the region. For instance, commercial resources of Kamchatka crabs in the Koryak Autonomous District are of major importance in this regard.

Fur-hunting, which is a traditional occupation of the native ethnic groups of the North, is especially typical in taiga zones of the Evenk, Chukotka, and Taimyr (Dolgano-Nenets) Autonomous Districts, and in the Republic of Sakha.

On the whole, taking into account the unique mineral, raw material, natural, and biological resources, the level of productive, economic, and investment potential there is no alternative to the continuation of developing the North from the standpoint of interests and development prospects of the national economy. The character of resources and development of the natural and mineral resources is the key factor behind the forming structure of the economy and industry in the Russian Northern territories.

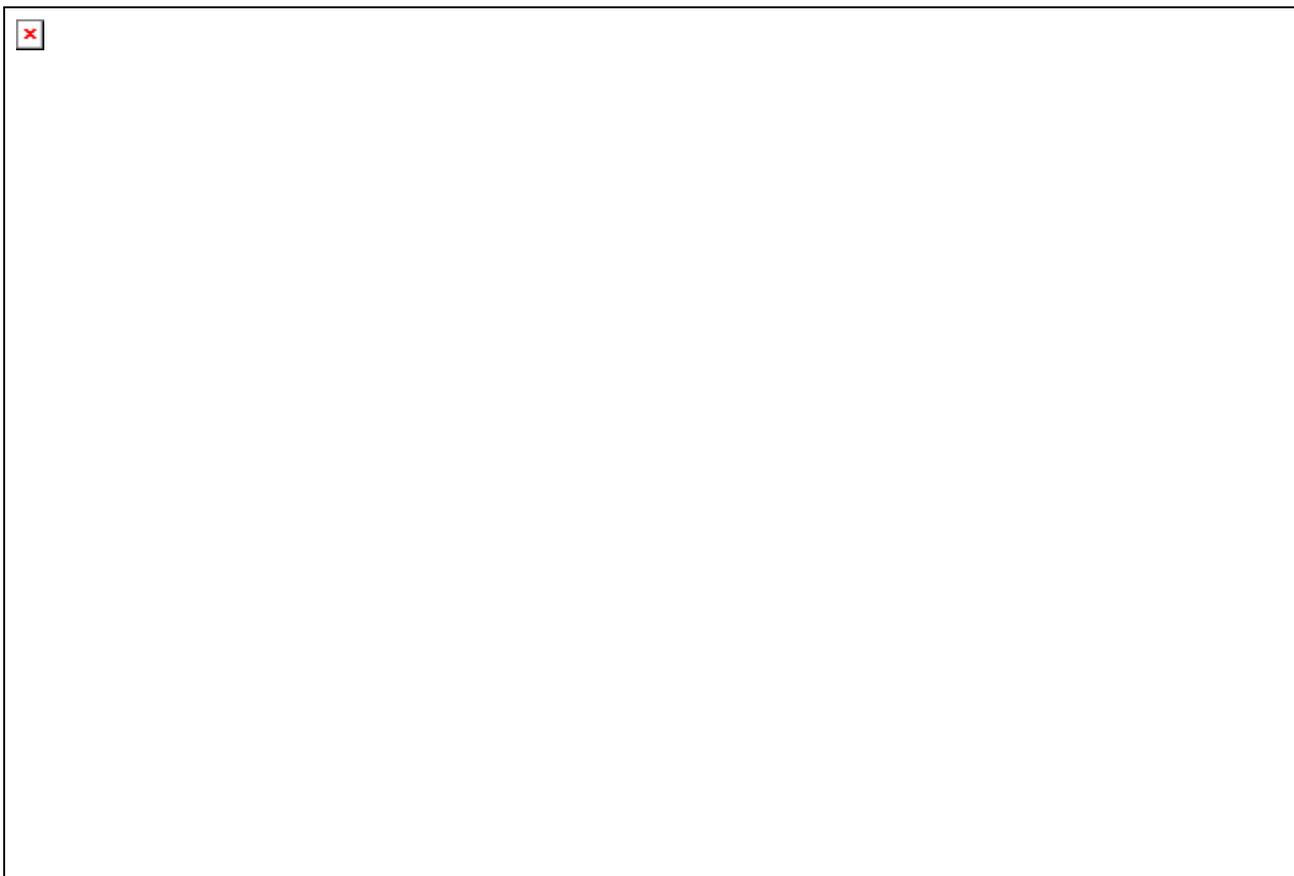
1.2.2. General characteristics of the economy of the Russian North

Russia's North is an industrially developed region. In 1999 the share of the regions in Russia's North made almost 17.8 per cent of the aggregate GRP, 19.8 per cent of the total industrial output, almost 28.7 per cent of investment in fixed assets, over 1/5 of the total Russia's exports, as well as about 60 per cent of natural raw materials, and of fuel and energy resource exports. Extreme natural and climatic conditions restrain agricultural development; its share in the total produce in Russia is below 8 per cent. While describing the economy of Russia's North, it shall be taken into account that industrially developed areas often neighbor upon territories where small Northern ethnic groups reside compactly, and where traditional economy such as hunting, reindeer breeding, fishing, and crafts prevail. In connection to this it is of principal importance that industrial development of territories shall be accompanied by State programs for support of native Northern population, which, among other major problems, should deal with the environmental protection in areas where ethnic communities conduct their economic activities.

A characteristic feature of the forming structure of GRP production in the Northern territories is a higher share of the manufacturing of goods as compared with the average Russia's level. At the same time, the shares in the production of goods and services differ rather substantially across the territories. The share of the production of goods is at 45 to 60 per cent in the regions, where the extracting industries are concentrated, while this indicator is below 30 per cent in the depressed regions with traditional agriculture methods. The sectors of market infrastructure and services are extremely underdeveloped, what is a constraining factor from the standpoint of future prospects. The transport network and communications of the Northern territories are obsolete.

The levels of subsidies received by regions, the volume and dynamics of inter-regional exchange significantly affect the structure of the GRP production. High subsidizing levels necessary to meet the basic needs of the populace and to satisfy the requirements of the economic

development result in sharp inflation of the volume of services rendered in the regions with limited duration of the deliveries.



The social and economic situation of the Russian North first of all depends on the processes underway in the Russia's society; however, the specific features and concrete economic factors determine the intensity of market transformation in each separate case. Over the last years, the elaboration of the macro-economic policy aimed at the development of the Russian North has been hindered by the fact that regional administrations had been granted special status allowing them to obtain state subsidies, soft loans, import subsidies, to maintain low prices of certain capital and essential consumer goods, and receive other non-market financial transfers. These factors hindered the implementation of the structural reform by easing budgetary constraints. The changing size of the state expenditure for the investment in the fixed assets and the financing of deliveries to the districts of the Extreme North also are of profound importance.

FIGURE 2.1.

Source: Goskomstat

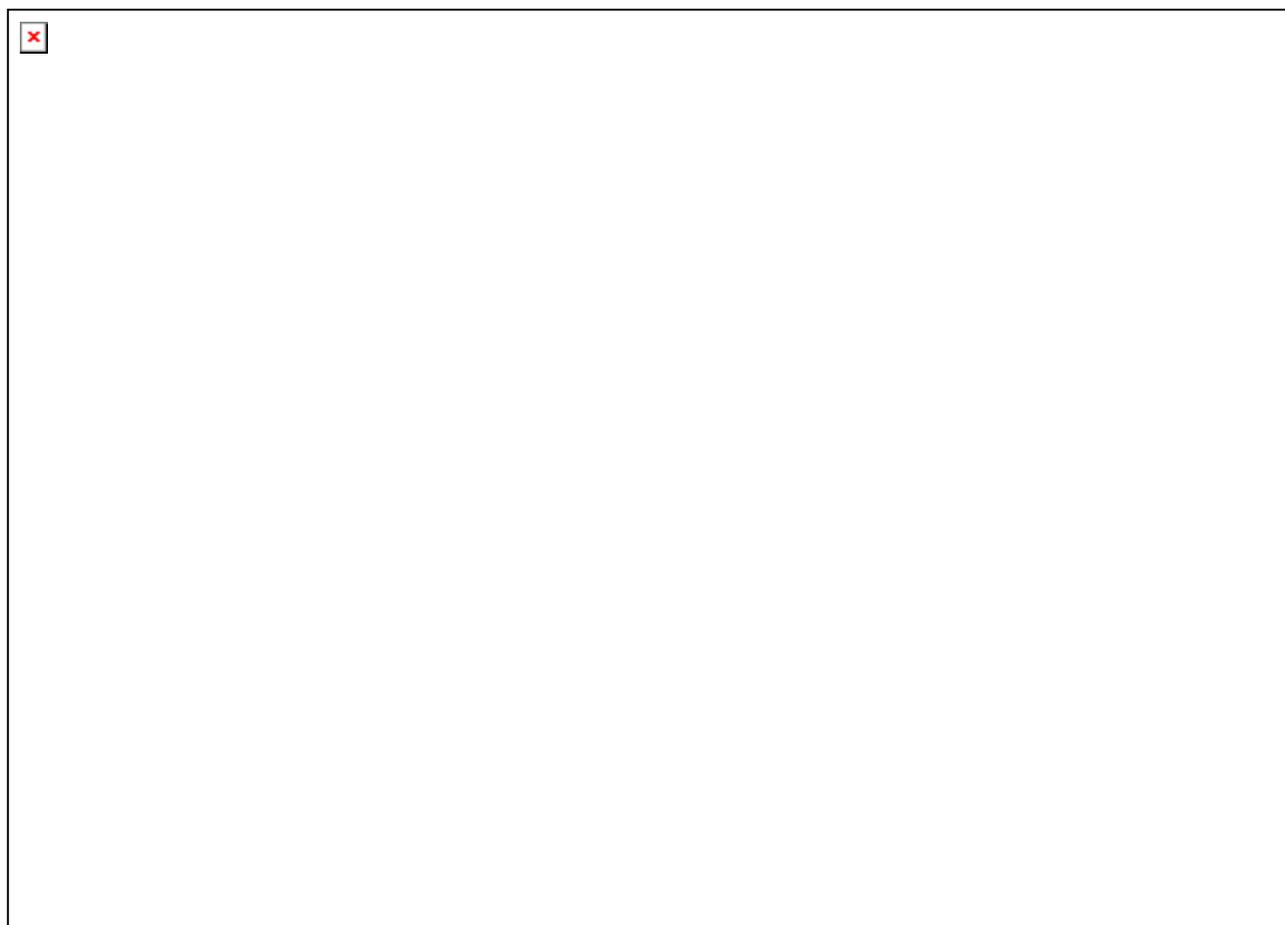
A comparative analysis of the dynamics of the per capita GRP production in the Russian North at large is by almost 2.2 times exceed the average national level. The territories with oil and natural gas deposits and those extracting and processing non-ferrous metals still maintain the lead in the Russian economy. The Khanty – Mansi AD, Yamal – Nenets AD, and Chukotka AD, as well as the Republic of Sakha (Yakutia) are among top five Russian regions as concerns the per capita GRP production.

TABLE 2.2. *SECTORAL STRUCTURE OF GRP PRODUCTION AS BROKEN DOWN BY TERRITORIES OF THE RUSSIAN NORTH, % OF THE TOTAL.*

	Goods	Including by sector:			Services	Including by sector:		
		Industry	Agriculture	Construction		Transport	Trade	Net taxes on products
Russian Federation	44,3	28,4	7,2	7,9	47,8	10,6	11,8	7,9
Republic of Karelia	42,8	30,2	4,6	7,1	55,4	14,6	11,6	1,8
Republic of Komi	44,4	32,3	2,8	9	50,3	20,5	7,5	5,3
Arkhangelsk Region	43,6	30,5	6,4	6	53,8	14,1	10,5	2,6
Murmansk Region	47,3	41	1,1	4,6	53,9	11,5	11,7	-1,2
Тюменская Region	51	36,4	1,3	12,9	36,5	16,7	4,5	12,5
Republic of Tyva	30,1	12,6	11,7	4,4	79,3	5,6	19	-9,4
Krasnoyarsk Area	60,9	45,1	7,8	7,4	36,4	8,3	6,4	2,7
Republic of Sakha (Yakutia)	50,6	36,4	3,9	9,6	51,2	7,7	7,8	-1,8
Chukotka AD	51,8	42,7	2,4	5,7	65,9	17,5	9,8	-17,7
Kamchatka Region	53,3	36,8	9,8	5,9	55,4	7,4	11,6	-8,7
Magadan Region	41,2	24,6	4,2	15,6	69,5	9	12,7	-10,7
Sakhalin Region	46,2	23		18,3	53,5	10,3	12,9	0,3

Source: Goskomstat

FIGURE 2.2.



Source: Goskomstat

The differentiation of regions in regard to the GRP production determines the specifics of the utilization process. Taking into account the level of expenditure for the reproduction processes taking place in the Russian North, these regions are significantly above the average Russia's level with respect to the actual household consumption and the investment in the fixed assets.

It shall be noted that in 1992 through 1998 in spite of the difficult financial situation of the country, the share of investment expenditure for the development of Russia's North has been

maintained at 18 to 20 per cent of the total amount of investment into the Russian economy. Not so pronounced decrease in investment into the development of Russia's North is determined by specific features in the formation of the sectoral make-up of production and by the role individual regions play in the national economy. The share of intensively developing areas, where hydrocarbon raw materials are extracted in the Khanty-Mansi and Yamal-Nenets Autonomous Districts, makes more than 1/10 of the total investment into fixed capital in the Russian economy at large. In terms of investment oil and gas fields of Russia's North have high investment attractiveness. The Khanty – Mansi AD, Yamal – Nenets AD, Nenets AD, and in the Sakhalin Region experienced the investment boom due to the favorable business situation in the markets of natural and raw material resources in 2000.

In an attempt to settle a very difficult and general problem of investment deficit each Northern region seeks instruments, which would be most adequate to its specifics. For instance, the Khanty-Mansi Autonomous District has established a special investment fund, which implements local and regional development programs.

A typical feature of Russia's North is the fact that in most cases large industrial enterprises are the centers, around which towns were built, and as the only source of income for the town population they traditionally implement social programs. For instance, "Norilsk Nickel" provides the population not only in the Norilsk Industrial District, but in Yenisei North at large, that is the Taimyr (Dolgano-Nenets) Autonomous District.

As economic conditions change, increasing unproductive expenses become a heavier burden on these "town-forming" enterprises. Taking into account the mounting social tension in the regions of Russia's North and the importance of a majority of social programs for the populace in the situation when it is impossible to transfer the financing of these programs to local governments, the "town-forming" enterprises take investment decisions and work out production restructuring and employment strategies very carefully.

In order to maintain "town-forming" enterprises and to facilitate the survival of such towns, the Murmansk regional administration has signed cooperation agreements on ensuring the stabilization of their social and economic situation with a number of leading enterprises.

The share of budgetary investment into the economy has dropped systematically in all recent years. However, in such traditionally depressed regions as the Republic of Tuva, Chukotka and Koryak Autonomous Districts, the major part of investment into fixed capital is still financed from the federal budget. In leading regions business activity is maintained due to increasing role and importance of non-governmental sources of investment financing, including both Russian and foreign capital.

In terms of mineral and raw material resources Russia's North is an investment-attractive region. In recent years regions, where export-oriented extracting industries were highly developed, were in the most favorable situation.

Increasing demand for products of timber industry on international and domestic markets was the factor restraining the downfall of investment in fixed capital in the Komi and Karel Republics, as well as in the Arkhangelsk Region, which produces almost 40 per cent of Russia's wood pulp and paper products. As the market of non-ferrous metals changed and exports grew intensively, a slowdown in the decrease of investment was noted in the Murmansk, Magadan, Chukotka Regions, and the Republic of Sakha (Yakutia), alongside with an increase in investment attractiveness of these regions.

As a rule, Russian and foreign investment in the Northern regions follows the investment potential. Therefore, it has been registered that the share of regions characterized by the mono-specialization in the extraction of hydrocarbon raw materials increases.

FIGURE 2.3

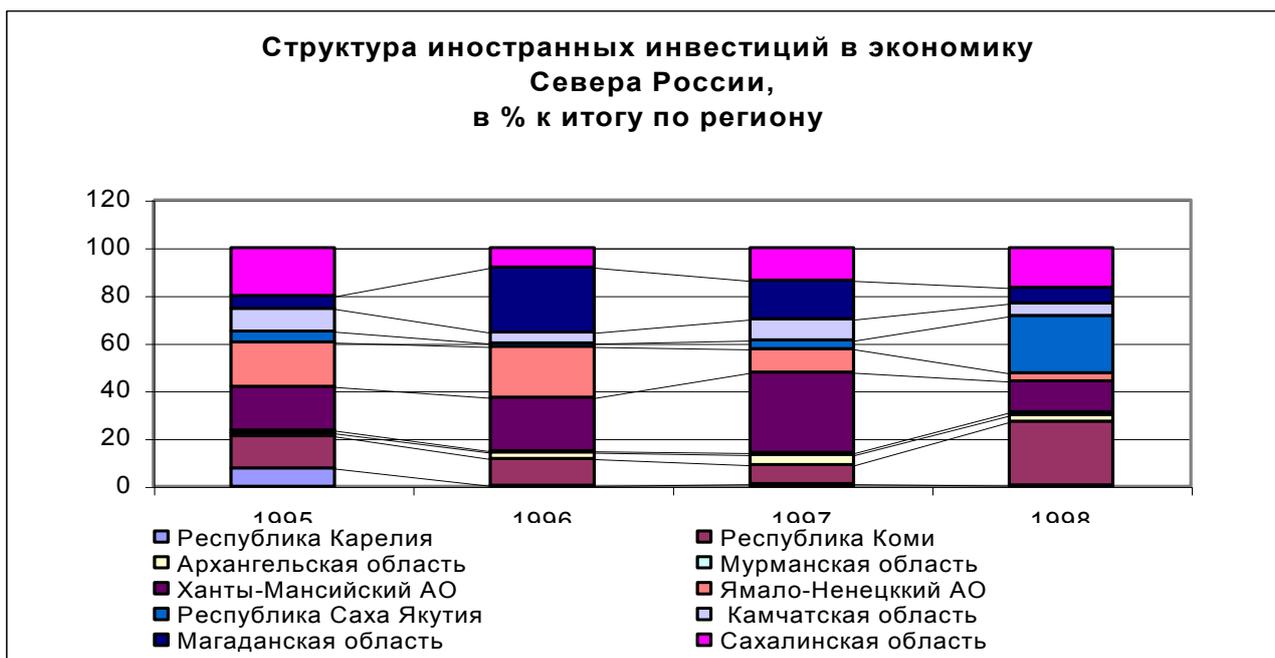


Source: Goskomstat

While analyzing the indicators characterizing the GRP utilization across the territories in the Extreme North and territories with equal status, it shall be taken into account that the levels of end-consumption are determined by the system of indicators characterizing the cost of living, wages, and salaries. At the same time, over the last years the differentiation of regions by the levels of consumption grew due to the dynamics of the downfall in production. The most noticeable decrease in end-consumption was registered in depressed regions characterized by the higher shares of agriculture, for instance, in the Republic of Tyva. The situation was aggravated by the fact that the

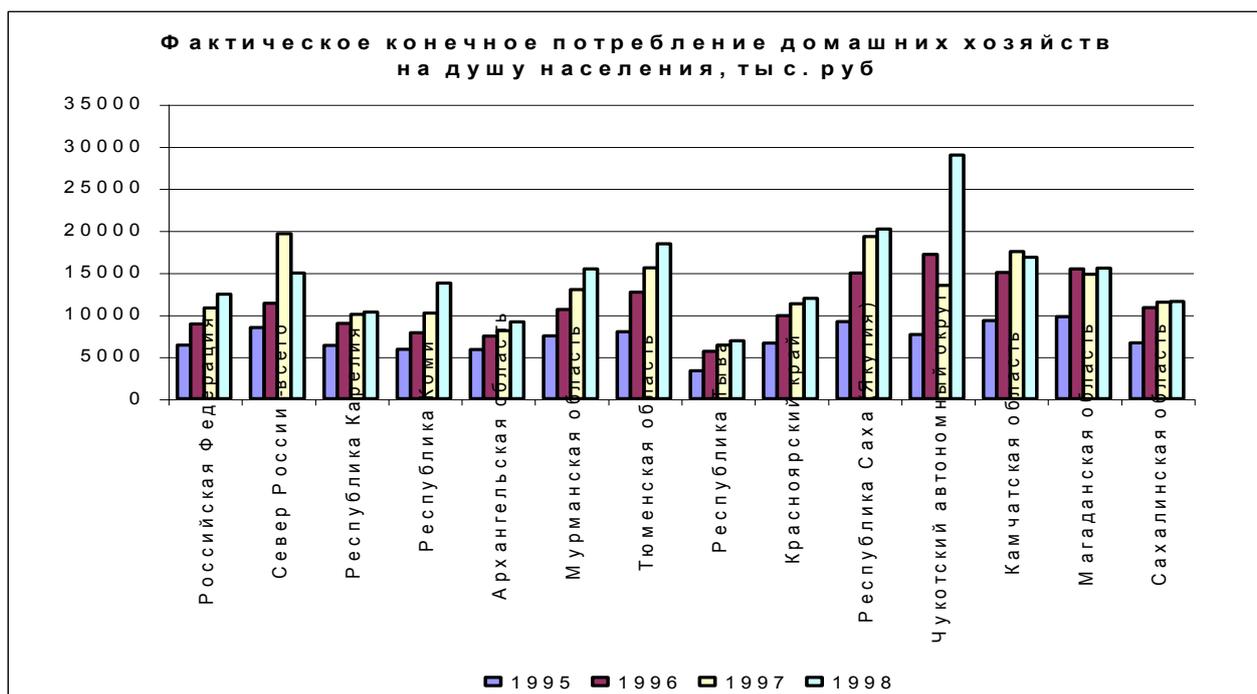
potential of these territories is limited due to the natural, climatic, and economic factors. In order to overcome this situation, it is necessary to pursue an active policy aimed at the restructuring and diversification of regional productions; however, an extremely slow adaptation of the territorial economic agents to shifts in the business situation, the situation on the markets of commodities, capital, and labor, the lack of a prospective investment strategy are the factors braking the recovery of the economic growth and production restructuring. At present, the existing productional structure, limited stable transport communications with other regions determine the place the depressed regions take among the territories requiring the system of the state support.

FIGURE 2.4



Source: Goskomstat

FIGURE 2.5



Source: Goskomstat

1.2.3. Distribution and structure of production in the Russian Northern regions

The character of specialization of the regions in Russia's North is essentially determined by the natural and productional potential of a territory. According to the structure of the productional potential and the character of specialization the following types of Russian Northern regions may be clearly defined:

- Mono-specialization regions (oil and natural gas extraction);
- Mono-specialization regions (coal mining);
- Regions specializing in ore mining and production of non-ferrous metals;
- Regions specializing in fishing and processing of fish and sea produce;
- Regions specializing in utilization of wood raw materials and timber processing.

The Khanty – Mansi, Yamal – Nenets, and Nenets Autonomous Districts are mono-specializing regions (oil and natural gas extraction). The Taimyr, Koryak, and Chukotka Autonomous Districts, as well as the Republic of Sakha (Yakutia) and the Magadan Region specialize in mining and processing of non-ferrous ores. The economies of the Kamchatka and Sakhalin Regions are dominated by food-processing industries. In spite of the rather high level of specialization certain territories in the Russian North are characterized by developed production structures and have potentials to diversify them. These regions include the Murmansk, Arkhangelsk, Sakhalin Regions, the Republic of Karelia, Komi, and Sakha (Yakutia).

In the framework of the traditional system of the productive forces' localization within Russia's territory the districts of the Extreme North were oriented towards export of material and technical products to industrially developed regions in the European and Asian parts of the country, that having determined the domination of extracting industries. On the whole, the consumer market in these territories was formed by imports from other Russia's regions, since the production of consumer goods was unprofitable and accordingly was not developed.

Over the last years the trends toward the mono-specialization have intensified across the Northern territories. Accordingly, the share of extracting industries increased across practically all Northern regions, while the production of the investment complex industries and of socially oriented sectors fell. These developments were caused, on the one hand, by the persisting resource-intensity of the domestic production, and on the other hand, by a trend toward an intensively increasing export of natural and mineral raw materials, fuel resources, and products of their initial processing. In this situation a significant increase in exports was a factor braking the economic slump in the Russian North. A comparative analysis of the dynamics of industrial output across the Russian Northern regions reveals that in regions characterized by a higher share of extracting industries the downfall in production was less pronounced than in the national economy at large. Only the regions where small Northern ethnic groups reside compactly, those depending on the demand of the MIC industries, and territories oriented towards the development of traditionally

depressed industries of the agri-industrial complex and the light industry experienced a more severe recession than the nation at large.

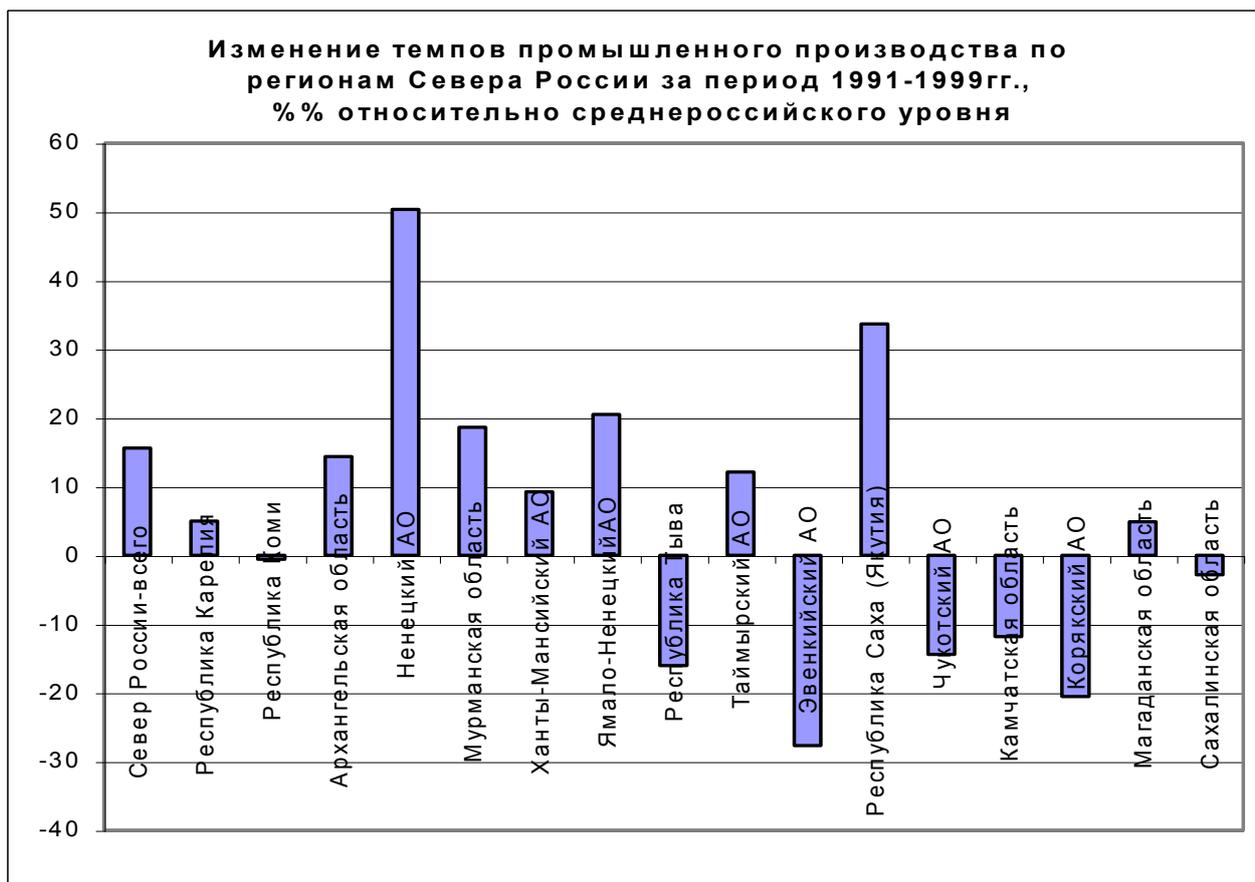
TABLE 2.3. STRUCTURE OF INDUSTRIAL OUTPUT OF THE RUSSIAN NORTHERN REGIONS IN 1999 (% OF THE TOTAL)

	Industry, total	Electric power	Fuel	Non-ferrous metallurgy	Engineering and metal processing	Timber, woodworking, wood-pulp and paper	Light	Food-processing	Other industries
Russian Federation	100	17	15,5	7,7	18	3,9	1,6	13,7	22,6
Republic of Karelia	100	13,9		5,5	6,9	41,8	0,4	10,1	21,4
Republic of Komi	100	15,4	56,5		1,9	16,4	1,4	4,4	4
Arkhangelsk Region	100	17,5	7,8		16,8	44,3	0,4	8,5	4,7
Nenets AD	100	2,7	91				0,2	5,7	0,4
Murmansk Region	100	22,6	0	32,8	3,9	0,4	0,3	17,1	22,9
Tumen Region	100	10,9	81,8		2,2	0,7	0,2	1,8	2,4
Khanty-Mansi AD	100	11,9	84,3		1,7	0,6		0,6	0,9
Yamal-Nenets AD	100	5,4	92,3		0,2	0,1	0,1	0,9	1
Republic of Tyva	100	25,4	14	25,2	1,6	2,3	1,4	13,3	16,8
Krasnoyarsk Area	100	11,7	4,8	57,3	4,4	4,5	0,5	5,4	11,4
Taimyr AD	100	13,2	35,6		1	0,3	1,9	37,4	10,6
Evenk AD	100	26,9	11			15,6		18,3	28,2
Republic of Sakha (Yakutia)	100	12,8	13,6	65,9	0,8	0,7	0,3	4	1,9
Chukotka AD	100	45,1	9,7	40,6	0,3	0,2	0,2	3,5	0,4
Kamchatka Region	100	24,8	0,4	14,9	4,4	0,9	0,2	49	5,4
Koryak Region	100	4,2	1,6	65,9				28	0,3
Magadan Region	100	30,1	2,9	52,0	2,2	0,2	0,1	10,7	1,8
Sakhalin Region	100	19,3	31,1		2,6	4,2	0,1	40,5	2,2

Source: Goskomstat

Northern producers are in a more difficult situation. In the North industrial costs are by 20 to 30 per cent higher than sectoral averages due to a higher share of investment, material, and labor costs. The Northern regions are more affected by the size of the transport component in the production and distribution costs. In the reform period in order to change the present situation enterprises shall aim at increasing effectiveness of major factors of production, and at implementing active policy of restructuring and diversification of their operations. However, the extremely slow adaptation of economic agents to shifts in economic conditions on commodity, capital, and labor markets, the absence of prospective investment strategies became the factors restraining the processes of reviving the economic growth. Besides, in the situation of the restructuring of the Russian economy the raw-material sectors in Russia's North became more dependent on levels and dynamics of tariffs on electric power and transportation. The level of transportation costs in the total production and marketing costs is a major problem for supplying products to the districts of the Extreme North, for the development of interregional relations, and foreign trade.

FIGURE 2.6.

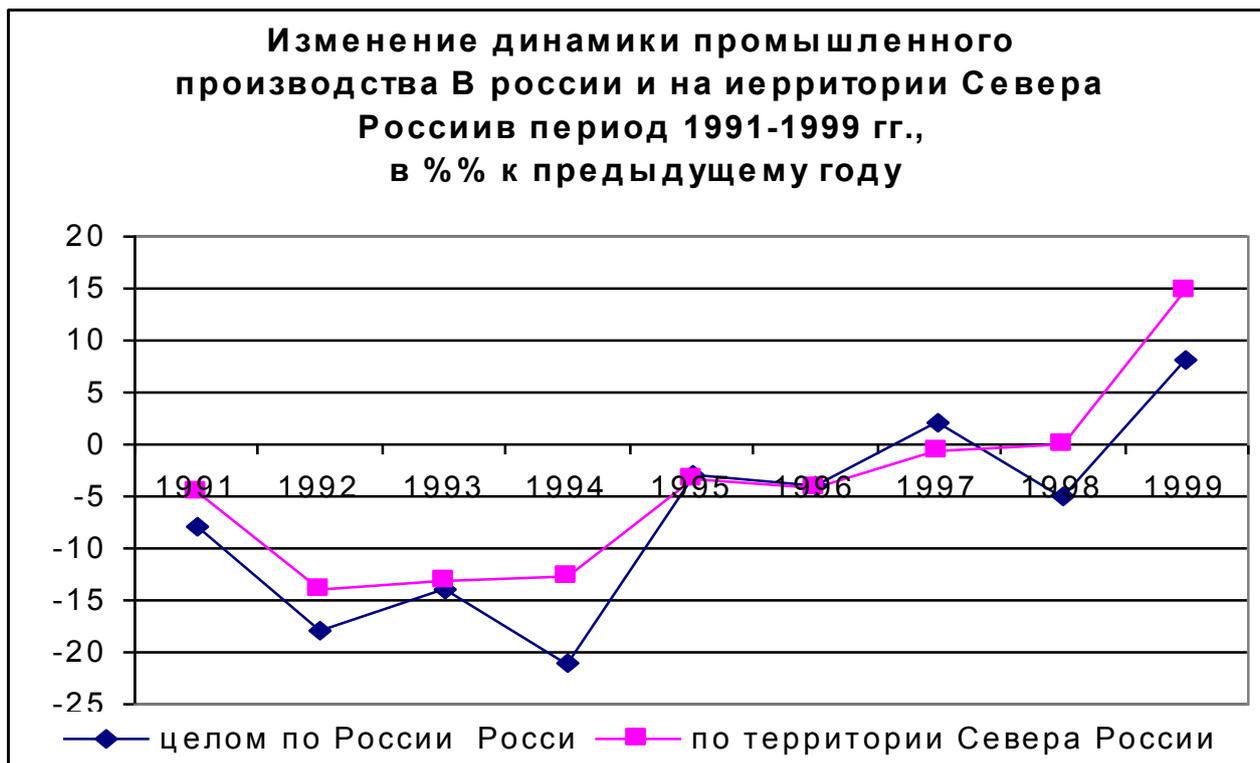


Source: Goskomstat

In 1996 through 1997 the Northern regions demonstrated some signs of stabilization. The stabilization was caused by the intensive development of extracting industries initiated by the favorable business situation related to fuel resource prices. In 1997 ten Northern regions demonstrated an increase in the physical volumes of industrial output. The stabilization of production was supported by moderate dynamics of investment in the fixed assets. The trends, which originated in 1997, determined the inertia of the movement of key indicators of industrial development. At the same time, the volatility and sharp fluctuations of the business situation on commodity and financial markets were the factors destabilizing the level of business activity in the national economy.

In 1997 through 1998 the situation in the real sector of the economy was determined by contradictory trends and factors. The changing business situation on the world market had been significantly affecting the state of the Russian economy and the trends of its development since the autumn of 1997. As world prices of fuel and energy resources plummeted, the exports fell not only in value, but also in physical terms. After a short revival of the business situation in the industry, which occurred in 1997 against the background of increasing output across extracting and processing industries, the Russian economy began to demonstrate depressive trends again. On the whole, over 1998 the total downfall in industrial output made 5.2 per cent and was observed across practically all industries.

FIGURE 2.7.



Source: Goskomstat

As the business situation on the world markets of energy resources and metals changed, the Russian industry demonstrated the trends toward a more pronounced downfall of production in the fuel industry and industries of the metallurgy complex. The slump experienced by the extracting sector of the economy was initiated by the falling demand on the domestic market.

The permanent crisis emerging across world markets of fuel and raw material resources coupled with the abating business activity on the domestic market resulted in more noticeable trends toward a downfall of production in the Russian North in November of 1997 through October of 1998.

The financial crisis of 1998 followed by Ruble devaluation differently affected the sectors of the economy. As the domestic business situation changed and the demand for competitive Russian-made products increased, the Russian economy has demonstrated a stable trend towards economic growth since October of 1998. This trend was initiated by the wave of import-replacing and the increasing effectiveness of export operations; it was prominent across practically all sectors and regions of the national economy. The growing in physical terms volumes of the export of Northern staples have somehow mitigated the negative impact of the falling world prices and were a factor behind the stabilization of the situation.

In 1999 the economic situation in the Russian economy was positively affected by the processes of business revival in industry, and by the favorable changes occurring on the world markets of fuel, natural, and raw material resources. By end-1999 the increase in the volume of industrial output made 8.1 per cent in the country at large and 14.7 per cent in the Russian North. In 2000 the persistence of trends toward economic growth was registered.

TABLE 2.4. DYNAMICS OF INDUSTRIAL OUTPUT IN THE RUSSIAN NORTHERN REGIONS, % OF THE PREVIOUS PERIOD

	1997	1998	1999	2000*
Russian Federation	102	95	108,1	110
Republic of Karelia	101	97	120,6	111,4
Republic of Komi	100,1	99	102,2	106,9
Arkhangelsk Region	100,3	103	122,5	132,1
Nenets AD	109	100,6	105,9	113,7
Murmansk Region	113	95	105,2	108,9
Tumen Region	100,2	99,4	102,1	107,3
Khanty-Mansi AD	102	99,8	101,9	106,4
Yamal-Nenets AD	98	99	98,7	100,4
Republic of Tyva	86	96	110	108,6
Krasnoyarsk Area	100,4	99,1	108	106,1
Taimyr AD	68	89	102,4	102,3
Evenk AD	94	70	86,5	157,6
Republic of Sakha (Yakutia)	95	103	105,9	105,7
Chukotka AD	93	81	90,4	107,8
Kamchatka Region	94	95	94,5	112,1
Koryak Region	87	108	93,2	135,5
Magadan Region	103	96	98,1	102
Sakhalin Region	96	104	107	105,7

*January - August 2000 y.

Source: Goskomstat

The export-oriented production in the Russia's Northern regions is based on industries of fuel and energy, metallurgy, and forestry complexes, as well as on fish industry. The share of the Northern regions in the total Russian exports is increasing at a rather stable rate; in 1999 the increase equaled 30.7 per cent as compared to 21.9 per cent in 1998 (as per the Ministry of Economy estimates).

The dynamics and structure of exports differ substantially across individual regions and depend on fluctuations on the world market. It shall be noted that as Russia integrates into the world economy fluctuations of foreign markets increasingly influence the dynamics and structure of regional economies. Unfavorable prices of natural and raw resources had a negative impact on the financial situation of enterprises and local budgets in the Russia's North in 1998.

The oil and natural gas extracting regions have retained their dominating role in the export potential of the Russian North. In 1999 an intensive development of fuel industries was registered against the background of changes in the business situation on markets of oil and oil products. The recovery of positive dynamics of oil extraction was observed over 1999 and early 2000. In 1999 the increase in the oil extraction in the Khanty – Mansi AD made 1.9 per cent, in the Nenets AD – 6/6 per cent, in the Sakhalin Region – 8.3 per cent. As a result, the share of exported oil grew and made 44.2 per cent of the total volume of oil extracted in 1999, in January through July of 2000 the oil exports grew even more reaching 48.2 per cent of the total volume of extraction. Due to active foreign trade and the stable growth of the favorable balance of trade these regions were able to launch a package of policies aimed at the settlement of productional and social problems.

The enterprises of the timber complexes in the Republics of Karelia and Komi, and the Arkhangelsk Region maintain rather stable positions on the external market due to a favorable

market situation. In 1999 the lumber output in the Republic of Karelia increased by 22.6 per cent, in the Republic of Komi – by 25.9 per cent, in the Arkhangelsk Region – by 6.7 per cent, as compared to 1998 figures. These regions are major lumber and timber suppliers of wood products on the West European market. An active policy they pursue in terms of the improvement of production technologies, broader nomenclature and variety of end-products, and the attraction of foreign investors allow the complex of enterprises of timber, wood-working, and wood pulp and paper industries situated in the Russian North to retain and expand their sales markets.

The Norilsk Industrial District plays a special role in the economy of Russia's North. RAO "Norilsk Nickel" is a world largest integrated metal mining and metallurgy company. The brisk demand arising on the domestic market in 1999 positively affected the dynamics of the non-ferrous metals output. RAO "Norilsk Nickel" increases both the exports and the realization of its products on the domestic market. In 1999 the increase in the output of non-ferrous metallurgy made 8.5 per cent, and in the first half of 2000 – 15.0 per cent as compared with the same period of the previous year.

On the whole, taking into account the unique mineral, raw material, natural, and biological resources, the level of productive, economic, and investment potential there is no alternative to the continuation of developing the North from the standpoint of interests and development prospects of the national economy. This assertion is supported by an increasing role the Russian North has been playing in the processes of the economic recovery in 1999 through 2000.

1.2.4. Demographics and employment.

The population of the Northern regions constitutes a unique demographic combination with no parallel in other parts of Russia. Its key distinction from any other population residing in other territories is that it was formed not by natural self-reproduction, but via migration. In the early 20th century the populace of these regions was below several hundred thousand; however, the requirement to develop the enormous natural resources of the North and to strengthen the Northern and Eastern borders of Russia stimulated mass in-migration from other Russian regions. The settlement of the North on the largest scale occurred in the Soviet period: over a few decades the population grew by many times, the peak was reached in 1970s through 1980s. While the total population of the Russian Federation increased by mere 13.4 per cent over the period from 1970 census to 1989 census, the increase in the population of the North made 30 per cent over the same time. There are regions (mainly in the Extreme North) where the population grew even more – by four to six times over the same time (the Khanty – Mansi AD and Yamal – Nenets AD, which experienced a migration boom related to the development of Tumen oil deposits). Due to these processes the internal proportions of the distribution of the population across the Northern regions shifted: while in the past more people traditionally settled in the European North, now only 16 per

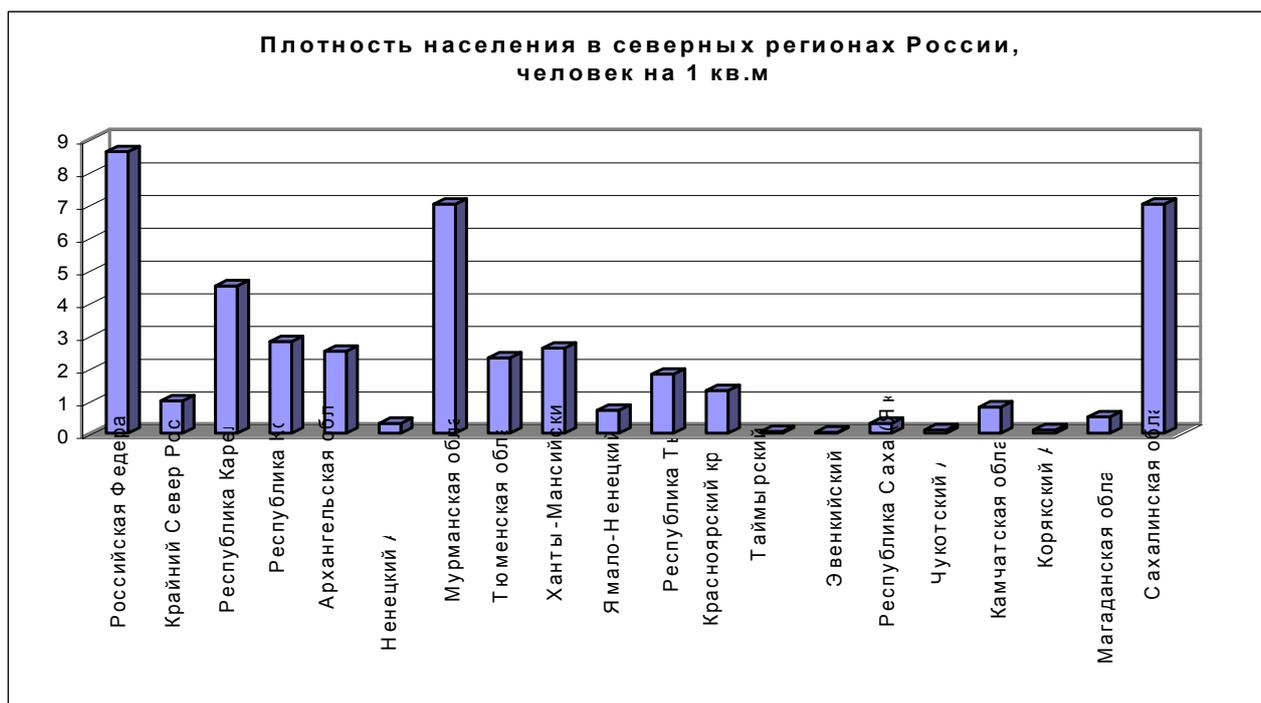
cent of the total Northern population still resides there; at the same time, 84 per cent of this population live in the Russian Asiatic North.

The territory of the Russia's North is sparsely populated; the major part of the populace concentrates around "town-forming" enterprises and along transport routes. By the criteria of the density of population and economic use of the Northern territories they may be divided into the following groups:

- Territories traditionally inhabited by small aboriginal peoples and ethnic entities of the North;
- Territories traditionally inhabited by a mix of small Northern ethnic groups and Russian-speaking populations;
- Not easily accessible districts and territories, which have been developed since 1930s.

In Russia at large the density of the population makes 8.6 persons per 1 km², while the average density of the population in the districts of the Extreme North and territories with equal status is about 1 person per 1 km². A specific feature of the Northern population is that it inhabits an enormous territory (Fig. 2.8).

FIGURE 2.8.

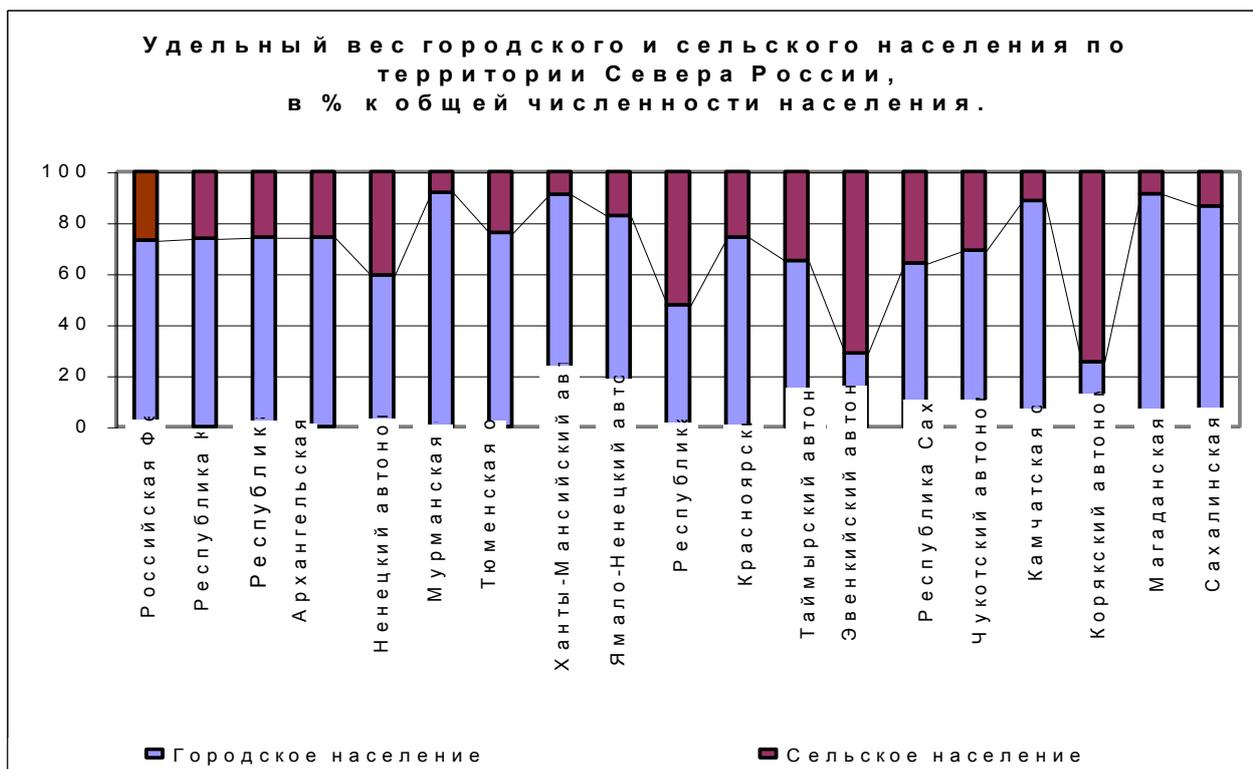


Source: Goskomstat

The character of the development of the Russian Northern territories and especially the degree of its industrial development has brought about an increase in the share of urban population. On the whole, the share of urban dwellers in the total populace is ranked among the largest in the country. The average share of the urban population in the North makes 78 per cent, while in Russia at large this indicator is at about 73 per cent. The European North is especially urbanized, the share of the urban population there is close to 80 per cent (Fig. 2.9). In the regions characterized by active industrial development of territories, for instance, in the Murmansk Region and in the Khanty – Mansi Autonomous District the share of the urban population is over 90 per cent. Such developed

regions as the Republics of Karelia and Komi, the Sakhalin Region, and some others also exceed the average Russia's level. The depressed regions are as a rule characterized by higher shares of the rural population and are the areas, where small Northern ethnic groups reside compactly. To a considerable degree it is related to the natural and climatic conditions, which are extremely unfavorable for the agriculture; only traditional occupations of the aboriginal inhabitants, such as reindeer breeding and fishing are the exceptions.

FIGURE 2.9.



Source: Goskomstat

The significant concentration of the population in towns increases the differentiation of territories by the density of the population. The European North at large and the Murmansk Region in particular, as well as districts adjacent to the Trans-Siberian Railroad are relatively more densely populated. All these territories are relatively long-inhabited, and the majority of them is considered to belong to the North due to the fact that the respective administrative entities include districts listed among the districts of the Extreme North and the territories with equal status. These regions are characterized, on the one hand, by higher levels of the economic and social development, the developed agriculture, considerable density of population, there are situated large cities. On the other hand, the population of these territories is more stable and its age composition is to the least degree deformed by constant migrations, while its ethnic composition is more homogenous.

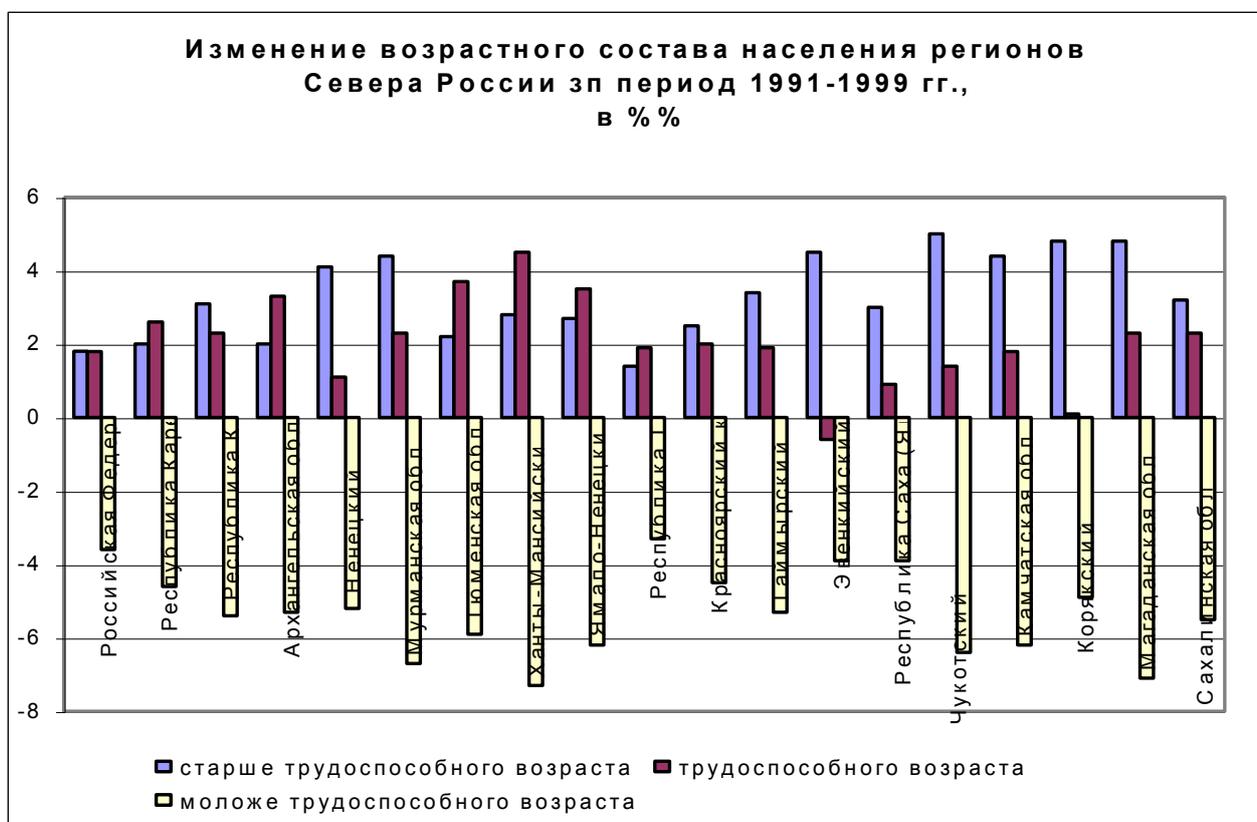
The least density of population is observed in the Nenets AD (the European part of Russia) and in Yakutia, the Northern part of the Tomsk and Tumen Regions, the Krasnoyarsk Area, in the Kamchatka and Magadan Regions (in the Asiatic part). All these regions radically differ from other Northern territories due to the extremely severe natural and climatic conditions. The specific feature of these regions is that the population there is scattered over an enormous territory, practically all

settlements are characterized by small numbers of dwellers and are situated at a great distance from each other (three times over the all-Russian average). The settlement specifics render impossible to create a normal social infrastructure adequate to the requirements of the populace.

The specific feature of the Northern population mostly related to intensive migration is its relatively young sex age structure (as compared with Russia at large and its individual territories). While in 1999 the all-Russian average share of persons over 60 years old made 20.8 per cent, in the North it was below 11.0 per cent. In regions characterized by overactive migration the share of the old age group was even less: in Yamal – Nenets Autonomous District it was registered at 5.4 per cent, in Khanty – Mansi AD – at 7.0 per cent. It shall be noted that before early 1990s the share of old age groups constantly diminished at the expense of the old people migrating outside the regions characterized by extreme natural and climatic conditions, higher costs of living, underdeveloped social infrastructures, and (what was of a special importance to the old) underdeveloped medical care system. However, over the last years the rising costs of travel and deteriorating living standards decelerated this process.

An analysis of demographic processes reveals that a rather steady growth of the share of population groups above the working age took place against the background of the general trend towards a decrease in the size of the population residing in the territories of the Russian North.

FIGURE 2.10.



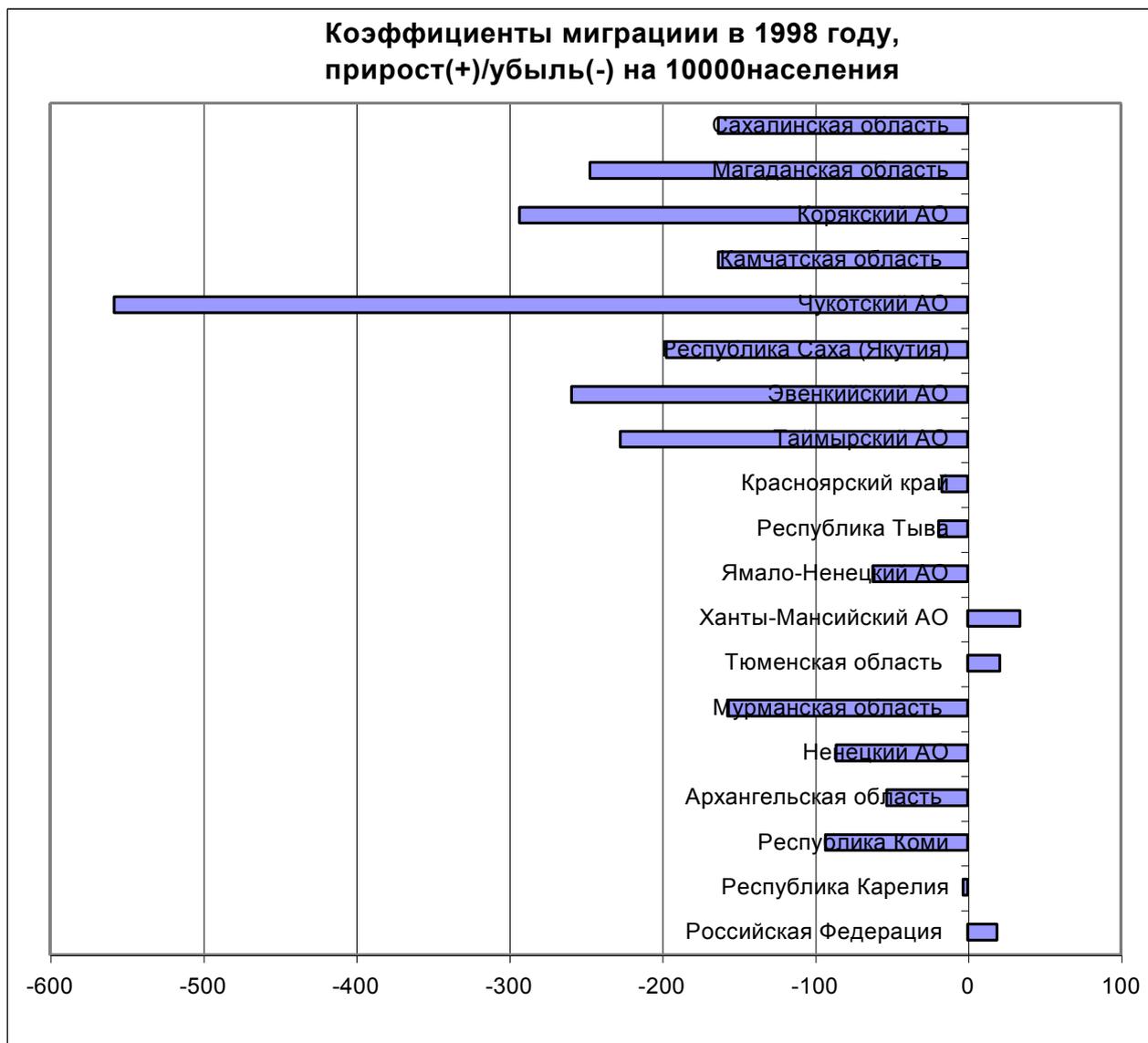
Source: Goskomstat

Over last ten years the share of population above the working age has increased by 1.8 times in the Yamal – Nenets, Khanty – Mansi, Evenk, and Taimyr Autonomous Districts; by 2.2 times in the Kamchatka and Magadan Regions, and in the Koryak Autonomous District, while in the

Chukotka Autonomous District it increased almost fourfold. These circumstances determined an intensive growth of coefficients of the demographic burden.

Over last years, the growing migration of the populace to regions with more favorable natural and climatic conditions, and the negative impact of social, ecological, and economic factors on the demographic situation in the region have been responsible for the diminishing size of the population of the Russian North.

FIGURE 2.11.



Source: Goskomstat

In 1980s the annual migration turnover in the Northern territories made above two million people; its balance was stable and positive. Since the start of economic reforms the migration balance has turned negative. The North-East regions suffered most, their total population diminished by almost 20 per cent in 1991 though 1999: in the Magadan Region the population decreased by 36.8 per cent, and in the Chukotka Autonomous District it fell by 50 per cent. Thus, the North-East was responsible for about 60 per cent of the aggregate migration outflow from the North. The European North was the second largest loser; the population of these territories diminished by 8.4 per cent. Only Northern Siberia, where the provinces extracting the major part of

oil and natural gas are located, the population has not decrease. Moreover, the migration was responsible for an increase in the population of the Khanty – Mansi AD and Yamal – Nenets AD. It shall be noted that similar trends were registered in the Irkutsk and Tomsk Regions, as well as in the Buryat Autonomous District. We may suggest that exactly these regions to a certain degree served as “transit stations” registering the transitional migration of people from more remote regions of the Russian North. As per Goskomstat estimates only 10 per cent of migrants to Southern regions were eligible for the governmental housing program.

The migration turnover was to a significant degree affected by the population make-up according to sex and age. Spontaneous migration was more characteristic of the most able-bodied and active part of the populace, who had better chance for employment in other regions. These processes are accompanied by a deterioration of the demographic structure and therefore lead to a faster growth of social burden on local budgets and the federal budget, which have to ensure the social guarantees for the retired and the people residing in the North, against the background of shrinking revenue base of the budgets.

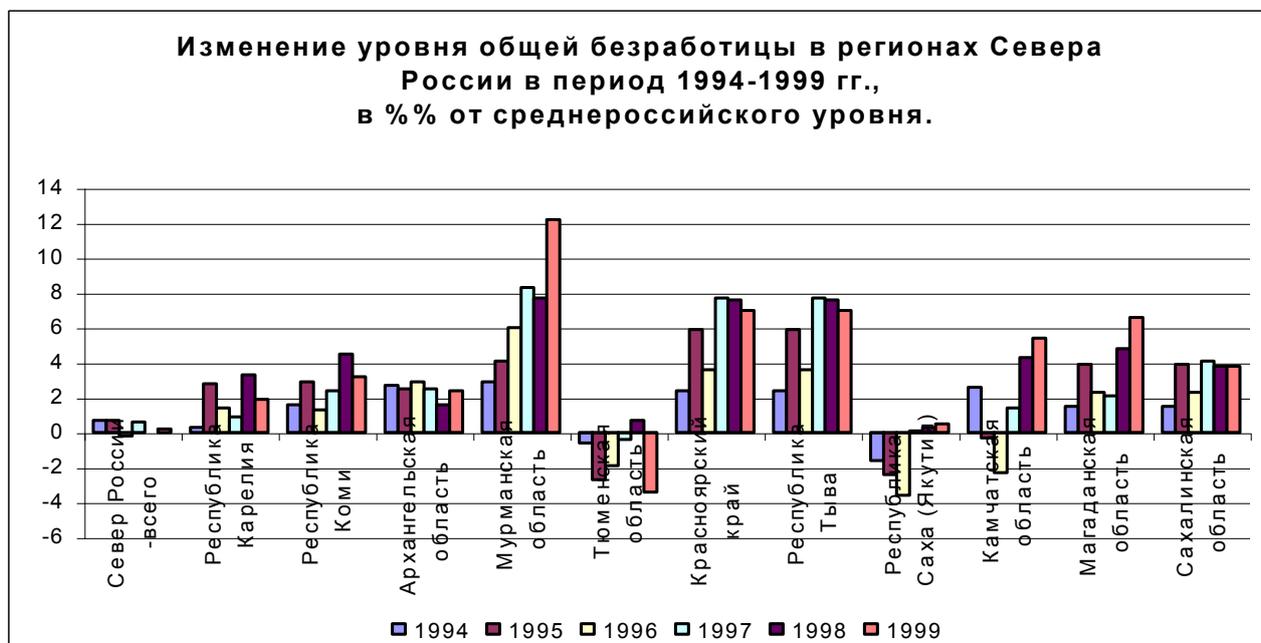
As the social and economic conditions radically change, the traditional state policy in the sphere of the formation of labor resources in the North basing on laws adopted at the time the administrative and command methods reigned supreme faces the conflict between the traditional practices of regulating social relations and the principally new market mechanisms. The fast increase in the share of the retired, especially in the North of Russia’s European part is an example of this conflict. It illustrates the lack of the strategy aimed at the formation of the geo-socio-economic environment suitable for the people to live and work in; no timely and appropriate measures were undertaken to prevent the undesirable processes in the population reproduction and the localization of the productive forces in regions characterized by extremely severe natural and climatic conditions. In this context a typology of regions based on the criteria of the share of the populace above the working age in the total populations may be of certain interest.

Due to the economic slump an increasing share of surplus populace is typical for all Northern regions. In the relation to the specifics of the demographic processes taking place in the regions of the Russian North these territories traditionally demonstrate higher shares of employable population. The all-Russian average share of employable population made 58.9 per cent in 1999 as compared with 64 per cent registered in the Russian North. It shall be noted that the largest shares of employable population were registered in the regions characterized by especially severe conditions: Chukotka (69.0 per cent), Magadan Region (69.2 per cent), Taimyr (66.3 per cent), Northern part of the Tumen Region (69.0 per cent). This factor was behind a sharp rise of the unemployment at the time the demand for labor was falling.

Specifics of the labor market in the North are related to the features of the placement and development of productive forces. A considerable number of jobs is directly or indirectly connected

with the extractive sector of the economy and industries for initial processing of fossil and natural raw materials. Since the majority of enterprises are “town-forming” ones, the level of economic activity is a regulating parameter for local and regional labor markets. The problems of general and local unemployment aggravated in the situation of the economic slump. The indicators of the total and registered unemployment in the Russian North at large are considerably above the all-Russian average. Tensions on labor markets are aggravated by the fact that the remoteness of the Northern regions from major populated areas. A sharp increase in the transportation tariffs taking place against the background of falling nominal and real incomes cut many residents off interregional markets. Judging by the combination of indicators characterizing the labor market, only provinces producing oil and natural gas (the Khanty – Mansi AD and Yamal - Nenets AD, as well as the Republic of Sakha) were in a relatively good situation and disposed of financial resources to settle social problems and create new jobs.

FIGURE 2.12



Source: Goskomstat

A rather stable group of regions with depressed labor markets has formed in the Russian North. This circumstance made more pronounced the differentiation of the Russia’s regions according to the levels of officially registered unemployment. It seems that this development may be explained by rather intensive processes of the employment restructuring. The levels of registered unemployment in the Arkhangelsk and Murmansk Regions, in the Republics of Karelia and Komi are sufficiently above the national average that being related to the dominance of depressed industries within the lumber industrial complex, coal mining, and the military and industrial complex (MIC). The unemployment in the regions, where the fossil fuel and noble metal deposits are actively developed, the unemployment remains at about the all-Russian average.

The interregional variance of indicators not only provides the information about the real situation of the labor markets, but also reflects the flaws in the data formation and collection

methods. In particular, it is evident via discrepancies between the levels of officially registered and total unemployment that being determined by the specifics of the application process set by the employment agencies and a number of other factors.

The volume and structural indicators of the employment in the Russian North are the most important factors determining the complex of problems of the social and economic development. A characteristic feature of the Russian North is the higher share of employment in industry and construction. The transformation processes underway in the Russian economy are accompanied by an intensive dismissal of labor in exactly these sectors. The limited potential of production diversification at the level of enterprises, industries, and regions, as well as the high level of mono-specialization aggravate the development of negative processes on the labor market. A considerable number of newly created jobs directly or indirectly depends on the stability of basic resource industries. An illustration of this is the trend towards the deceleration of unemployment growth rates in regions with extractive industries, which has been registered since the second half of 1999.

TABLE 2.5. REGISTERED UNEMPLOYMENT LEVELS, %.

	1992	1993	1994	1995	1996	1997	1998	1999
Russian Federation	0,8	1,1	2,2	3,2	3,4	2,8	2,9	2,1
Republic of Karelia	0,9	1,8	3,5	5,4	6,4	6,2	6,0	3,8
Republic of Komi	1	1,7	4,5	5,5	4,9	6,2	6,2	4,6
Arkhangelsk Region	1,5	3	5,1	8	7,7	8,1	6,3	3,4
Nenets AD	0,7	2,2	4,6	7,3	6,7	5,4	7,7	
Murmansk Region	2	2,2	4,2	5,9	5,7	5,4	6,0	4,3
Tumen Region	0,3	0,6	1,5	2,9	2,9	2,4	4,1	2,7
Khanty-Mansi AD	0,3	0,4	1,8	2,3	3,3	3,3	5,5	
Yamal-Nenets AD	0,3	0,7	2	2,5	3,3	3	4,8	
Republic of Tyva	0,2	0,7	1,6	2,8	3,4	2,9	4,9	
Taimyr AD	0,5	1	2,3	3,7	4	4,1	5,2	
Evenk AD	0,3	0,6	1,3	2,3	6,9	5,2	5,7	
Republic of Sakha (Yakutia)	0,2	0,2	0,6	0,9	1,5	1,7	2,5	2,1
Chukotka AD	1	1,8	3,5	4,5	3,4	3,3	3,1	
Kamchatka Region	1	1,3	2,3	4,1	3,5	3,7	4,6	5,0
Koryak Region	0,7	1,2	2,6	5,1	6,7	6,6	8,9	
Magadan Region	0,9	1,3	2,4	2,2	2,4	2,8	4,3	4,7
Sakhalin Region	1,7	2	3,5	4,6	3,4	3,3	6,1	5,8

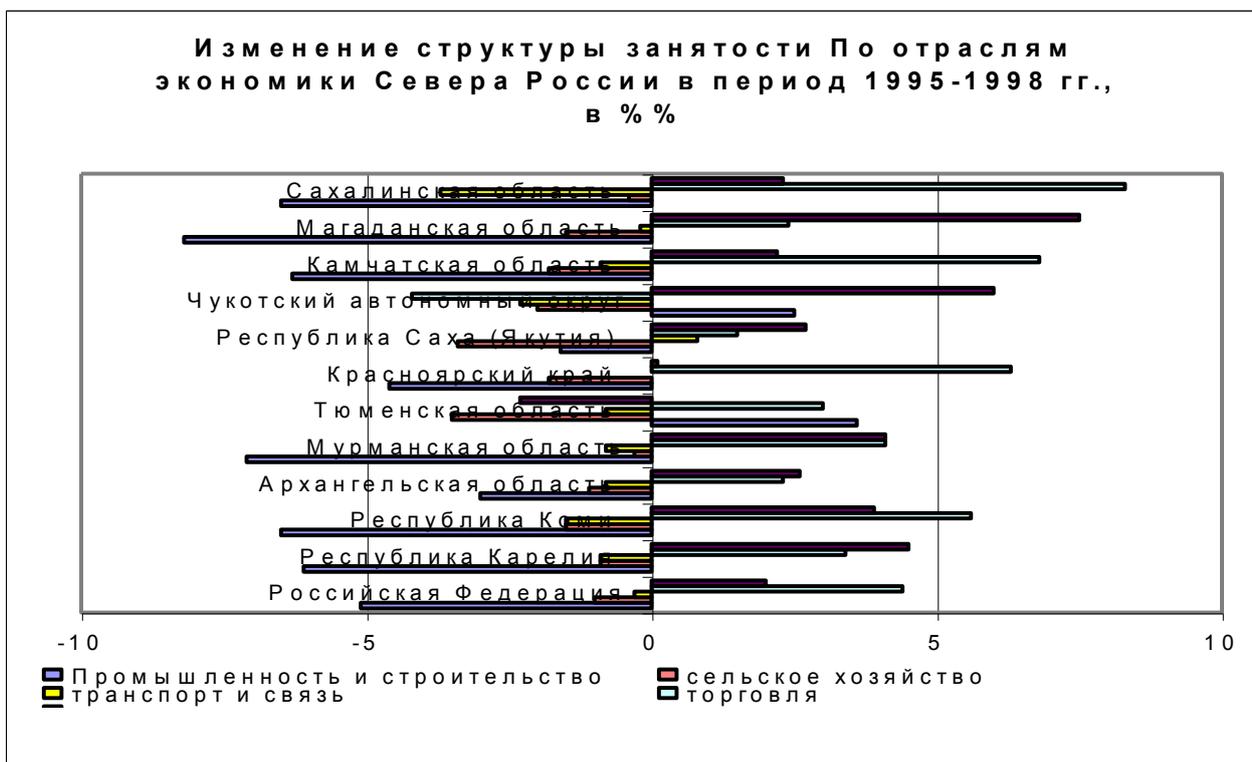
Source: Goskomstat

In the first half of 2000 the number of employed by enterprises and organizations located in the districts of the Extreme North and territories with equal status increased by 1.9 per cent as compared with the same period of the previous year. The most intensive growth of employment was registered in oil and natural gas extracting regions: the Khanty Mansi AD (5.8 per cent) and Yamal Nenets AD (5.2 per cent). Some positive trends on the labor market were also registered in the Republics of Sakha (Yakutia), Komi, and Karelia, which had for a long time experienced the

decrease in the number of employed. As the demand for labor grew, the total unemployment decreased and the burden of the unemployed population on employment agencies in terms of the number of applications per vacancy was relieved. The difficult situation persisted in the traditionally depressed regions.

Over the period of reform, there have been observed the processes of intensive inter-sectoral redistribution of employment occurring against the background of the general decrease in the size of labor resources. The trend toward the restructuring of employment was caused by the shifts in the structure of the produced GDP of Russia: the share of goods diminished, while the share of services grew. On the whole, in the Russian North the decrease in the number of the employed was in part compensated with the growth of employment in the non-productive sphere, what may be evaluated as a positive factor from the standpoint of the prospective development of Russia. However, it shall be taken into account that the redistribution of labor resources among the sectors of the economy of the Russian North is rigidly limited by the dynamics of the creation of new jobs.

FIGURE 2.13.



Source: Goskomstat

While analyzing the specifics of the labor market in the Russian North, it shall be noted that a higher level of employment was retained at enterprises belonging to the public sector of the economy. A factor behind the regional specifics of the labor market in the Russian North is the specific conditions for the regulation of social, economic, and labor relations. For instance, payments related to the regional coefficient and polar benefits due to the employees of public enterprises reduce the incentives for the development of individual businesses. Since in the majority of cases wages are the only source of income, the impact of this factor is hard to underestimate. The conservative nature of the institutional structure is closely related to the level of household incomes,

the system of social guarantees, and the trends of development of the commodity and service markets. The elaboration of the forms of the employment, which would be adequate to the conditions existing in the North, is the determining factor for the regulation of the social and economic development. In this connection, it seems expedient to single out and substantiate the spheres of labor activities, which shall be encouraged via a system of incentives, including compensation payments, maintained by the state. The state regulation of Northern labor markets through the introduction of a contract system to be applied for all new employees in the public and market sectors and the use of the “shift method” [long-time stationing of the personnel at remote enterprises alternated with equally long periods of staying at home] shall facilitate the transformation of the existing system of social guarantees and compensations and encourage business activity.

TABLE 2.6. DISTRIBUTION OF THE EMPLOYED IN THE RUSSIAN NORTH REGIONAL ECONOMIES BY FORMS OF OWNERSHIP, % OF THE TOTAL

	1996			1998		
	Form of ownership			Form of ownership		
	Public and municipal	Mixed	Private	Public and municipal	Mixed	Private
Russian Federation	42	22,4	35,6	38,1	18,7	43,2
Republic of Karelia	48,8	25,1	26,1	49,1	24,5	26,4
Republic of Komi	55,9	27,6	16,5	46,9	28	25,1
Arkhangelsk Region	53,4	24	22,6	53,3	20,6	26,1
Nenets AD	53,5	22,2	24,3
Murmansk Region	50,3	25,3	24,4	50,1	19,8	30,1
Tumen Region	35,2	35,9	28,9	31	38	31
Khanty-Mansi AD	27,6	48,2	24,2
Yamal-Nenets AD	28,7	50,6	20,7
Republic of Tyva	59,8	16,6	23,6	58,7	5,1	36,2
Krasnoyarsk Area	44,8	26,9	28,3	39,4	23,3	37,3
Taimyr AD	50,2	36,7	13,1
Evenk AD	75,5	10,2	14,3
Republic of Sakha (Yakutia)	58,1	22,4	19,5	51,5	18,7	29,8
Chukotka AD	74,4	7,6	18	74,8	10,2	15
Kamchatka Region	47,7	14,2	38,1	49,8	8,6	41,6
Koryak Region	60,2	8	31,8
Magadan Region	51,9	20,6	27,5	47,3	17,4	35,3
Sakhalin Region	52	25	23	41,9	16,7	41,4

Source: Goskomstat

In regions of Russia’s North the implementation of traditional state policy in social and labor relations basing on laws adopted at the time administrative and command methods prevailed has lost its regulatory functions, new concepts and mechanisms are at the stage of elaboration. Currently, the concept of forming labor resources in Russia’s North is basing on a combination of state regulation methods as concerns employment processes and social guarantees to employees of state-owned enterprises and organizations on the one hand; on the other hand, a mechanism ensuring an increased responsibility of non-state employers in issues of inviting workers to Northern regions and providing social guarantees for them is in the process of elaboration.

The concept of the state regional policy of the development of Russia's North shall be elaborated on the basis of strict power-sharing arrangements between federal and territorial authorities, as well as a regulatory mechanism for inter-budgetary relations. This will ensure necessary flexibility and dynamism while meeting social security standards, and taking into account local specifics. The settlement of these problems depends on the improvement of both budgetary and labor legislation.

The transition to market relations accompanied by a sharp softening of the state regulation painfully affected the social and economic situation in the Northern regions. Notwithstanding the fact that over the years of reforms the downswing of industrial production has been less pronounced than in the country on the average, the decline in the real incomes of people residing in the North and the level of unemployment have manifested themselves more sharply. The living standards and employment of the small Northern aboriginal peoples were most affected.

The existing system of the state support of the Northern regions includes federal target programs, regional and sectoral programs, state guarantees and compensations for persons working and residing in the districts of the Extreme North and territories with equal status, the system of deliveries to these districts, the measures of state support of certain objects, economy complexes, and localities. The Northern territories (along with other regions) are recipients of transfers from the Federal Fund for Financial Aid to the Subjects of the Russian Federation and from other special funds.

The existing system of the state support retains the features inherent to the traditional administrative and command model and does not take into account the dynamic character of changes in the economy of the Russian North. First of all, it concerns the ambiguous definition of the recipient of the support "districts of the Extreme North and territories with equal status," "Northern districts with limited duration of delivery of goods (products)," "districts inhabited by small Northern aboriginal peoples." The lack of clear criteria of the district delimitation results in the conservation of the system and nature of the granting of Northern guarantees and compensations, and in an excessive eligibility for them.

The factors behind the low effectiveness of the current system of the state support for the economic and social development of the Northern districts are of the normative, legal, and institutional nature.

The normative and legal basis of the state support of the social and economic development of the Northern districts has not become the system of interrelated and complementary laws yet. Federal laws are poorly adjusted to the changes, which have occurred in the national economy, and take little heed of the potential of the federal budget and the budgets of the RF subjects. Presidential decrees and decisions of the RF Government are mainly aimed at the settlement of individual problems faced in the course of the social and economic development of the North. A number of

normative and legislative acts determining the policies related to the sphere of the state support are often amended, what results in drastic transformations of the mechanism of the state support of the deliveries to the Northern districts. The priorities, principles, and norms of the allocation of financial aid to regions have not been formulated.

The intensity, with which the principally new institutional structure of economy in the Northern districts is forming (various forms in which the conversion into joint stock companies, the creation of extraterritorial financial and industrial groups, and vertically integrated companies occurs), is only loosely connected with the RF legislation on the use of mineral resources, on natural monopolies, on competition and anti-monopoly activities, on corporations, on foreign investment. The regulation of the operations of vertically integrated companies is of a special importance; although they are donors of the federal budget, they have only occasionally participated in the social and economic development of areas in the Russian North where they operate.

Provisionally, the districts of the Russian North may be divided into actively developing and depressed ones. It is obvious that forms, methods, and priorities of the state support to these regions shall vary depending on this type. The state support shall become selective, for these purposes the practice of granting territories the status equal to that of the districts of the Extreme North on the generalized basis shall be abandoned, and the territories shall be differentiated by concrete criteria. The new division into districts of the Northern territories shall be carried out according to the natural and climatic conditions, thus providing a basis for the reform of the wage system, social guarantees and compensations, and the regime governing their financing currently in force in the Northern regions. It will permit to form a flexible system of target-oriented provision of the state support to the Northern regions and to set a limited range of guarantees and compensations for citizens working in the districts with discomfort living conditions.

A better effectiveness of the state support depends on the active position of the Federal Center in questions of settlement and migration of the population, the wider application of the "shift method" in the economy, ensuring the deliveries of products, etc. The intensification of this interaction is of the profound importance for the future of the Russian Federation and its Northern regions.

Part 2. Financial flows from the federal budget to the northern regions

The financial relations with the northern regions have always occupied a special place in the system of relations between the federal budget and budgets of the Subjects of the Federation (*hereinafter referred to as 'the Subjects' - transl.*) First, because of the limited transport accessibility of some areas within the northern regions, the federal government provides its financial support to the regional authorities to finance an early supply of some goods to the noted areas. Secondly, there is a big number of federal expenditure programs aimed at changing the existing proportions in the volume and structure of the population in the Northern regions, support to the local aboriginal population, etc. On the other hand, a number of the Subjects, which are attributed to the Far North regions in terms of their territories, possess mineral and hydrocarbon deposits and traditionally are donors to the federal budget, thus not claiming for any financial support from it. The purpose of the present research is to evaluate financial flows between the federal and the northern regions' budgets for the purpose of developing recommendations on optimization of the system of federal financial support to the northern regions.

Due to the fact that the concept of 'Northern regions' is not a legislatively defined term, there are different criteria employed for classifying the Subject as the Northern region: one may, for instance, employ such criteria as the region's geographic location, existence of the Far North areas within that, adding specific local coefficients to salaries and wages there, the presence of the Northern Supply to some areas within the Subject, and discomfort related to residing there. For the purpose of the present research, we have employed several criteria to attribute the particular region to the noted category, providing that it was its geographic location that was considered a major criterion. As a result, below we regard as the Northern regions 16 Subjects that fully or partially are located to the North from latitude 60° North: that is, Arkhangel'sk Oblast, Kamchatka Oblast, Kotlyak AO, Krasnoyarsk Krai, Magadan Oblast, Murmansk Oblast, Nenetsky AO, Republic of Karelia; Republic of Komi; Republic of Sakha, Taymyr AO, Tymen Oblast, Khanty-mansy AO, Chukotka AO, Evenk AO, Yamal-Nenetsky AO.

2.1 General overview of relations between the federal budget and the Northern regions' budgets

2.1.1 Non-targeted federal financial support

As long as the composition of the non-targeted financial support from the federal budget is concerned, let us consider, separately, transfers from the Federal Fund for Financial Support of Regions, subsidies to ZATO (Closed Administrative- Territorial Entities), funds assigned under

mutual settlements schemes, budget loans, and funds transferred to budgets of the Subjects from the federal targeted budget funds⁸.

2.1.1.1 The Federal Fund for Financial Support of Regions

Since 1994, transfers from FFFSR have been allocated to the Subjects according to a single methodology, while their distribution has been subject to the annual approval as a part of the annually adopted federal budget law. Over the last three years, transfers from FFFSR were distributed on the basis of the data on the tax capacity *per capita* of Subjects (which is calculated on the base of tax levy on the Gross Regional Product sectors) adjusted to the index characterizing the inter-regional differentiation of objectively substantiated expenditure needs. Upon the calculation of tax capacity rate – *alias*, tax resources of the Subject- the funds from FFFSR are subject to the following distribution pattern: the transfers totaled 20% of FFFSR are allocated to the regions for the purpose of having the gross tax resources *per capita* of the regions-recipients of the transfer reach the same level determined by the amount of the distributed funds. The rest of FFFSR is to be distributed among the regions whose gross tax resources (with the account of the first part of the transfer they have received) are lower than the average level nationwide, in proportion to the deviation from the average level.

Over the period of FFFSR's operations, the volume of funds distributed in a form of FFFSR transfers grew from 0.36% of GDP in 1995 up to 0.95%-1% of GDP between 1998- 2000. The proportion of the 'support transfers' in the federal budget expenditure over the period concerned grew from 1.55% up to 7-8%, and in the total volume of the federal financial support earmarked- from 10 up to 70%.

TABLE 2-1. DYNAMICS OF TRANSFERS FROM FFFSR BETWEEN 1994 TROUGH 2000

	1994	1995	1996	1997	1998	1999	2000*	2001**
RB. mln.	2250	19383	23389	32658	30059	44346	51543	10035 4
% of GDP	0,36%	1,17%	1,04%	1,22%	1,12%	0,98%	0,95%	1,29%
% of expenditure	1,55%	7,03%	6,57%	7,98%	7,73%	6,67%	8,15%	8,41%
% of financial support provided	10%	64%	44%	49%	70%	71%	73%	68%
* data for January-September								
** projected								

Source: RF Ministry of Finance, authors' calculations

Since 1994, the funds from FFFSR have been distributed according to two absolutely polar principles. During the period prior to the approval of the Interbudgetary Relations Reform Concept (summer 1998), the transfers from FFFSR were distributed in proportion to the deviation of the projected revenue from the projected expenditure. At the same time, yet at the stage of developing the methodology, a special position of the northern regions was pre-set from outside. Thus,

⁸ Whereas there is no detailed information available on the funds allocated to the federal budgets under this item, we will be considering such funds a non-targeted financial support.

according to the methodology of transfers allocation for 1998, all the Subjects were classified into three groups, and the calculation of key indices was made separately on each of them.

The methodology implied the inclusion of the northern regions in the first two groups on the grounds of such factors as their remote location from the central regions, along with a weak development of railway and automobile transportation or a complete absence of that, the heating period longer than in the central regions, and limited period for the supply of goods.

The first group comprised the regions located completely in the Far North area, with high values of budget revenue *per capita* (thanks mostly to mineral resources) and expenditure, and with a high subsistence level: those are Khanty- Mansy AO, Yamal- Nenetsky AO, Magadan Oblast, Chukotka AO, Republic of Sakha (Yakutia), Kamchatka Oblast, Taymyr AO, Evenk AO, Koryak AO, Nenetsky AO.

The other group comprised the regions attributed to the Far North area, or having a area of the Far North or areas equaled to it in their territory (all other Northern regions not included in the first group), as well as the Subjects that earlier had been a part of the regions of the second group (Aginsky-Buryatsky AO, Ust-Ordynsky Buryatsky AO, Jewish AO).

According to the noted FFFSR funds distribution methodology, the right for transfers from the Fund was granted only to those Subjects, whose projected revenue volume calculated according to the methodology did not exceed the projected volume of expenditure. As concerns the northern territories, until 1999 there were three regions that did not enjoy such a right: Khanty- Mansy AO, Yamal- Nenetsky AO, and Krasnoyarsky Krai.

Since 1999, the procedures of the FFFSR transfer allocations have experienced a significant change. The principle of equalizing underlying the distribution of financial support has become subject to change: given that until 1999 the main criterion for the calculation of transfers was the gap between the regions' projected revenues and expenditure, since the beginning of the transfers distribution methodology for 1999 the equalization is based only upon the correlation between revenue indicators of the Subjects' budgets. At the same time, to take into account an inter-regional differentiation of expenditure needs, the so-called budget expenditure index was introduced, with the respective adjustment to it of regions' budget revenues.

Despite the assumption, which arose in the course of adoption of the Concept for Reforming Interbudgetary Relations, that the need to base the allocation of the federal financial support on the data on expenditure needs and tax capacity of the regions, similar to the prior years, the transfers for 1999 were calculated on the base of actual revenue and expenditure of the regional budgets, with some minimal adjustments to the amount of the debt agreed upon with leaders of the respective regions. Upon the calculation of the Subjects' shares in FFFSR, the shares of support were adjusted for the purpose of minimization of the effect from the adoption of a new transfer calculation

methodology. Nonetheless, 1999 was signified by an important step towards the increase of fairness of the budget equalization in Russia.

It should be noted that the grouping of the Subjects was taken into account in the course of the calculation of transfers from FFFSR for 1999. However, in contrast to the prior years, the regions were grouped in analogue to the economic regions, providing that the grouping, as it was noted before, was used to average the projected values. At the same time the regions that include the Far North territories were singled out in separate sub-groups. As a result of the introduction and application of a new FFFSR calculation methodology to the northern regions that do not receive transfers from FFFSR, in 1999 yet another Subject was added to the group- Republic of Komi.

In the course of designing the Fund's calculation methodology for 2000 and 2001, the reform of the FFFSR transfer calculation methodology was pursued as well. When compared with the methodology for 1999, the one for 2000 experienced some changes, of which the main one was the transition towards more objective methods of calculation of both tax capacity and expenditure needs of the regions. Thus, in particular, it was decided to reject the concept of dividing the regions into groups in the course of calculation of all the indices. The regions' tax capacity was calculated on the basis of averaging the share of tax withdrawals in gross value added of the basic sectors of the economy, while the calculation of expenditure needs was based upon the number of consumers of public goods, indirect factors that influenced the inter-regional differentiation of their costs, as well as on the approved federal standards of costs for some public services. Amendments have also been introduced to the transfer distribution principle: since 2000, 20% of FFFSR has become subject to distribution for the purpose of equalization of tax capacity of regions-recipients, while the remaining 80% should be distributed in proportion to the deviation of the average tax capacity *per capita* from the average value nationwide.

In 2000, the funds to finance the Northern Supply (for details on the related problems, see below), subsidies to ensure payment of children benefits, and funds for compensating for electric power tariffs to territories in Far East and Arkhangel'sk Oblast were included as a separate item in the composition of the transfer. Contrast to the practice of fixing the volume of transfers as a per cent proportion in the total volume of the Fund, in 2000 the transfers from FFFSR were fixed in the federal budget as an absolute amount. As a result of such innovations, in 2000 the number of the northern regions that were not subject to support from FFFSR grew by another region- that is, Tymen Oblast.

In the course of the drafting of the 2001 Federal Budget Law, the FFFSR distribution mechanism was subject to further improvement: in particular, the number of sectors and sub-sectors of the economy, which were considered in the course of calculation of tax capacity, was increased, some provisions of the estimate of regions' expenditure needs were changed, however, the basic principles of estimating tax capacity, expenditure needs and distribution of transfers remained

unchanged. The methodology of calculation of transfers was also adjusted, because since 2001 the Fund for Compensations has been established as a part of the federal budget. Resources of the Fund for Compensations are subject to distribution among all the regions for the purpose of financing their budget expenditure on paying children benefits (allowances) and the expenditure related to the implementation of the federal law “On social protection of disabled in the Russian Federation”, and, accordingly, the noted kinds of expenditure were not taken into account while determining the budget expenditure index.

The regions that are not entitled to transfers from FFFSR in 2001 will be joined by another Subject- Nenetsky AO. Hence, starting from the early 2001, there will be five northern regions that will not be receiving any funds (including subsidies for the state support of the Northern Supply) from FFFSR: Krasnoyarsk Krai, Nenetsky AO, Tymen Oblast, Khanty-Mansy AO, and Yamal-Nenetsky AO.

It should be noted that on the whole, despite the decline in the relative level of financial support to the northern regions (the proportion of transfers to the northern Subjects in the overall volume of transfers slid from 12.5% in 1997 to 11.1% in 2000), the dependence of the noted regions from the FFFSR funds has grown- the proportion of transfers from FFFSR averaged across the northern regions grew from 4.3% in 1997 up to 5.4% in 2000, while this index for the northern regions- recipients of the transfers grew from 9.6% in 1997 up to 18.6% in 2000 (see Table 2-2). It must be noted that the growth in the dependence on the FFFSR transfers over the period in question has been characteristic of not just the northern regions: thus, the average proportion of financial support in the revenue part of budgets of the non-northern regions rose from 7.5% in 1997 up to 8.4% in 2000 (for the regions- recipients of financial support: from 10.6% up to 17.8%, respectively), while over the period concerned the average proportion of financial support in budget revenue of all the Russian regions’ grew from 6.9% up to 7.7% (for the regions-recipients: from 10.5% up to 17.9%)

Whilst analyzing the noted data, one should pay attention to the fact that the average proportion of transfers in the budget revenue of the northern regions is lower than that of the non-northern regions and across all the Subjects on average. At the same time, as concerns recipients of the financial support, their analogous indices and their growth rates are close across all the three aforementioned groups of regions. In our view, such a situation can be attributed primarily to the composition of the group concerned: among the 16 northern regions, there are 4 traditional donors to the federal budget: Republic of Komi, Krasnoyarsk Krai, Khanty-Mansy and Yamal- Nenetsky AO=s. Accordingly, the proportional weight of financial support in their revenues calculated as the averaged value across all the northern regions has proved to be far lower than the analogous index across the northern regions- recipients of the financial support and lower than the average share of financial support in the regional budget revenue reported nationwide. The growth in the share of

the financial support in revenue of the regions-recipients of transfers is caused primarily by a change in the FFFSR transfer distribution procedures that has entailed the decrease in the number of the regions entitled to the transfer.

TABLE 2-2. DEPENDENCE OF THE NORTHERN REGIONS ON TRANSFERS FROM FFFSR BETWEEN 1997-2000.

	1997	1998	1999	2000	2001**
The proportion of transfers to northern regions in the total volume of FFFSR transfers	12,5%	12,9%	12,0%	11,1%*	10,9%
The proportion of the FFFSR transfers in the budget revenues of northern regions					
- across all the northern regions	4,29%	4,19%	3,37%	5,42%†	N/a
- across northern regions-recipients of financial support	9,55%	9,68%	8,50%	18,55%†	N/a
The proportion of the FFFSR transfers in the budget revenues of non-northern regions					
- across all the non-northern regions	7,49%	6,68%	6,94%	8,36%†	N/a
- across non-northern regions-recipients of financial support	10,63%	9,43%	10,70%	17,81%†	N/a
The average proportion of FFFSR transfers in revenues of Subjects' budgets					
- across all the regions	6,85%	6,21%	6,16%	7,68%†	N/a
- across regions-recipients of financial support	10,48%	9,46%	10,38%	17,93%†	N/a
* – the data over January-November 2000					
† – the data over January-September 2000					
** – The law 'On the 2001 federal budget', the amount includes subsidies for equalization of the budgetary sufficiency					

Sources: the RF Ministry of Finance, authors' calculations

Table 2-3 provides the data on the actual amount of transfers from FFFSR to the northern regions between 1997-2001. Despite the fact that since 2000 transfers have been distributed as absolute amounts and not as a proportion of the Fund, in order to ensure comparison, the data on transfers is given as per cent of the overall volume of the transfers funded from FFFSR

TABLE 2-3. DYNAMICS OF TRANSFERS FROM FFFSR TO THE NORTHERN REGIONS BETWEEN 1997- 2001 (AS % OF FFFSR)

	1997	1998	1999	2000*	2001†
Arkhangel'sk Oblast	0,72%	1,14%	1,37%	1,63%	1,80%
Kamchatka Oblast	0,96%	1,24%	1,47%	1,28%	1,07%
Koryaksky AO	0,47%	0,49%	0,44%	0,36%	0,34%
Kransoyarsk Krai	0,00%	0,00%	0,00%	0,00%	0,00%
Magadan Oblast	1,71%	1,59%	1,38%	1,65%	1,09%
Murmansk Oblast	0,57%	0,94%	0,59%	0,44%	0,07%
Nenetsky AO	0,29%	0,18%	0,14%	0,10%	0,00%
Republic of Karelia	0,92%	1,01%	0,85%	0,75%	0,55%
Republic of Komi	0,40%	0,04%	0,00%	0,00%	0,00%
Republic of Sakha (Yakutia)	2,76%	2,68%	3,10%	3,21%	4,47%
Taymyr AO	0,25%	0,07%	0,25%	0,26%	0,42%
Tymen Oblast	1,63%	1,98%	1,05%	0,00%	0,00%
Khanty-Mansy AO	0,00%	0,00%	0,00%	0,00%	0,00%
Chukotka AO	1,49%	1,28%	1,07%	1,07%	0,85%
Evenk AO	0,38%	0,24%	0,30%	0,32%	0,25%
Yamal-Nenetsk AO	0,00%	0,00%	0,00%	0,00%	0,00%
* – the data over January-November 2000					
† – план дотаций на выравнивание бюджетной обеспеченности в составе ФФПР					

Sources: the RF Ministry of Finance; the Law " On the 2001 federal budget".

The table shows that as long as the majority of the Northern regions are concerned, during the period in question the actual proportion of each region in FFFSR was zero or was decreasing steadily,. The growth in the proportion in FFFSR took place only in the following Subjects:

Arkhangel'sk Oblast, Republic of Sakha, and Taimyr AO. At the same time it is necessary to take into account the establishment of the Fund for Compensation in 2001: its transfers are intended to fund the expenditures that were considered earlier, while calculating the FFFSR transfers; that is why in 2001 the regional structure of the latter may become incomparable with the previous periods.

Hence, despite the growth in the subsidized northern regions' dependence upon transfers from FFFSR, the proportion of the northern regions in the total volume of the federal financial support has dropped, which was caused by the change in the practices of the distribution of the federal financial support to regions.

2.1.1.2. Subsidies to the budgets of the closed territorial-administrative entities (ZATO)

The subsidies to the budgets of ZATO (within which facilities of the RF Ministry of Defense and the RF Ministry for Nuclear Power are located) have been stipulated as a single item in a Article of the federal budget 'Financial support to other tiers of power'. In compliance with Federal Law # 3297-FZ of July 14, 1992 'On closed territorial-administrative entity' the closed territorial administrative entity is defined as ' the territorial entity that has local self-governance bodies and within which there are industrial enterprises dealing with design, manufacturing, storage and utilization of the mass destruction weapons, processing of radioactive and other materials, military and other facilities (hereinafter referred to as 'enterprises and/or objects', for which a special regime of safe functioning and protection of the state secret is set, which includes special conditions for citizens' residing'. The ultimate amount of subsidies to ZATO located in the northern regions set by the 1997 federal budget law is provided in Table 2-4.

It should be noted that the ZATO=s enjoy a special status in the Russian budget and the tax system: their status implies that:

- all the taxes and other collections raised in the ZATO territory are due to be collected to its budget;
- additional benefits in terms of taxes and collections are granted to legal entities, which were registered as taxpayers by the tax offices of ZATO=s, by the respective self- governance bodies, according to the procedures set by the RF Government;
- the ZATO budget deficit is covered by subsidies and subventions from the federal budget funds; the procedures of the allocation of funds is set by the RF Government. The items of the federal budget providing the allocation of such funds are 'protected' items.

Thus, the ZATO=s' budgets are entitled to receiving all the tax receipts within their territory, while their budget deficits are fully covered from the federal budget. In addition, until 1998 local authorities there enjoyed a right to introduce tax benefits across all kinds of taxes, without any exceptions, for the sake of attracting enterprises to their territories. As a result, ZATO=s have been

transformed into specific domestic ‘tax havens’ that would attract enterprises seeking minimization of their tax payments. Since 1998, such a practice has started to be discontinued. The 1998 budget law set that all the amounts of tax and collections raised within ZATO=s are subject to placement on the Federal Treasury bodies’ accounts, while the granting of tax benefits that are not provided by the law is allowed only in compliance with the procedure of the granting of such benefits approved by the RF Government, which became effective as of May 1998. In 1999, a law was adopted that sets that it is enterprises that hold 90% of their capital assets and 70% of their operations in a ZATO territory that are entitled to tax benefits. In addition, since 1998 the federal budget law has set that the amount of subsidies to a ZATO may be diminished by the amount of tax benefits granted by the local authorities.

The Budget Code that became effective as of January 1, 2000, reads that the ZATO=s’ authorities do not have a right to change tax rates and introduce tax benefits otherwise than provided by the federal law and the law of the Subject within whose territory the given ZATO is located. Despite the fact that in compliance with the 2000 federal law, the effect of this provision was suspended, at the same time the effect of the provision was ceased, according to which all the taxes and collections raised in a ZATO’s territory are subject to collection in its budget, while the excess of revenue over expenditure may not be withdrawn in favor of the federal budget⁴. Thus, during recent years, the ZATO authorities’ powers in the area of tax regulation were restricted considerably.

TABLE 2-4. THE SIZE OF SUBSIDIES TO ZATO, IN COMPLIANCE WITH THE FEDERAL BUDGET AND THE ACTUAL RECEIPT OF SUBSIDIES BETWEEN 1997-2000 (AS RB. THOUS.)

Regions	1997		1998		1999		2000	
	According to the budget law	Actual amount	According to the budget law	Actual amount	According to the budget law	Actual amount	According to the budget law	Actual amount
Arkhangel’sk Oblast (city of Mirny)	15141	15099	21010	20488	10057	9137	54008	80385
Murmansk Oblast (city of Snezhnogorsk, Skalisty, Ostrovnoy, Zaozersk, Polyarny, Severomorsk)	691196	943412	826411	880527	723257	816110	1060916	1162055
Krasnoyarsk Krai (city of Zheleznogorsk). Zelenogorsk, settlement Solnechny, settlement Kedrovyy	385736	416905	396497	362552	277627	268178	907734	43381†
Kamchatka Oblast (Settlement of Vulkanny, Vilyuchinsk).	160205	172376	170998	185966	148542	169530	269613	301610
Total across the northern regions	1252278	1547792	1414916	1449533	1159483	1262955	2292271	1587431
RF	2735000	3345900	2586056	2451717	2007771	2007893	5483828	2788423

* – execution of the budget between January to September 2000
† – exclusive of subsidies to Zheleznogorsk

Source: The RF Ministry of Finance

⁴ p.1 Art.5 of RF Law of July 14, 1992, # 3297-1 “On closed administrative- territorial entity” and p.1 of Art. 142 of the Budget Code of RF.

As it was noted above, the federal budget provides its funds to ZATO=s to cover the gap between their revenue and expenditure, providing that the respective funds are channeled both through the budgets of the Subjects in the territories of which ZATO=s are located, and directly to the ZATO=s' budgets. It should also be noted that the funds given to ZATO=s as subsidies may not be fully attributed to the category of non-targeted subsidies, because since 1999 in the composition of a subsidy a separate item has been the funds allocated for capital investment and the subsidy for migration from ZATO. The data on an actual amount of subsidies to the budgets of ZATO=s located in the territories of the northern regions is given in Table 2-4.

The table shows that the subsidies to the ZATO=s budgets have always been earmarked in full. At the same time over the period in question the proportion of funds from the federal budget to finance the ZATO=s located in the northern regions accounted for 42% to 58% of all the subsidies to ZATO=s, while the actual volume of subsidies received by the ZATO=s' budgets accounted for 46 to 63% of all the funds appropriated from the federal budget for the noted purpose. In other words, despite being thinly populated (the share of the population in ZATO=s located in the northern regions roughly accounts for 27% of the overall population in all the ZATO=s in Russia that received federal subsidies between 1997 to 2000), the northern ZATO=s receive over half the federal subsidies.

2.1.1.3 Other kinds of non-targeted federal financial support

In addition to the aforementioned kinds of the federal financial support to the Subjects, the composition of the noted category of financial support also comprises the funds transferred through such channels as implementation of mutual settlements and the financing of regions on the return base – with the use of federal budget loans.

Before evaluating the noted forms of financial support, one should consider the contents of the respective budget outlays in a greater detail. It is mutual settlements that, by their capacity, constitute one of the most significant channels of the transfer of federal funds to the regional level. In the frame of mutual settlements schemes, the federal budget funds are assigned to compensate for the regional budgets additional expenditure that is related to decisions made by the federal authorities (for instance, to ensure payments in compliance with the federal Law 'On veterans'), expenditure on the transfer of the departmental housing under the local authorities' management, and some other expenditures of the regional budgets.

As concerns budget loans on the return base, these constitute the funds of the federal budget that are earmarked to compensate for the cash gap in the course of execution of the regional budgets, as well as for other purposes (in particular, in late-1997, in the frame of the campaign for liquidation of backwages to the budget employees, considerable amounts were earmarked in a form of budget loans). The specifics of this kind of financial support is its return nature, i.e. by the end of the year, the balance of operations on budget loans may show either positive, or negative sign (the

region may become either a net recipient of budget funds, or a net payer of the earlier borrowed funds).

The specifics of the noted kinds of financial support to regions is their occasional appropriation, i.e. the volume of funds allocated for this purpose does not constitute a separate line in budget outlays, and it is not subject to distribution across regions within the annual federal law. Table 2-5 gives some indices that characterize the earmarking of the means of financial support to the northern regions concerned.

TABLE 2-5. THE FUNDS TRANSFERRED BY MUTUAL SETTLEMENTS AND THE FEDERAL BUDGET LOANS TO THE NORTHERN REGIONS BETWEEN 1997 THROUGH 2000

	1997	1998	1999	2000*
Proportion of funds allocated in the frame of implementation of mutual settlements to the northern regions in the total volume of these funds	20,9%	13,5%	17,3%	13,0%
Proportion of funds received allocated in the frame of implementation of mutual settlements in the regional budgets' revenues				
- as the averaged value across RF	4,21%	3,78%	1,22%	1,30%
- as the averaged value across recipients of this kind of financial support in RF	4,35%	3,80%	1,51%	2,79%
- averaged across the northern regions	4,48%	2,66%	1,11%	0,81%
- averaged across the northern regions – recipients of this kind of financial support	4,49%	2,66%	1,69%	1,92%
The share of funds transferred between budgets in a form of settlements on budget loans in the regional budgets' expenditure				
- as the averaged value across RF	2,5%	-0,7%	-0,7%	0,2%
- averaged across the regions carried out settlements on budget loans†	3,4%	-3,2%	-4,7%	0,6%
- averaged across the northern regions	2,9%	-0,4%	-0,7%	-0,01%
- averaged across the northern regions carried out settlements on budget loans	3,4%	-3,1%	-10,3%	-0,03%
* – data over January- September 200				
† – the regions that carried out settlements on budget loans are understood as the Subjects that were recipients of loans or were returning the loans over the period in question				

Source: the RF Ministry of Finance

From the data above, it become clear that the share of the northern regions in the funds that are distributed among the Subjects and transferred by mutual settlements tends to decline: given that in 1997 the northern regions received as much as a. 21% of the support funds, according to the results of the first 9 months of 2000, the support proportion slid to 13%. Along with the shrinkage of the general proportion of the receipt of funds through mutual settlements, the regional budgets' dependence on this kind of financial support declined as well: over the period concerned the proportion of mutual settlements in budget revenues fell across the Russian Federation from 4.2% to 1.3% on average, while the recipients of this kind of financial support noted a drop from 4.4% to 2.8%. At the same time the dependence of the northern regions on the funds transferred under mutual settlements schemes slid from 4.5% to 0.8% of budget revenue, while for the recipients the support index changed from 4.5% to 1.9%. It should be noted that the proportion of funds in the northern regions' budget revenue transferred according to mutual settlements fell to a greater extent than the average one nationwide.

The evaluation of the data on the regions' return of federal budget loans shows that the federal authorities' policy with respect to this kind of financial flows between the center and regions has tightened significantly: given that in 1997, with the use of net loans from the federal budget, a 2.5% of regions' budget expenditure was financed (the respective index made up 3.4% across the regions that were making settlements with the federal budget on the loans), during the period between 1998-1999 the support index made up a negative value, i.e. the regional budgets were paying off the earlier taken loans to a greater extent rather than attracted new loans. The analogous trend was characteristic of the northern regions, with the only exception: that is, in 1999 the expenditure pressure on the budgets that were paying off the loans was twice higher than the respective average index nationwide. However, according to results of the first nine months 2000, the support index became correspondent to the average nationwide proportion.

Hence, having considered non-regular kinds of financial support to the northern regions, one can draw a conclusion that the federal authorities' policy in the area of the financial support allocation has experienced modification in favor of a considerable tightness. Notably enough, as concerns the northern regions, the federal center yet to a greater extent has restricted the appropriation of funds within the framework of mutual settlements and allocation of budget loans.

2.1.1.4 General evaluation of allocation of non-targeted financial support to the northern regions.

Having considered concrete kinds of non-targeted financial support to the northern regions, let us evaluate the position held by the latter in the federal financial non-targeted support distribution system. The proportion of the northern regions in the overall volume of the non-targeted financial support distributed among the Subjects is given in table 2-6.

TABLE 2-6. THE SHARE OF THE NORTHERN REGIONS IN THE TOTAL VOLUME OF THE DISTRIBUTED FEDERAL NON-TARGETED FINANCIAL SUPPORT BETWEEN 1997 THROUGH 2001 (AS %)

Subject	1997	1998	1999	2000*	2001†
Total	17,4%	27,7%	26,4%	20,5%	13,4%
Volume of non-targeted financial support per capita across the Northern regions on average (RB..)	1053,5	489,6	651,5	830,0	1081,6
Volume of non-targeted financial support per capita across the Northern regions-recipients of financial support, on average (RB.)	1053,5	489,6	732,6	933,2	1682,4
Volume of non-targeted financial support per capita across the non-Northern regions, on average (RB.)	464,3	308,3	312,7	403,0	635,8
Volume of non-targeted financial support per capita across the Northern regions-recipients of financial support, on average (RB.)	464,3	310,2	339,7	453,7	788,0

* – data over January-September

† – subsidies to equalize the budget sufficiency and subsidies to ZATO=s from the law “On 2001 federal budget”

Sources: the RF Ministry of Finance, authors' calculations

The table shows that currently the Northern regions on the whole receive as much as a. 20% of all the non-targeted financial support, providing that after the growth in the index from 17.4% up to 27.7 in 1998, it was declining gradually. Should the transfer of funds by mutual settlements and loans be neglected, the proportion of the northern regions relative to the planned non-targeted financial support would fell to 13.4%. At the same time it should be noted that in *per capita* terms the amount of non-targeted financial support received by the northern regions is a. twice bigger than the one of the non- northern regions (considering that only slightly over 8% of the RF population resides in the northern regions).

The structure of the federal financial support earmarked to the northern regions is represented in Table 2-7 (because the federal budget loans less their redemption may have a negative value, we have not considered this source of financial support to regions)

TABLE 2-7. THE STRUCTURE OF THE NON- TARGETED FEDERAL FINANCIAL SUPPORT EARMARKED TO THE NORTHERN REGIONS BETWEEN 1997 THROUGH 2001 (AS % OF THE TOTAL VOLUME)

	1997	1998	1999	2000
northern regions				
Transfers from FFFSR	46,1%	59,3%	58,5%	81,7%
Funds transferred in the frame of mutual settlements	38,1%	18,5%	27,6%	2,8%
Subsidies	15,7%	22,2%	13,9%	15,4%
Non-northern regions				
Transfers from FFFSR	61,2%	59,2%	84,7%	81,8%
Funds transferred in the frame of mutual settlements	35,8%	38,6%	13,7%	16,0%
Subsidies	3,0%	2,3%	1,6%	2,3%
Across the Federation, averaged				
Transfers from FFFSR	58,8%	59,2%	80,4%	81,8%
Funds transferred in the frame of mutual settlements	36,2%	36,0%	16,0%	13,8%
Subsidies	5,0%	4,8%	3,6%	4,4%

Sources: the RF Ministry of Finance, authors' calculations

The data above shows that the structure of the financial support received by the northern regions in 1997 and 99 differs from both the nationwide structure of the financial support and from that characteristic of the non-northern regions. Thus, in particular, during the periods in question, the proportion of FFFSR in favor of the northern regions accounts for a less part of the financial support compared with the other Subjects. At the same time it is clear that such a situation become possible thanks to a bigger share of subsidies received by ZATO=s located in the territories of the Northern regions.

Hence, having considered the non-targeted financial support from the federal budget to the northern regions' budgets, one can draw the conclusion that the latter receive more considerable amounts of financial support in absolute terms than other regions, however, the proportion of financial support in the budgets of regions-recipients of funds is just slightly bigger than average indices across the country, which proves that the increased size of the financial support as a whole is determined by regions' high expenditure needs. On the other hand, the northern regions' dependence on the federal targeted financial support in principle is lower than the average one across Russia. The reason for that is the existence of the Subjects with high tax revenues in the supported regions.

2.1.2 Targeted financial support

In addition to non-targeted financial support forwarded from the federal budget to the Subjects, the Russian budget law also provides a great number of other kinds of financial support distributed across regions on a targeted base. At the same time, in contrast to the aforementioned targeted financial support, a significant amount of funds allocated as targeted is subject to direct distribution among recipients, thus bypassing the Subjects. Thus, the targeted funds assigned from the federal budget to regional budgets comprise the funds earmarked for the purpose of the state support to an early delivery of products to the areas with a limited transport accessibility period ('Northern Supply'), subsidies from the Federal Road Fund to territorial road funds (in the event the latter are consolidated in the regional budget), and subventions to compensate for the tariffs for electric power to the regions of Far East and Arkhangel'sk Oblast. Since 2001, the targeted transfers from the Fund for Compensations are allocated among the Subjects, for the purpose of covering the regional expenditure related to the funding of their obligations provided in the federal laws 'On state subsidies to citizens with children' and 'On the state support to disabled'.

The other kinds of the targeted federal financial support that comprise, primarily, the funds for financing federal targeted programs, housing subsidies, and other expenditures are financed directly from the federal budget. Because of the absence of the majority of data on allocation of financial aid to support the Northern Supply and the reports on execution of the federal budget in terms of regions, we will not be conducting a detailed quantitative evaluation of these kinds of financial support, except the financing of the Northern Supply, due to its importance.

2.1.2.1 Subsidies for the state financial support of procurement and supplies of oil, petroleum derivatives, fuel and food stuffs to the areas of Far North and locations equal to that, with a limited timing of the supply of goods for supplying the populace, enterprises and organizations in the social sphere and housing sector ('Northern Supply').

In the Russian Federation, there is a special type of targeted funding of regional expenditure - the funding of the supply of some kinds of produce to the regions with a limited period to carry out such supplies. This type of financial support is used to ensure an early supply of oil and fuel to hardly accessible areas during the navigation period or another way of access to the noted areas. In all, a. 10% of the aggregate regional costs for financing the Northern Supply is covered at the expense of the federal funds, however, the single regions' dependence upon the federal financial support of the Northern Supply is fairly high. The funds for the support of Northern Supply are forwarded to regional authorities that hold 'open' tenders for the supply of goods and distribute the funds among transport companies.

The funds that are earmarked from the federal budget to support the Northern Supply remain one of the substantial outlays in terms of the financial support to regions provided at the federal level, regardless of the fact that the volume of the federal budget funds allocated to fund the Northern Supply has fallen significantly over the last nine years. Thus, given that in 1992 the

respective appropriations from federal budget roughly accounted for RB. 200 bln., or 1.1% of GDP (5.1% of the federal budget expenditure), according to results of 1997, the respective value made up RB. (denominated) 3.5 bln. (0.13% of GDP, 0.86% of the expenditure), while in 1999 the respective amount made up, roughly, RB. 3 bln., or a. 0.7% of GDP (0.45% of the federal budget). The 2000 budget law provided the allocation of Rb. 3 bln. (0.056% of GDP, 0.35% of its expenditure) for the support purposes, while the 2001 federal budget law allocates for the purpose of support of the Northern Supply as much as Rb. 6.5 bln. (0.086% of GDP, 0.56% of expenditure).

A special attention should be paid to such a special kind of the funding of the Northern Supply as disbursement of budget loans for goods supplies. Between 1994 through 1995 both the transportation component of oil and petroleum derivatives supplies and the procurement of those commodities were financed, and the respective budget loans that amounted to 1.2% of GDP in 1994 and 0.5% of GDP in 1995 were provided from the federal budget. As soon as the regional authorities then proved to be incapable of returning the noted funds, the latter, considering the respective interest, have become subject to trust to the Subjects' authorities. Thus, in 1999 the regions were trusted a total amount of funds equivalent to 0.5% of GDP.

In the meantime there are 27 Subjects with 143 administrative areas attributed to the areas with a limited timing of supply. Due to the fact that in light of the criteria elaborated, a part of those areas may not be classified as northern ones, below we will focus only on the aforementioned Subjects. As we do not have a detailed information on the regions' receipt of funds in the frame of the funding of the Northern Supply, the quantitative evaluation of financial resources received by the regions will be conducted below, in the frame of the general evaluation of the federal financial support to the northern regions.

2.1.3 The general evaluation of the federal financial support to the Northern regions.

In the previous sections, we have conducted the detailed analysis of the position of the northern regions in the system of allocation of targeted and non-targeted financial support from the federal budget. Let us consider the volume of the federal financial support received by the regions in the context of the evaluation of financial flows from the federal budget to the northern regions. Due to the limited informational possibilities, for the purpose of the general analysis of the federal financial support received, let us consider financial flows that took place only in 1999. Some indices characterizing the receipt of the federal financial support by the northern regions are presented in Table 2-8. The calculation of the index of the overall actual volume of the federal financial support was made taking into account the following types of financial support:

- all the aforementioned non-targeted financial support;
- subventions received from the federal budget - the index that comprises mostly the funds earmarked to support the Northern Supply and compensation for tariffs for electric power for the regions in Far East and Arkhangel'sk Oblast;

- other free transfers from the federal budget to the regional ones - this index comprises different occasional targeted payments from the federal budget;
- the loans for the support of the Northern Supply disbursed in 1994 through 1995 that were not returned and the interest for the use of those loans trusted in 1999.

TABLE 2-8. THE RECEIPT OF FEDERAL FINANCIAL SUPPORT BY THE NORTHERN REGIONS IN 1999

Subject	Financial support from the federal budget (RB. Thos.)	The proportion of the financial support received in regional budgets' expenditure		Proportion in the total volume of financial support allocated	Federal financial support received per capita (RB.)
		Inclusive of trusted loans	Exclusive of trusted loans		
Total, across northern regions	31748313	20,4%	9,8%	37,78%	2563,7
Total, across non-northern regions	52279618	9,4%	8,4%	62,22%	389,2
Total, across the Russian Federation	84027931	11,8%	8,7%	100%	572,8

Sources: the RF Ministry of Finance, authors' calculations

It must be noted that, from the viewpoint of financial flows, the trusting of the loans provided earlier is a federal budget expenditure and, accordingly, the revenue to the Subjects' budgets received in a form of financial support. However, as long as statistics of execution of both the federal and regional budgets is concerned, the not all the support sums are reported, that is why the total amount of the allocated financial support plus the trusted funds may exceed the total volume of the regional budget expenditure. Because of that, the Table 2-8 gives two indices of the share of the received financial support: taking into account the trust budget funds, and exclusive of those.

Proceeding from the data above, it is evident that in 1999 the northern regions on the whole received a far bigger volume of financial support than the other Subjects. Thus, given that over 1/3 of all the financial support from the federal budget was earmarked in favor of the northern Subjects, it should be noted that their population totals 8.4% of the overall Russian population. As a result, the northern regions received funds *per capita* 6.5-fold more than the non-northern ones and 4.5 times more than across the country on average. While analyzing the index of the regional budgets' dependence on financial support (the proportion of the received funds in the regional budget expenditure), it becomes clear that the noted proportion for the consolidated budgets of the northern regions (20.4%) is over two times bigger than the respective rate for the Subjects that are not classified as northern. It should be noted that the exclusion of the trusted loans from the composition of financial support reduces the gap between the northern and other regions considerably, i.e. one can conclude that both the excess of the received volumes of the federal financial support and the northern regions' dependence on that mostly can be attributed to the annual trust of big amounts (prolongation of the federal budget loans issued between 1994 to 1995).

Despite the fact that on the whole the indices that characterize the receipt of the federal financial support by the northern regions' budgets find themselves at the level exceeding the average indices nationwide, the composition of the northern regions group is extremely non-homogenous. On the one hand, should the trusted budget loans be included in the composition of

the received funds, there are no regions among the noted Subjects that do not receive the federal budget funds⁹, while on the other, the value of the amounts of federal funds received *per capita* varies from Rb. 397 in Tymen Oblast to 39.8 Thos. in Chukotka AO (which is the absolute maximum value for all the Subjects of the Russian Federation). As far as the total volume of the received financial support is concerned, it is Republic of Sakha (Yakutia) which is a leader both among the northern regions and among other Subjects (over Rb.11,5 bln., or 13.8% of all the federal financial support allocated in 1999), and this value is 21-fold bigger than the minimal one- RB. 539.8 (for Tymen Oblast). The dependence of the northern regions on the federal financial support also differs greatly across the Subjects. Thus, the proportion of regional budget expenditure funded at the expense of the federal budget (without account of prolonged loans) varies from 0% in Khanty-Mansy AO to 56.6% in Evenk AO.

To ensure the comprehensiveness of the present evaluation, one should also address the structure of the federal financial support received by the northern regions (see table 2-9). The data shows that the structure of the respective funds to a significant extent differs from the one provided to the non-northern regions and the average one across Russia. Thus, the proportion of non-targeted financial support in the total volume of the funds received by the northern regions accounts for 25.4%, while for the other Russian regions this index made up a. 80%, and 60% across the country on average. At the same time, as Table 2-9 shows, the share of transfers from FFFSR in the funds earmarked to the northern regions finds itself on a very low level- under 17%. Hence, the major part of the federal financial support to the northern regions constitutes the targeted financial support, whose high proportional weight is ensured mostly thanks to the trusted budget loans. In 1999, the proportion of the financial resources provided in such a way in the overall volume of financial support to the northern regions accounted for over a half of the funds earmarked. One should also note a high proportion of other free receipts in the composition of the federal financial support of the northern regions, providing, at the same time, that the transfers to Republic of Sakha account for 90% of the amount of the support (Rb. 4.1 bln.), while as of the moment of completion of the present paper, the nature and designation of those remained unknown.

Whilst evaluating financial flows from the federal budget to the northern regions, a special attention should be paid to the correlation between the funds allocated with the use of a formalized procedure of calculation of the respective amounts of support and those allocated without application of the noted procedure. Let us assume that according to a certain procedure being formalized and uniform for all the regions, one has to allocate the funds as per ‘Transfers from

⁹ In all, across the Federation in 1999 there were two such regions: the city of Moscow whose budget did not at all receive the considered types of financial support, and Lipetsk Oblast, the balance of whose budget in terms of settlements with the federal budget with respect to financial support has proved to be negative, because the amount of the returned budget loans exceeded the amount of the funds received.

FFFSR' and 'Subventions'¹⁰ outlays. In this case the proportion of the funds in question in the overall volume of the federal financial support to the northern regions would account for 25%, while the respective index for the non- northern regions would find itself at the level of 80%

TABLE 2-9. STRUCTURE OF THE FEDERAL FINANCIAL SUPPORT TO SUBJECTS OF THE RUSSIAN FEDERATION (AS % OF THE TOTAL VOLUME)

	Transfers from FFFSR	Mutual settlements and loans	Subsidies	Non-targeted support, total	Subsidies and subventions	Other free receipts	Trusted loans	Targeted support, total
Northern regions	16,8%	4,7%	4,0%	25,4%	8,3%	14,4%	51,9%	74,6%
Non-northern regions	74,8%	4,2%	1,4%	80,3%	7,5%	1,8%	10,4%	19,7%
Across Russian Federation, averaged	52,8%	4,4%	2,4%	59,6%	7,8%	6,6%	26,1%	40,4%

Source: the RF Ministry of Finance, authors' calculations

* * *

Hence, considering the outcome of the evaluation of the allocation of financial support from the federal budget to the northern regions, one may draw the following conclusions:

1. The Subjects that for the purpose of the present research have been classified as northern regions, in general terms, receive from the federal budget all kinds of financial support they are entitled to, though the level of the supported regions' dependence on the federal funds varies considerably.
2. The volume of the non-targeted financial support *per capita* provided to the northern regions exceeds both the average level nationwide and the analogous index for the non- northern Subjects, while the structure of the non-targeted funds allocated to the northern regions insignificantly differs from the average nationwide one
3. Due to the limited amount of the statistical information provided by the financial agencies, it appears impossible to estimate correctly the volume of targeted financial support provided to the regions. At the same time one may argue that all the northern regions regularly receive the respective kind of targeted financial support that is assigned annually to the regional authorities in a form of trust (prolongation) of the amount of loans issued between 1994 to 1995 for the purpose of support of the Northern Supply and the respective interest. Despite the fact that in the course of time the volume of the noted amounts tends to decrease, partly due to the loans repayment, partly because of depreciation of their principal body, according to the results of 1999, the said financial resources constituted the major part of the targeted financial support received by the northern regions.
4. The total amount of the federal budget resources received by the northern Subjects is far in excess of the respective indices reported across all other regions. At the same time the

¹⁰ Subventions may be considered as formalized kind of financial support, because a major part in this kind of financial support constitute the support of the Northern Supply and subventions for compensation for tariffs for electric power to the regions of Far East and Arkhangel'sk Oblast that are allocated as a part of FFFSR

increased level of the northern regions' dependence on the federal financial support is attributed mostly to their receipt of specific kinds of financial support in a form of prolongation of their indebtedness on budget loans: in all, across the northern regions the proportion of the regional budget expenditure funded at the expense of the federal funds, without regard to the noted loans, just slightly exceeds the average value reported nationwide. One should also note a substantial inter-regional differentiation across the northern regions: the group comprises both the Subjects with the volume of the financial support being maximal for Russia and the regions with a high level of budget sufficiency.

5. One of the major distinguishing features of the northern regions compared to the other Subjects in terms of their receipt of the federal financial support is the structure of the latter: the proportion of financial resources allocated according to formalized and uniform procedures has proved to be 3-fold lower compared with the other Subjects.
6. One should also note that as far as the output of the present evaluation is concerned, it appears impossible to develop recommendations on changing the federal financial support allocation system, except the necessity to introduce the respective procedures of inclusion of the loans trusted to regional authorities in the revenue and expenditure parts of budgets of different tiers. The development of further recommendations would necessitate a more profound evaluation of the balance between financial resources transferred to the northern regions and their need in funding their existing expenditure obligations.

2.2. Improving the system of state support of the Northern Supply

This section will address the current challenges related to the funding of an early supply of goods to the northern regions with a limited accessibility timing and possible ways of solving them. Prior to the evaluation, one should note that in this particular context the Northern Supply system is understood as the government funding of transportation costs for early supplies of some goods (mostly fuel and petroleum derivatives for the housing sector) to the areas with a limited accessibility time, while the problems of an early supply of food stuffs and other goods delivered by commercial entities at their own expense will not be tackled. The evaluation of legal grounds of the Northern Supply is provided in a Supplement to Section 2.

At present, the need in the state funding of the Northern Supply is determined by the system of funding the provision of public services on the whole and, particularly, in the housing sector. Such a system has emerged since the Soviet era. Under central planning, it was specialized public structures that would deal with the seasonal funds allocation and deliveries of fuel and petroleum derivatives during the navigation period at the expense of the state budget. The economic reform launched in 1992 has had a negligible effect on the housing sector. At the same time the activity of the majority of enterprises that used to deal with fuel transportation and supply was switched to the commercial principles. In the conditions of insufficiency of budget funds, and with tariffs for

housing services being regulated, the housing and communal enterprises have proved to be incapable to create, by themselves, incentives for suppliers to fulfill an early supply of goods to the areas with a limited transport accessibility, which required a state funding of such operations.

In the early '90s, the government support to the Northern Supply would take various forms. In 1992, in compliance with Resolution of the Supreme Council of RF, in order to increase the interest of both enterprises and organizations-suppliers and final consumers in implementation of early supplies of goods, the suppliers became entitled to compensation for corporate profit tax resulted from sales of goods supplied to the areas of Far North and areas equaled to them, while the consumers there became entitled to the compensation of 50% of the cargo transportation tariff to the said areas to be funded from the federal budget. Interestingly, the funds for the support of the Northern Supply were allocated to all the Subjects in whose territory the areas with a limited transport accessibility were located, regardless of the level of the regions' budget sufficiency.

Between 1992 to 1993, it was targeted credits from the federal budget to enterprises to pay for their supplies over the summer navigation period that were a traditional way to encourage supplies of goods to the northern regions. Thus, in 1992 the respective credit amounted to Rb. 170 bln., and in 1993- 802 bln. In the course of time, the debts on the centralized credits disbursed between 1992 to 1994 to organizations that had supplied goods to the Far North areas and the areas equaled to them and for the return of which there were no sources as of April 1, 1995, mostly was forgiven.

In 1994, it was set that the state support of the goods supplies to the Far North areas and locations equaled to them should be provided through the federal and regional Funds for the State Financial Support of Produce (Goods) Supplies to the Areas in Far North and areas equaled to them. The said Funds were created specifically for that purpose, and their financial resources were formed at the expense of the funds of the federal budget and the Subjects' budgets, as well as enterprises' payments for the use of loans on financial support to the supplies that were disbursed to them from the Funds' resources on the return basis. The said resources of the federal Fund that were disbursed on the return basis to form regional Funds were to be used to carry out measures on the centralized supplies and transportation of produce to the Far North areas and areas equaled to them. The loans from the federal Fund were to be disbursed to carry out the supplies of oil, petroleum derivatives, fuel, food stuffs (except for alcoholic drinks, beer, and tobacco), medicines, and the 'production and technical' produce, and some non-food consumer goods for daily use.

It was set that the funds from the Federal Fund for the Support of Northern Supply are targeted and should be used for the purpose of financial support of an early supply of produce (goods) to the Far North areas and areas equaled to them, and, primarily, to the areas with a limited navigation time. It was a specially created Government Commission that was made the manager of funds allocated for the purpose of the state support of supplies of oil, petroleum derivatives, and fuel to

the Far North areas and areas equaled to them, to supply the populace, entities of the social sphere and in the housing sector, in compliance with the federal budget.

As it was noted above, in the Section 'Financial flows from the federal budget to the Northern regions', between 1995 through 1996 the Federal Fund for the Support of the Northern Supply (founded in 1994) allocated resources to regional funds on return base. Then the funds received to repay the regional funds' indebtedness, along with the respective interest payments for the use of those, were trusted to the respective regional budgets.

Since 1998 the Federal Fund for the Support of the Northern Supply has been no longer in existence. The 1998 Federal Budget Law read that the funding of the Northern Supply had to be carried out at the expense of resources of the regional Funds for the state financial support of an early supply of produce (goods) as well as through a partial reimbursement, at the expense of the federal budget, to enterprises and organizations located in the territories of those areas for the transportation component of the costs for the supplies of oil, petroleum derivatives, fuel, and food stuffs (except excised goods), according to the list of the produce subject to the RF Government's approval.

Since 1999, the government has begun a gradual reforming of the funds allocation mechanism the federal budget to finance the Northern Supply. Yet in the course of the drafting the 1999 Federal Budget Law, it was intended to include the funds for the federal support of the Northern Supply in the composition of the FFFSR transfer. As it was noted above, according to the Concept for Interbudgetary Relations Reform approved by Government Resolution #862 of July 30, 1998, since 1999 the calculation of the regions' proportions in FFFSR would have been made on the basis of the so-called revenue equalization methodology. The Concept particularly read that the calculation of transfers for 1999 should have been made on the basis of a comparison of the Subjects' tax revenues *per capita*, subject to adjustment with account of the current level of increase in budget expenditure. The projected transfers from FFFSR must have ensured for all the subsidized regions the same value of the adjusted tax revenue *per capita* that should be determined by the size of the Fund. To bring the regional tax revenue *per capita* into comparable form (elimination of inter-regional price differences for the provision of public services), it was proposed to calculate the Budget Expenditure Index (BEI). The latter would show how bigger (or less) the amount of budget appropriations in the concrete region (*per capita*) should be compared with the average or minimal costs across RF.

The RF Ministry of Finance proposed to consider the region's need in resources to finance its early supply of goods to the areas with a limited transport accessibility to be an additional factor of increase in budget costs that, according to the methodology, should the regions' own revenue be insufficient, would be covered at the expense of the federal budget. Should this proposal be implemented, the allocation of funds for the Northern Supply would increase the amount of the

FFFSR transfer to the Subject, while the procedures of its funding would coincide with the procedures of allocation of financial support from FFFSR to the regional budgets.

However, in 1999, in the course of conciliation of the respective federal budget law, the above proposal was rejected by the parties concerned, and, consequently, it has been excluded from the final draft federal budget law submitted to the State Duma. Instead, the funds allocated to support the Northern Supply were distributed in proportion with projected needs in them, while the funds themselves were set as a targeted appropriation, with a breakdown by their recipients, and were fixed as an absolute value in the budget outlays. That became an absolutely different procedure when compared with the original idea to allocate them as proportions.

Nonetheless, in the course of drafting the 2000 and 2001 federal budget laws, the system of funds allocation for the financing of the Northern Supply found itself increasingly integrated in the FFFSR transfers distribution mechanism. During the periods in question the methodology of calculation of the transfers provided the calculation of a single amount of the FFSR transfer to regions with regard to the tax capacity and expenditure needs factors (including the expenditure needs that were dictated by the limited transport accessibility factor). Consequently, from the total amount of the transfer to regions, in which the areas with limited transport accessibility are located, some amount of funds was subtracted that was designated for the targeted funding of the Northern Supply, providing that the allocation of the amount of funds should be carried out with account of seasonality factor in terms of cargo delivery.

It should be noted that in the current conditions the level of efficiency of the existing federal funds distribution system to finance the Northern Supply appears maximal. However, we believe that in order to enhance the efficiency of the Northern Supply system itself, a whole set of institutional transformations in the budget sector is needed. The purpose of such transformations is to eliminate the defects characteristic of the system of funding the Northern Supply at the regional level, as follows:

1. The absence of an efficient control on the part of the federal financial agencies over the compliance with tender procedures with respect to distribution of financial resources among suppliers of goods and transport companies. Despite the fact that partly the funds for the financing of the Northern Supply are allocated from the federal budget, on the regional level the funds are subject to the tender-based distribution, while the federal authorities have lacked any actual control devices as yet, to ensure the justification of any decision-making with respect to awarding a particular company with an order for goods supply.
2. The absence of control over the of prices and tariffs rationale by producers in the communal sector. Despite the fact that the housing and communal enterprises still are recipients of funds allocated from the territorial budgets that subsidize the difference between the tariffs for the housing and communal services and the costs for such services, in the meantime in the majority

of regions there is no possibility to establish a transparent system of tariff- setting for housing and communal services. That leads to the situations in which additional costs for an early delivery of fuel and petroleum derivatives funded at the expense of the state support of the Northern Supply are included in the costs for housing and communal services yet at the stage of the tariffs approval. As such, the additional costs for the implementation of the early supply of fuel and petroleum derivatives for the housing and communal sector are paid for twice: first – by the budget, at the stage of paying for the Northern Supply, then – by final consumers of the housing and communal services – at the stage of paying their bills for the services provided.

Evidently, despite a substantial rationalizing of the federal resources distribution system designed to support the Northern Supply, the aforementioned defects lead to considerable losses in efficiency of use of public funds. In our view, this necessitates urgent radical measures both in the area of the Northern Supply and the housing and communal sector reforming. As noted above, the formal grounds for the Northern Supply are the need in additional funds during the period of seasonal supplies of oil, petroleum derivatives, and other commodities. However, from the economic point of view, this need is an additional factor for price rise for the housing and communal services, i.e. for the growth in the level of expenditure obligations of the Subjects with areas with a limited transport accessibility that require an early cargo delivery.

That is why, should the obligations related to the organization of an early cargo delivery be assigned to the housing and communal enterprises, the costs for the Northern Supply might be included in tariffs for housing and communal services. If needed, the tariff levels can be subsidized from the territorial budget in a form of categorial or targeted subsidies. That means that the federal support of the Northern Supply should be included in the total volume of financial support to the Subjects' budgets that is allocated in a form of transfers from FFFSR, according to the uniform procedures that take into account a justified need in budget expenditure. At the same time, the seasonality regulation that concerns the allocation of funds for the Northern Supply may be abolished, because the attraction of additional funds during the transport accessibility period may also be included in the housing and communal tariffs and subsidized in a traditional fashion.

We believe that a favorable consequence of such an incorporation of the funds for the support of the Northern Supply in the overall volume of a FFFSR transfer would become the ensuring of the non-targeted nature of the support of the Northern Supply. With a comprehensive control over the targeted use of the budget funds at all the tiers of government and the transparency of the process of tariff-setting by natural monopolies' enterprises in place, that should lead to enhancement of the efficiency of the use of the funds and to decrease of abuse in the course of their spending: in the event the regional authorities have planned expenses related to the early products supply at a volume less than the amount of the respective appropriations from the federal budget, the targeted

nature of the allocated resources (i.e. the possibility to spend the funds for the pre-set purposes only) would lead to a decrease in the efficiency of the use of federal funds.

On the other hand, however, it appears evident that an urgent implementation of the above transformations would be impossible, due to their radical and comprehensive nature. That is why in order to urgently improve the aforementioned defects of the current Northern Supply system, the implementation of the following measures is necessary:

First, it is necessary to introduce a system of control on the part of federal agencies over the compliance with the tender procedures. From the formal viewpoint, the distribution of funds for the support of the Northern Supply falls under the competence of the Subjects' authorities. However the regional branches of the federal control and inspection agencies have to exercise a stricter control over compliance with all the tender procedures and ensure an equal treatment of all the contenders seeking contracts for delivery of goods in the frame of the Northern Supply.

Secondly, it would be the approval of results of tenders on distribution of the orders for goods delivery at the federal level that should become an effective element of the control over compliance with tender procedures. We believe that due to a narrow circle of suppliers of oil and petroleum derivatives, the federal authorities would be capable to exercise an efficient control over prices and terms and conditions of the contracts concluded with respect to deliveries of the produce. At the same time, should any claim against the results of such tenders be raised, the federal authorities should employ the practice of refusal to allocate funds to the Subject for the purposes related to the Northern Supply.

Thirdly, as a temporary measure that should precede the implementation of a large-scale reform in the area of funding the housing and communal sector, one should consider the possibility of creation of such a system of tariff regulation of the communal companies' operations, under which the costs of fuel purchased at the expense of the funds allocated for the state support of the Northern Supply would be excluded from the costs of communal services to be paid by consumers. That would prevent a double payment for an early supply of goods by the budget and consumers.

Part 3. Northern benefits and compensations: an analysis of the financial consequences of the abolition of their compulsory nature. Recommendations on the economic policy and legislation

The current legislation stipulates a number of benefits for various categories of citizens: those migrating to the Northern regions, those residing and working in these regions, and citizens being dismissed.

The study purposes to elaborate recommendations concerning amendments to the legislation covering the state guarantees and compensations for persons working and residing in the districts of the Extreme North and territories with equal status.

The social guarantees and compensations stipulated by law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” are justified only pursuing the goal to encourage the migration to the Northern regions. However, under the conditions of the market economy the goals the state policy pursues in regard to the Northern territories have been reversed: in stead of encouraging in-migration the state aims to resettle the surplus incapacitated and unemployed population from the North. Therefore, the existing social benefits for the people residing in the North run counter to the current goals of the state. At the same time, it is obvious that it would be an infringement upon the principle of the social justice if the people, who had been attracted to the North by the respective state policy, were deprived of these benefits. Therefore, it is necessary to maintain a larger part of the present system of benefits for the people who had already resettled to the North. These benefits may be abolished only in regard to the persons migrating to the North after the announcement about the discontinuance of the system stimulating the in-migration. At the same time, it does not seem expedient to retain in force the stipulations of the law, which in fact have not been implemented for a long time.

Section 2 of this paper consists of three sections and annexes and presents the results of an analysis of the current system of Northern benefits, guarantees, and compensations for enterprises and employees (Part 1); recommendations on the reform of the system of social guarantees and compensations for persons employed in the private sector of the economy of the North (Section 2); an analysis of financial consequences of the reform of the system of Northern benefits, guarantees, and compensations for enterprises and employees according to suggested versions (Section 3). Drafts of Federal law “On Amendments and Supplements to Federal Law ‘On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status’” (with different taxation principles) are included in annexes.

3.1. Payments, benefits, and compensations stipulated by the legislation for districts of the Extreme North and territories with equal status

For the purposes of this review the expenditures borne by employers are divided into the following categories:

- related to citizens migrating to the districts of the Extreme North and territories with equal status in pursuit of employment (hereinafter referred to as the Northern districts);
- related to employed citizens;
- related to the dismissed employees;
- related to citizens migrating from the Northern districts.

Below we will review the taxation regime of these expenditures for employers (profit tax, fees to extra-budgetary funds – social tax) and for citizens – recipients of these payments, benefits, and compensations.

It shall be taken into account that at present the taxation regime applicable to the Northern benefits is subject not only to tax legislation. Thus, according to Article 5 of RF Law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” No. 4520-1 of February 19, 1993, (hereinafter referred to as the Law) enterprises located in the Northern districts are exempted from tax on a part of the profits (income) earmarked for capital investment for productive and non-productive purposes. Enterprises and organizations across ownership forms located in the districts of the Extreme North and territories with equal status, which are engaged in production or realization of agricultural produce and livestock products, as well as other foodstuffs in the aforesaid districts and territories, are exempted from taxation in accordance with the tax legislation.

3.1.1. Taxation of employers’ expenditures for payments, benefits, and compensations to citizens working in Northern regions

RF law “On Tax on Profits of Enterprises and Organizations” No. 2116-1 of December 27, 1991, stipulates that profits derived by enterprises situated in the districts of the Extreme North, which belong to consumers’ cooperative societies, are exempted from profit tax.

In accordance with “Regulations Concerning the Composition of Costs of Production and Realization of Products (Works, Services) Included in the Self-Cost of Products (Works, Services) and the Order of Forming of Financial Results, Taken into Account by the Taxation of Profits” approved by Decision of the RF Government No. 552 (version of July 12, 1999) of August 5, 1992 (hereinafter referred to as the Regulations) the wage costs include:

- allowances for annual and additional vacations, compensation for unused vacation, disbursement of the travelling expenses borne by employees while travelling to the place of vacation and back, including luggage freight costs;

- payments conditioned by the regional regulation of wages, including: payments in accordance with district coefficients made in compliance with the legislation currently in force;
- bonuses stipulated by the legislation for the continuity of employment in the districts of the Extreme North and territories with equal status, in districts of the European North and other districts with severe natural and climatic conditions.

Section of the draft Tax Code (TC) on the profit tax does not amend the regime currently in force. According to p. 1, Art. 293 the wage costs include:

g) annual and additional vacation allowances, compensation for unused vacation, reimbursement of the travelling expenses borne by employees while travelling to the place of vacation and back (including luggage freight costs for employees of organizations located in Northern districts) stipulated by the RF legislation;

j) payments conditioned by the regional regulation of wages, including: payments in accordance with district coefficients and coefficients for the work in arid, desert, and mountain territories made in compliance with the legislation currently in force;

k) bonuses stipulated by the legislation for the continuity of employment in the districts of the Extreme North and territories with equal status, in districts of the European North and other districts with severe natural and climatic conditions.

Employers' expenditures arising in relation to citizens coming to work in Northern regions

According to Article 35 of the Law the citizens having arrived at enterprises, organizations, and agencies located in the Northern districts (hereinafter referred to as organizations) and having concluded a labor contract:

- Lump-sum grant in the amount of two salaries (salary rates);
- Lump-sum grant to each family member (1/2 salary);
- Travel expenses of the employee and the family;
- Luggage actual freight cost (maximum 5 tonnes per family);
- Daily allowance for the employee and paid vacation for the period of getting settled (seven days).

Only three last payments may be included in costs (i.e. travelling expenses, luggage freight, and daily allowance and paid vacation for the period of getting settled).

Employers' expenditures arising in relation to employed citizens

- District coefficient;
- Percentage bonus;
- Lump sum grant at the time the labor contract is concluded (conditioned by the prolongation of the first labor contract) (50 per cent of the average monthly wage not including the district

coefficient, bonus for the length of service and bonus for the work in the Northern districts (Order of the Presidium of the USSR Supreme Council No. 1908-VII of September 26, 1967);

- Housing for the employee and the family members according to norms set for this territory, or disbursement of rent (purchase) of the housing according to norms set by the RF Government (Art. 18 of the Law);
- Annual additional vacation:
 - 21 working day in districts of the Extreme North;
 - 14 working day in territories with equal status;
 - 7 working days in other Northern districts with district coefficients and percentage bonuses (Art. 14 of the Law);
- Non-inclusion in the vacation period of the time of travelling to the place of vacation and back each two years (Art. 15 of the Law);
- Maternity leave for women confirmed by a medical certificate (100 per cent of the average wage (income) taking into account the district coefficient and percentage bonus (Art. 16 of the Law). According to the RF Labor Code (hereinafter referred to as LC) the duly registered maternity leaves are not included in the time of the annual vacation (Art. 70). The duration of these leaves is equal (Art. 165 of LC stipulates the same number of days as Art. 16 of the Law);
- Retained average wage for employees sent for the day-time training at refresher courses or educational institutions (p. 3 of Decision of the USSR Council of Ministers “On the Order of Implementation of Decree of the Presidium of the USSR Supreme Soviet (On Expansion of Bonuses for Persons Working in the Districts of the Extreme North and Territories with Equal Status of September 26, 1967) No. 1029 of November 10, 1967.

The main types of pecuniary compensations for work in the Northern districts are the district coefficient and the percentage bonus.

The district coefficient is a preferential regime of calculating wages: the gross wage is multiplied by a coefficient set for different regions. According to the Goskomsever (The State Committee of the Russian Federation for the Social and Economic Development of the North) Commentary (No. 2028 of August 23, 1993) on the Law a uniform coefficient for all persons working in the Northern districts is set across all productive and non-productive sectors.

The district coefficient is added to wages without limiting its maximal amount.

Percentage bonuses, in contradistinction to district coefficients, play the role of incentives. While the district coefficient is paid disregarding of the length of service, the amounts of bonuses depend on the for the continuity of employment in the Northern districts.

Employees of organizations located in the Northern regions are paid the percentage bonus depending on the monthly wages not including the district coefficient and the bonus for the length of service.

Regime of setting percentage bonuses:

- For the Chukotka AD, North-Evenk District of the Magadan Region, the Koryak AD, Aleut District of the Kamchatka Region, in islands in the Arctic Ocean and its seas (except islands in the White Sea) – 10 per cent of the wage after first six months of employment plus 10 per cent each next six months, up to 100 per cent of the wage;
- For other districts of the Extreme North: 10 per cent of the wage after first six months of employment plus 10 per cent each six months up to 60 per cent of the wage; since then 10 per cent of the wage a year up to 80 per cent of the wage;
- For territories with the status equal to that of the districts in the Extreme North: 10 per cent of the wage after first year of employment plus 10 per cent of the wage each year up to 50 per cent of the wage;
- For employees of enterprises located in the Republic of Karelia, Southern districts of the Far East, Krasnoyarsk Area, Irkutsk Region, Republic of Buryatia, Republic of Tyva, Chita Region: 10 per cent of the wage after first year of employment plus 10 per cent of the wage each two years up to 30 per cent of the wage.
- First-employed persons below 30, having lived in the North not less than 5 years immediately prior to the employment are eligible for a different regime of the percentage bonus computation: it is paid in full since the first day of employment. The persons failing to comply with the requirement of the duration of residence in the North are not eligible for this regime.

The following payments (benefits, compensations) are excluded from the cost composition: Lump sum grant at the prolongation of the first labor contract and housing for the employee and the family members.

Employers' expenditures arising in relation to dismissed citizens

- Retained wage for a person dismissed due to a reorganization or liquidation until s/he finds a new job (up to six months) (Art. 6 of the Law);
- Pecuniary aid to employees dismissed due to the liquidation of organizations engaged in coal mining (processing), with the length of service in such organizations not less than five years, paid in addition to other benefits and compensations stipulated by the RF legislation at the expense of the liquidated organization and purposed for the facilitating of a new employment. The pecuniary aid amount shall be four average monthly wages over the last three months (Federal Law "On State Regulation of Coal Mining and Utilization, on Specifics of Social Security for Employees of Coal Industry Enterprises" No. 81-FZ of June 20, 1996).

All these payments are included in costs.

Employers' expenditures arising in relation to citizens migrating from Northern regions

Pecuniary compensation for the vacated housing is paid at the location of this housing. Not eligible: citizens who reserved or own housing (house, apartment) (Art. 19 of the Law and Decision

of the RF Government “On Norms of Compensation for Renting of Purchasing of Housing by Citizens Working and Residing in the Districts of the Extreme North and in the Territories with Equal Status, on the Amount of Compensations Paid for the Vacated Housing When Citizens Migrate from the Aforesaid Territories” No. 1141 of November 4, 1993). The compensation is calculated basing on ten minimal monthly wages for each year of employment in the North. Recipients of a subsidy for construction or purchase of housing are not eligible. The amount of compensation is not related to the total housing space, its quality, and legal grounds of residence and is determined solely by the fact of vacation and the total length of service in the North. It is unclear how the amount of the compensation shall be determined in case several members of the family vacating the housing have the record of working in the North. Taking into account that the mechanism of granting compensation is poorly defined and the fact that citizens granted housing subsidies become ineligible, the compensation is of little practical importance.

Compensation for the vacated housing is included in costs.

No indication that organizations are obliged to construct housing for their employees migrating from the Northern districts has been found in the legislation. In case an enterprise builds the housing, we believe that according to Article 5 of the Law the part of profits (incomes) earmarked for this purpose shall be exempted from taxation as earmarked for capital investment for non-productive purpose.

Organizations outside the state-owned sector shall reimburse persons migrating from the Northern districts for travelling expenses in accordance with labor contracts at their expense. However, Article 35 of the Law limits the compensation for luggage freight to five tonnes per family.

In this connection it may be suggested that these expenditures of enterprises may be included in self-costs in amounts similar to those set for citizens migrating to the Northern regions.

Fees to extra-budgetary funds and the uniform social tax

Decision of the Board of Directors of the Pension Fund of the Russian Federation “On Approving the Instructions on the Order of Payment of Insurance Fees by Employers and Citizens to the Pension Fund of the Russian Federation” No. 258 of November 11, 1994, stipulates that:

- Fees shall be paid from all types of remuneration for work, service (incomes) in cash or in kind on the same basis, which RF Law “On State Pensions in the Russian Federation” stipulates for the calculation of pensions paid to the employees, including permanent, free-lance, seasonal, casual, part-time employees and those employed by cooperatives under contract agreements, agent agreements, or casual employees.
- Fees shall be calculated according to gross amounts before respective taxes are collected, across all sources of financing, budgetary items, and types of payment documents (pay-roll sheets, personal account, etc.) according to which the remuneration was paid;

- For purposes of fees collection wages and salaries of employed citizens are defined by analogy to wages and salaries employers use to calculate the fees.

The wording “on the same basis, across all sources of financing” is characteristic of annual laws of the Russian Federation on tariffs of insurance fees to the Pension Fund of the Russian Federation, the Fund of Social Insurance of the Russian Federation, the State Employment Fund of the Russian Federation, and Funds of compulsory health insurance.

“The List of Payments Exempt from Insurance Payments to the RF Pension Fund” was approved by Decision of the RF Government No. 546 (version of March 10, 2000) on May 7, 1997, “The List of Payments Exempt from Payments to the RF State Employment Fund” was approved by Decision of the RF Government No. 1193 on October 26, 1999, and. “The List of Payments Exempt from Payments to the RF Fund of Social Insurance” was approved by Decision of the RF Government No. 765 on July 7, 1999 (hereinafter referred to as Lists) include the following amounts (the wording may vary across Lists):

- Severance paid at the time of the termination of a labor contract, pecuniary compensation for the unused vacation, and retained average wages in amounts stipulated by the RF legislation paid to employees dismissed owing to redundancy, reorganization, or liquidation of the organization for the period before new employment;
- Reimbursements and other compensations to employees (including bonuses to compensate for daily allowances) paid according to norms set by the RF legislation and actual expenses for housing rent in relation to business trips, transfers, new employment, relocation (in exceed of norms) in case they are confirmed by documents; compensations for extra expenses borne by employees in relation to execution of their duties;
- Fare allowances for certain categories of employees stipulated by the RF legislation;
- Costs of housing, public utilities, fuel, or respective pecuniary compensations granted for free (or at a lower cost) to certain categories of employees stipulated by the RF legislation;
- Travelling expenses borne by employees while travelling to the place of vacation and back reimbursed by organizations in accordance with the RF legislation;
- Student grants paid over the period of education.

The following payments (benefits, grants, compensations) seem to be exempt from fees alongside with district coefficients and percentage bonuses:

- lump-sum grant in the amount of two salaries (salary rates) to citizens having arrived at organizations and having concluded a labor contract;
- Lump sum grant at the time the labor contract is concluded (conditioned by the prolongation of the first labor contract) (50 per cent of the average monthly wage not including the district coefficient, bonus for the length of service and bonus for the work in the Northern districts;
- Annual additional vacation;

- Non-inclusion in the vacation period of the time of travelling to the place of vacation and back each two years;
- Retained average wage for employees sent for the day-time training at refresher courses or educational institutions;
- Compensation for the vacated housing;

The new legislation also stipulates a list of exemptions from taxation. According to p. 1 of Art. 297 (Section on the uniform social tax) of the Draft of the RF Tax Code approved in the third hearing, the following payments are exempted from taxation:

- Compensatory payments (according to norms set by the RF legislation) of any type set by the RF legislation, legislative acts of the subjects of the Russian Federation, decisions of legislative authorities of local governments and related, in particular, to:
 - Costs of housing, public utilities, fuel, or respective pecuniary compensations granted for free;
 - Payments for and/or provision of in-kind allowances, including cash compensations;
 - Dismissal of employees, including compensations for unused vacations;
 - Reimbursement of other expenses, including expenses for professional training;
 - New employment of employees dismissed owing to redundancy, reorganization, or liquidation of the organization;
 - Execution of labor duties by employees, including relocation and reimbursement of business trip expenses;
- Travelling expenses borne by employees while travelling to the place of vacation and back reimbursed by employers to persons working and residing in the Northern regions in accordance with the RF legislation;
- Costs of fare allowances stipulated by the RF legislation for certain categories of employees, students, pupils;

No principal discrepancies between this list and the Lists mentioned above were found.

3.1.2. Taxation of Northern payments, benefits, and compensations, stipulated by the legislation, being the components of citizens' incomes

Taxation related to migration to the Northern regions and the work in the North

As concerns the income tax, Art. 3 of RF Law "On Income Tax on Individuals" No. 1998-1 (version of January 2, 2000) of December 7, 1991, exempts from the taxation of the aggregate incomes received by individuals over the taxation period (pp. "e"): compensatory payments (according to norms set by the RF legislation) of any type set by the RF legislation, legislative acts of the subjects of the Russian Federation, decisions of legislative authorities of local governments and related, in particular, to:

- Execution of labor duties;

- Relocation to other territories;
- Reimbursement of business trip costs;
- Compensation of harm caused by injures to health;
- Housing and public utilities granted for free;
- Payments for in-kind allowances, including cash compensations;
- Dismissal of employees;
- Death of servicemen;
- Reimbursement of other expenses.

The provisions of this sub-point do not include the compensation for a vacation, unused at the time of dismissal.

Coefficients and bonuses for the length of service are taxable at the source at 12 per cent rate separately from other incomes (Art. 6 of Law “On Income Tax on Individuals” No. 1998-1 of December 7, 1991).

No changes in the new legislation (Section on the uniform social tax of the Draft of the RF Tax Code approved in the third hearing) were found.

All payments (benefits, compensations) singled out in this study because of their relevance to migration of citizens to the Northern regions for employment and dismissals of employees, are exempted from income tax.

Subjects of taxation are:

- Lump sum grant at the prolongation of the first labor contract;
- Annual additional vacation;
- Non-inclusion in the vacation period of the time of travelling to the place of vacation and back each two years;
- Travelling expenses borne by employees while travelling to the place of vacation and back;
- Retained average wage for employees sent for the day-time training at refresher courses or educational institutions;

Taxation of benefits and compensations related to migration from Northern regions

Compensations to citizens for the housing vacated owing to migration from the Northern districts is subject of the income tax.

As concerns the compensation for resettlement expenses, it may be exempted from taxation similarly to payments related to employees’ migration to the Northern districts.

A key document related to the problems of the financial aid to citizens migrating from the Northern districts is Federal program “Construction of Housing for Citizens Migrating form the districts of the Extreme North and Territories with Equal Status in the Territory of the Russian Federation” approved by Decision of the RF Government No. 700 on July 10, 1995. Paragraph 8 of the Program mentions among sources of the Program’s financing funds of enterprises and

organizations located in the Northern regions. However, this provision is not of imperative character.

Fees to extra-budgetary funds and the uniform social tax

Essentially, the social taxation (collection of fees to social extra-budgetary funds) of payments, benefits, and compensations in the composition of the incomes of citizens was described above in relation to the expenditures of employers. The following payments are exempted from fees due to the state extra-budgetary funds:

- Travelling expenses of employees and family members, cost of luggage freight, daily allowances, and paid vacation for resettlement for work in the Northern districts;
- Amounts of district coefficients and percentage bonuses;
- Lump sum grant at the time the first labor contract is prolonged;
- Annual additional vacation;
- Retained average wage for employees sent for the day-time training;
- Compensations to employees for the housing vacated owing to migration from the Northern districts.

3.2. Recommendations on the reform of the system of social guarantees and compensations for persons employed by the private sector of the North's economy

In spite of the fact that Federal law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” (hereinafter referred to as the Law) was approved after the start of the market reform, in practice it fixes the approach to the development of the Northern territories adopted under the Soviet regime. The social guarantees and compensations for those working in the Northern districts stipulated by the Law make sense only basing on two prerequisites::

- First, if the purpose is to encourage the migration to districts of the Extreme North and territories with equal status;
- Second, the direct state regulation of wages in the economy is implemented.

However, none of these prerequisites exists at the moment. Under the conditions of the market economy the goals the state policy pursues in regard to the Northern territories have been reversed: in stead of encouraging in-migration the state aims to resettle the surplus incapacitated and unemployed population, being an enormous burden on the budget, from the North. Therefore, the existing social benefits for the people residing in the North run counter to the current goals of the state. At the same time, it is obvious that it would be an infringement upon the principle of the social justice if the people, who had been attracted to the North by the respective state policy, were deprived of these benefits. Therefore, in order to prevent the aggravation of social tensions, it is necessary to maintain a larger part of the present system of benefits for the people who had already

resettled to the North. These benefits may be abolished only in regard to the persons migrating to the North after the announcement about the discontinuance of the system stimulating the immigration.

At the same time, it does not seem expedient to retain in force the stipulations of law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status”, which in fact have not been implemented for a long time and exist only on paper. First of all these are the benefits not provided because of the lack of the sources of financing. Moreover, the majority of guarantees stipulated by the law may be reviewed as such only in relation to employees of sectors, where wages are set by the legislation, i.e. the employees in the budgetary sphere. In the private sector the majority of guarantees stipulated by the law are fictitious. For instance, the compliance with the law in relation to the payment of Northern coefficients and bonuses is ensured by lowering basic wage rates. As a result, the employee is paid exactly as much, as the employer is ready to pay for his/her labor under present conditions on the labor market.

The conclusion from the facts mentioned above is that it would be expedient to abolish the compulsory nature of guarantees and compensations stipulated by law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” for the private sector of the economy. Employers have the right to provide the employees with any social benefits in cases stipulated by collective or individual labor contracts. At the same time, it is necessary to take into account the principle of the neutrality of the tax legislation stipulated by Art. 3 of the Tax Code, according to which “it is prohibited to differentiate rates of taxes and fees, tax privileges depending on the form of ownership...” It means that in case a private employer would decide to continue their provision after the abolition of the compulsory nature of social guarantees and compensations stipulated by law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” the taxation regimes in the private and budgetary sectors of the economy shall be equal. At the moment, in accordance with “Regulations Concerning the Composition of Costs of Production and Realization of Products (Works, Services) Included in the Self-Cost of Products (Works, Services) and the Order of Forming of Financial Results, Taken into Account by the Taxation of Profits” approved by Decision of the RF Government No. 552 (version of July 12, 1999) of August 5, 1992 (hereinafter referred to as the Regulations) practically all social payments stipulated by law “On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status” (excluding the lump-sum grant to the employee and the family members at the time of conclusion and at the time of the first prolongation of a labor contract and the compensation for the vacated housing) are included in the composition of wage costs, i.e. are included in self-cost of the production. This

situation shall be maintained after the abolition of the compulsory nature of the social payments stipulated by the Law. An additional argument supporting such a decision is the fact that it would be impossible to force employers pay the profit tax on these payments: all social payments existing at the moment will be just converted into the form of wages.

The more difficult problem is to define the status of these social payments in relation to the purposes of income taxation and revenue formation of social extra-budgetary funds. At present the uniform regime of taxation of these payments is lacking (for details see Section 1 of Part 2 of this paper). Some of them (for instance, the lump sum grant for the resettlement at the time the labor contract is concluded with a citizen arriving to the districts of the Extreme North for employment; annual additional vacation; compensation for the vacated housing) are subjected to the income tax and fees to state extra-budgetary funds. The other (for instance, reimbursement of travelling expenses of employees and family members and the cost of luggage freight while resettling to the districts of the Extreme North, reimbursement of travelling expenses and luggage freight cost of employees and family members while travelling to the place of vacation and back, housing for employees and family members; wages retained after dismissal) are exempt from the income tax and fees to state extra-budgetary funds. The major Northern benefits (district coefficient and bonus) are taxed at the lowest rate of the income tax and are exempt from fees to state budgetary funds.

There are possible to employ two approaches to the subjecting of these payments occurring in the private sector to the income tax and social taxes (fees to state extra-budgetary funds) after the abolition of their compulsory nature:

- 1) To maintain the current regime of the taxation of Northern guarantees and compensations for the income tax and the social tax.

Taking into account the prospects that the articles of the Tax Code on the income and social taxes will come into effect since January 1, 2001, the maintenance of the current regime may be discussed only conditionally. Nevertheless, as this study reveals (for details see Section 1 of Part 2 of this paper), the Tax Code mainly retains consistence with the present legislation in relation to the aforesaid guarantees and compensations. Therefore, in case this decision would be taken, we may foresee that the abolition of the compulsory nature of the Northern benefits and compensations will result in the conversion of benefits presently subjected to the income and social taxes in the form of wages, while the benefits partly or in full exempted from this taxation will be maintained. The negative side of this decision is the persistent possibility of social tax evasion via making to employees payments in the form of benefits and compensations stipulated by the legislation. On the other hand, this possibility will be rather constrained, since the overwhelming majority of benefits stipulated by the legislation are limited in quantitative terms (for instance, the amounts of the district coefficient and bonus are fixed by the legislation, the travelling expenses and luggage freight are compensated in the amounts confirmed by documents). In this sense the suggested

decision is practically neutral in terms of its tax and social consequences and will not bring a considerable change as compared with the existing system of wages for those employed in the North.

2) To equate cash and in-kind social guarantees and compensation granted by the Northern employers to their employees in accordance with Law “On State Guarantees...” to wages. This will result in the necessity to subject the aforesaid payments to the income and social taxes.

Naturally, some exceptions from this rule shall be envisaged taking into account the legal nature of different Northern guarantees and benefits. For instance, the types of Northern benefits being reimbursements for employees’ expenses borne for the resettlement (in or out the districts of the Extreme North), like the reimbursement of travelling and luggage freight costs shall not be equated to wages. In essence, these expenses are similar to fare allowances for business trips. Equally, it does not seem expedient to subject wages retained in case of dismissals owing to reorganization or liquidation of Northern enterprises to the social and income taxes, since these payments in practice substitute for unemployment benefits.

The practical result of this decision, first of all, will be a simpler system of wages for those employed in the North as the majority of current social benefits will be converted into wages.

This approach has a number of advantages. First, it seems to be a logical decision: since for the purposes of taxation of incomes of organizations these payments are included in wage costs, they shall have the same status in relation to the purposes of taxation of incomes of individuals.

Second, full or partial exemption of the aforesaid payments from income and social taxation will create possibilities for tax evasion. For instance, if an employer pays to an employee Rub. 150 in the form of wage, the total amount will be subjected to the income and social taxes, while if only Rub. 100 are paid in the form of wages and Rub. 50 as a district coefficient, the tax base for fees collected to extra-budgetary funds will be by Rub. 50 less.

A negative consequence of the suggested decision will be an increase in the tax burden on the pay-roll fund, what may result in a decrease of real wages in the North. (for a detailed calculation of tax consequences of the equation of Northern benefits to wages see Section 3 of Part 2 in this paper). Taking into account that this decision may meet a negative response in the society, the problem of its expediency is of political nature.

Table 2.1 presents our suggestions for the reform of the taxation system related to the Northern guarantees and compensations (in comparison with the current legislation and the Draft Tax Code).

TABLE 2.1.

TYPE OF BENEFIT (BONUSES, COMPENSATIONS, EXPENSES, COSTS)	Current			TC			Proposed amendments			
	Profit tax	Income tax	Social tax	Profit tax	Income tax	Social tax	Profit tax	Income tax	Social tax	
Related to in-migrating citizens:										
Lump-sum grant in the amount of two salaries (salary rates)	+	+	+	+	+	+	+	+	+	Not amended
Lump-sum grant to each family member (1/2 salary)	+	+	+	+	+	+	+	+	+	Not amended
Travel expenses of the employee and the family	-	-	-	-	-	-	-	-	-	Not amended
Luggage freight cost	-	-	-	-	-	-	-	-	-	Not amended
Daily allowance for the employee and paid vacation for the period of getting settled	-	-	-	-	-	-	-	-	-	Not amended
Related to the employed:										
District coefficient and percentage bonus	-	+ ¹¹	+	-	+	+	-	+	+	Not amended
Lump sum grant at the prolongation of the first labor contract	+	+	+	+	+	+	-	+	+	More liberal regime
Housing for the employee and the family members	-	-	-	-	-	-	-	+	+	Tougher regime
Annual additional vacation (time of travel included)	-	+	+	-	+	+	-	+	+	Not amended
Cost of travel to the place of vacation	-	+	-	-	+	-	-	+	+	Tougher regime
Wage is paid to employees who study full-time	-	+	+	-	+	+	-	+	+	Not amended
Related to the dismissed employees:										
Wage is paid until the dismissed finds a new job (in case of a reorganization)	-	-	-	-	-	-	-	-	-	Not amended
Coal industry workers in case of liquidation	-	-	-	-	-	-	-	-	-	Not amended
Related to out-migrants										
Compensation for the vacated housing	+	+	+	+	+	+	+	+	+	Not amended

For the purposes of legalization of the suggested decisions we have prepared drafts of the following normative acts:

For Version 1:

Draft Federal Law “On Amendments and Supplements to Federal Law ‘On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status’” (see Annex 2.1).

For Version 2:

Draft Federal Law “On Amendments and Supplements to Federal Law ‘On State Guarantees and Compensations for Persons Working and Residing in the Districts of the Extreme North and Territories with Equal Status’ and to Articles 217 and 238 of the second section of the RF Tax Code” (see Annex 2.2).

¹¹ At source taxation at 12 per cent rate separately from other incomes.

3.3. An analysis of the financial consequences of the abolition of the compulsory nature of benefits and compensations.

3.3.1. Description of calculation versions and initial information.

The previous sections contain the analysis of benefits available for the citizens working in the Northern districts, and for the citizens migrating to the North for employment or those leaving the North. This section deals with the calculation of the financial consequences, which may arise in case different scenarios envisaging the reform of the benefit system related to resettlement, residence, and work in the Northern districts are implemented. It is suggested that the key guideline of the reform shall be the following: abolition of the compulsory nature of benefits, guarantees, and compensations; these payments shall be equated to wages and subjected to the income and social taxes (except payments similar to travelling expenses borne in business trips – reimbursement of fares, luggage freight, and daily allowances for the period of getting settled). The calculation of the financial consequences is based on the following prerequisites:

- Other things being equal, enterprises do not make non-compulsory payments in case it affects the profit, remaining at its disposal (an increase in the amount of taxes to be paid). The following options are possible:
- A) The decrease in the incomes of employees will be compensated via growth in wages (all previous benefits shall be paid in the form of wage), however, it results in increasing costs and the profit remaining at the disposal of the enterprise diminishes. This option is feasible in case the enterprise aims to prevent the outflow (or encourage inflow) of employees caused by a decrease in employees' incomes due to the abolition of benefits.
- B) An increase in the amount of taxes collected from payments to employees and the abolition of the compulsory nature of benefits will result in a decrease in employees' incomes. Under this option the enterprise maintains its expenses for wages and compensations at the previous level.
- The calculation of the change in the tax burden for both situations described above is made for two versions of the legislation: the current legislation (1998-99), and the current Draft Tax Code (Articles approved by the State Duma and Draft Article on the Taxation of Enterprises' Incomes). The following rates were used in the calculation of change in the tax burden (see Table 2).

TABLE 3.1.

	Current legislation	Amended legislation
Profit tax rate, %	30	35
Income tax rate, %	12/20/30	13
Fees paid to extra-budgetary funds ¹² (social tax) from the wage fund, aggregate rate, %	38,5	35,6

¹² In order to take into account the legislation currently in effect, from here on the social tax is understood as the aggregate fees to the Pension fund, Employment fund, Social Insurance fund, and Compulsory Health Insurance fund. Besides, in order to simplify the calculations and taking into account the classification of income groups for the social

- In order to evaluate the effect of transition to the single rate of the income tax stipulated by the amended legislation and to find out the degree of influence the current progressive income tax rates on the system of benefits, two versions were analyzed: for the situation the employee remains in the lowest income bracket and his/her taxable income is taxed at 12 per cent rate, and for the situation the income (except the district coefficient) are taxed at the average tax rate¹³.
- Since the majority of Russian territories belonging to the districts of the Extreme North are situated in regions containing non-Northern districts, the calculation of the financial consequences was conducted basing on the data pertaining to the Magadan Region. This Region fully belongs to the North, the majority of its districts have 1.8 coefficient of wages.

The following data for year 1998 were used:

TABLE 3.2.

Magadan Region, 1998	
Average monthly gross wage ¹⁴ , Rub.	2 125
Migration to the region (data for year 1995, per 1000 pers.)	47,1
Migration from the region (data for year 1995, per 1000 pers.)	90,2
From the total number of in-migrants: those from other Russia's regions	41,6%
From the total number of out-migrants: those to other Russia's regions	90,2%
Average travel cost to the place of vacation ¹⁵ , Rub.	4 359
Cost of a 3-tonne container freight, Rub.	9 330
Size of the population in the region, pers.	239 800
Number of employed, pers.	119 400
Average family size, pers.	2,6

Source: Goskomstat, "Regions of Russia" for year 1999.

In order to render the calculations useful for the description of the financial consequences of the abolition of the compulsory nature of the Northern benefits not only for the Magadan Region, but for the Northern districts on the whole, for the purposes of the analysis we adduce ratios between the calculated indicators and the average wage in the regions alongside with absolute values for the Magadan Region. These ratios shall persist in case the data for other regions are used, therefore it is necessary to base on them for an analysis of the Northern districts on the whole¹⁶. Besides, in order to evaluate the influence of these changes on employees' incomes and enterprises' costs we will additionally adduce the percentage change of the basic value for incomes and costs respectively.

tax purposes stipulated by the new legislation, we assume that the representative resident of a Northern region is outside the income groups, for which the social tax rate is below 36.5 per cent.

¹³ The average income tax rate was calculated on the basis of all-Russian data provided by the Ministry of Finance according to the percentage of tax payers belonging to each income group, the number of groups is 23. The calculation was conducted on the basis of monthly data taking into account the movement to groups with higher incomes over the year, it was found out that the average income tax rate was at 19.92 per cent.

¹⁴ Taking into account the district coefficient, income tax including.

¹⁵ The cost of travel was calculated on the basis of the cost of a Magadan – Moscow air ticket, taking into account the cost of travel within the region (Susuman District – Magadan).

¹⁶ Strictly speaking, these relative results also depend on the ratio between the average regional wage and the travelling expenses for a trip from a Northern region to the place of vacation or to the central regions of Russia, and on the regional district coefficient. Therefore, these calculations permit to evaluate the arising effects only with a certain degree of precision. For the calculations for two other model regions (with other relative travelling expenses) see the Annex. The calculations pertaining to the Northern regions with coefficient different from 1.8 are slightly different (concerning the amount of income tax calculated in accordance with the progressive scale).

3.3.2. Methods applied to calculate the financial consequences of the abolition of the compulsory nature of benefits and compensations.

The financial consequences will be calculated according to the following scheme:

Migrant's income is calculated as:

$$\text{Доходы}^{BCEFO} = \text{Доходы}^{OБЛ} + \text{Доходы}^{HEOБЛ} \quad (... \text{Incomes}^{TOTAL} = \text{Incomes}^{TAX} + \text{Incomes}^{NOTAX}),$$

where Доходы^{BCEFO} (Incomes^{TOTAL}) – aggregate income of the employee prior to the income tax; $\text{Доходы}^{OБЛ}$ (Incomes^{TAX}) – income of the employee being the subject to the income and social taxes; $\text{Доходы}^{HEOБЛ}$ (Incomes^{NOTAX}) – incomes of the employee excluded from the income tax base.

The division into taxable and non-taxable incomes is carried out proceeding from the tax regime of the Northern benefits and compensations set by the legislation, while for the purposes of calculations for different situations they are divided on the basis of the reform version.

The amount of the income tax collected from the employee's income is calculated as:

$$\text{ПодНалог} = \tau^{нодоход} \cdot \text{Доходы}^{OБЛ} \quad (\text{IncTax} = ... \text{Incomes}^{TAX}),$$

where $\tau^{нодоход}$ – (\dots^{income}) income tax rate (12% – the minimal income tax rate under the current legislation or 13% – the income tax rate under the new legislation); $\text{Доходы}^{OБЛ}$ (Incomes^{TAX}) – the employee's incomes subject to the income and social taxes.

The amount of the social tax (fees to social extra-budgetary funds) from the taxable income is calculated as:

$$\text{СоцНалог} = \tau^{соц} \cdot \text{Доходы}^{OБЛ}, \quad (\text{SocTax} = ... \text{Incomes}^{TAX})$$

where $\tau^{соц}$ – (\dots^{soc}) income tax rate (38,5% minimal tax rate under the current legislation or 35,6% – social tax rate as stipulated by the new legislation for the first schedule); $\text{Доходы}^{OБЛ}$ (Incomes^{TAX}) – the employee's incomes subject to the income and social taxes.

Expenditures of the enterprise for the payment of stipulated benefits are calculated as:

$$\text{Расходы}^{BCEFO} = \text{Доходы}^{BCEFO} + \text{СоцНалог}, \quad (\text{Expenditures}^{TOTAL} = \text{Incomes}^{TOTAL} + \text{SocTax})$$

where Доходы^{BCEFO} ($\text{Expenditures}^{TOTAL}$) – aggregate income of the employee prior to the income tax; СоцНалог (SocTax) – amount of the social tax (fees to social extra-budgetary funds) collected from the employee's taxable income.

Similarly to the incomes of the employee, the expenses of the enterprise depending on taxation regimes and the reform version may be presented as the sum of expenditures, which may be included in the composition of self-costs, and payments made from profit remaining at the disposal of the enterprise after collection of the profit tax:

$$\text{Расходы}^{BCEFO} = \text{Расходы}^{OБЛ} + \text{Расходы}^{HEOБЛ}, \quad (\text{Expenditures}^{TOTAL} = \text{Expenditures}^{TAX} + \text{Expenditures}^{NOTAX})$$

where $Расходы^{ОБЛ}$ ($Expenditures^{TAX}$)– enterprise’s expenditures included in self-costs; $Расходы^{НЕОБЛ}$ ($Expenditures^{NOTAX}$)– payments at the expense of profits made to employees.

The possibility to include a number of benefits in costs results in the decrease in the profit tax by the following value:

$$ПрибНалог = -\tau^{приб} \cdot \Delta Расходы^{ОБЛ}, (ProfTax = \dots Expenditures^{TAX})$$

where $\tau^{приб}$ – (\dots^{profit}) profit tax rate (30% – the rate under the current legislation, or 35% – under the new legislation); $\Delta Расходы^{ОБЛ}$ ($Expenditures^{TAX}$) enterprise’s expenditures included in costs.

The calculated indicators permit to compute the amount of taxes collected from the enterprise and the employee:

$$НалогИ^{БСЕГО} = ПодНалог + СоцНалог + ПрибНалог, (Taxes^{TOTAL} = IncTax + SocTax + ProfTax)$$

where $ПодНалог$ ($IncTax$) – the amount of the income tax (fees to social extra-budgetary funds) collected from the taxable income of the employee; $СоцНалог$ ($SocTax$) – the amount of the social tax (fees to social extra-budgetary funds) collected from the taxable income of the employee; $ПрибНалог$ ($ProfTax$) – the amount of decrease in the profit tax arising due to the inclusion of benefits paid to the employee to the enterprises’ expenditures.

Separate sets of calculations for incoming migrants and for the employees of the enterprises in the Northern region will be made according to this method.

3.3.3. Calculation for citizens given a job in the territory of a Northern region.

The current legislation stipulates the following benefits for migrants to the territory of the Northern region for employment:

- Lump-sum grant in the amount of two salaries (salary rates)

Basing on the average monthly wage in the region this lump sum grant may be calculated as Rub.

$$2125 \times 2 = \text{Rub. } 4250 \text{ (or } \$277,9^{17}\text{)}$$

- Lump-sum grant to each family member (1/2 salary).

For the average family (2.6 pers.) the amount of the grant assuming that immediately under arrival one family member is getting settled is Rub. $2125 \times 0.5 \times (2.6 - 1) = \text{Rub. } 1700$ (\$111,2)

- Travel expenses of the employee and the family plus luggage freight cost

Travel expenses are Rub. $4359 \times 2.6 = \text{Rub. } 11333$ (\$741)

Luggage freight cost (1/3 of the 3-tonne container freight) Rub. $9330 / 3 = \text{Rub. } 3110$ (\$203,3)

- Daily allowance for the employee and paid vacation for the period of getting settled (7 calendar days).

¹⁷ For the computation in US \$ terms the calculated value was first adjusted for the conditions of 1999 by applying the deflator equal to ½ sum of the VVA deflator and CPI (1.7), and then the estimated average annual exchange rate at Rub. 26 per US \$ was used.

This benefit results in the following expenses borne by the enterprise: $\text{Rub. } 2125 \times 12 \times 7 / 365 = \text{Rub. } 489 (\$32,0)$

The analysis of the current legislation carried out in the sections above permits to calculate on the basis of the suggested methods the distribution of the tax burden and the migrant's (migrant's family) incomes, expenditures, and payments from the profit of the enterprise. The calculated indicators for two versions of legislation shall serve as basic values, and the financial consequences arising due to possible changes in the legislation will be compared with these basic values.

TABLE 3.3. BASE VERSION 1.

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	389,0	2,8	28,5%
Extra income not taxable at the time of entry	976,3	7,0	71,5%
TOTAL income of an employee at the time of entry	1 365,4	9,8	100,0%
Including			
Income tax	46,7	0,3	3,4%
Net income of an employee	1 318,7	9,5	96,6%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	389,0	2,8	25,7%
For wage and fare	976,3	7,0	64,4%
Social tax	149,8	1,1	9,9%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	389,0	2,8	28,5%
Extra income not taxable at the time of entry	976,3	7,0	71,5%
TOTAL income of an employee at the time of entry	1 365,4	9,8	100,0%
Including			
Income tax	63,8	0,5	4,7%
Net income of an employee	1 301,6	9,4	95,3%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	389,0	2,8	25,7%
For wage and fare	976,3	7,0	64,4%
Social tax	149,8	1,1	9,9%

TABLE 3.4. BASE VERSION 2 (TC).

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	389,0	2,8	28,5%
Extra income not taxable at the time of entry	976,3	7,0	71,5%
TOTAL income of an employee at the time of entry	1 365,4	9,8	100,0%
Including			
Income tax	50,6	0,4	3,7%
Net income of an employee	1 314,8	9,5	96,3%
TOTAL expenditures of an enterprise	1 503,9	10,8	100,0%
Including			
From profit	389,0	2,8	25,9%
For wage and fare	976,3	7,0	64,9%
Social tax	138,5	1,0	9,2%

In order to find out the direct consequences of the abolition of benefits and the influence the changes in the legislation have in relation to tax rates, we will conduct three sets of calculations for the following conditions:

- Abolition of benefits while current legislation remains in force;
- Abolition of benefits according to the Tax Code (the basic version and the version presupposing the abolition of benefits are calculated at tax rates stipulated by TC);
- Abolition of benefits under the changing legislation (the basic version – under the current legislation, the version presupposing the abolition of benefits under TC conditions).

In order to facilitate such comparisons, it is necessary to conduct a set of calculations in accordance with yet another basic version presupposing that benefits are retained, but incomes and profits are subjected to the taxation at the TC rates (since the taxation is at the single rate, the option of the transfer to the highest income bracket was not analyzed; for the purposes of the calculation it is assumed that the district coefficient and percentage bonus are taxed at the single rate of 13 per cent).

Find below the calculations for the scenarios presented above.

3.3.3.1. Version No. 1. Abolition of the compulsory nature of benefits and compensations, all payments are equated to wages, enterprises compensate the employees for a decrease in incomes.

In this version the enterprise pays lump sum grants and reimburses the travel expenses by a non-recurrent increase in the employee's wage, the amount of increase is determined in the way ensuring the employee receives the same income after the income tax is collected, as prior to the reform of the benefit system.

#1.1. Abolition of benefits while the current legislation remains in force accompanied by an increase in wages, which will maintain employees' net incomes at the level set by the basic version.

TABLE 3.5..

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	1 498,5	10,8	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 498,5	10,8	100,0%
Including			
Income tax	179,8	1,3	12,0%
Net income of an employee	1 318,7	9,5	88,0%
TOTAL expenditures of an enterprise	2 075,4	14,9	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 498,5	10,8	72,2%
Social tax	576,9	4,2	27,8%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	1 625,3	11,7	100,0%
Extra income not taxable at the time of entry	-	-	0,0%

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
TOTAL income of an employee at the time of entry	1 625,3	11,7	100,0%
Including	-		
Income tax	323,7	2,3	19,9%
Net income of an employee	1 301,6	9,4	80,1%
TOTAL expenditures of an enterprise	2 251,0	16,2	100,0%
Including	-		
From profit	-	-	0,0%
For wage and fare	1 625,3	11,7	72,2%
Social tax	625,7	4,5	27,8%

Table 3.6 demonstrates values characterizing changes in tax revenues, net income of the employee, and the enterprise's expenditure per new employee (with the average family) for this version (abolition of benefits under the current legislation, the employee's income is maintained).

TABLE 3.6.

As compared with the base version 1 (12%)	\$	In relation to average monthly wage	%	Note
Change in income tax revenues	133,1	1,0	74,0%	Of the amount of previously paid income tax
Change in social tax revenues	427,1	3,1	74,0%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	133,1	1,0	8,9%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	949,3	6,8	45,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 560,3	- 4,0	-27,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 168,1	- 1,2	-8,1%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	259,9	1,9	80,3%	Of the amount of previously paid income tax
Change in social tax revenues	476,0	3,4	76,1%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	259,9	1,9	16,0%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	1 124,9	8,1	50,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 735,9	- 5,3	-32,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 220,8	- 1,6	-9,8%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#1.2 Abolition of benefits according to the Tax Code (unchanged employees' net incomes).

TABLE 3.7

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	1 511,2	10,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 511,2	10,9	100,0%
Including			
Income tax	196,5	1,4	13,0%
Net income of an employee	1 314,8	9,5	87,0%
TOTAL expenditures of an enterprise	2 049,3	14,7	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 511,2	10,9	73,7%
Social tax	538,0	3,9	26,3%

TABLE 3.8.

As compared with the base version 2 (TC)	\$	In relation to average monthly wage	%	Note
Change in income tax revenues	145,9	1,0	74,3%	Of the amount of previously paid income tax
Change in social tax revenues	399,5	2,9	74,3%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	145,9	1,0	9,7%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	934,4	6,7	45,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 545,4	- 3,9	-26,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 190,9	- 1,4	-9,3%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#1.3 Abolition of benefits accompanied by a simultaneous change in tax rates (employees' net incomes after the abolition of benefits are equal to their net incomes prior to the abolition, although in compliance with the legislation currently in force).

Since the discrepancy between the amounts of the employee's net incomes (\$1318,7 and \$1301,6 respectively) is registered while comparing the basic version for the current legislation with the tax rate at 12 per cent and with the progressive taxation, this version, although calculations are conducted for tax rates stipulated by TC, also produces slightly different results.

TABLE 3.9..

	Amended legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	1 515,7	10,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 515,7	10,9	100,0%
Including			
Income tax	197,0	1,4	13,0%
Net income of an employee	1 318,7	9,5	87,0%
TOTAL expenditures of an enterprise	2 055,3	14,8	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 515,7	10,9	73,7%
Social tax	539,6	3,9	26,3%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	1 496,0	10,8	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 496,0	10,8	100,0%
Including			
Income tax	194,5	1,4	13,0%
Net income of an employee	1 301,6	9,4	87,0%
TOTAL expenditures of an enterprise	2 028,6	14,6	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 496,0	10,8	73,7%
Social tax	532,6	3,8	26,3%

Accordingly, this version presents the following values characterizing changes in tax revenues, net income of the employee, and the enterprise's expenditure per new employee (with the average family).

TABLE 3.10.

	\$	In relation to average monthly wage		Note
			%	
As compared with the base version 1 (12%)				
Change in income tax revenues	150,4	1,1	76,3%	Of the amount of previously paid income tax
Change in social tax revenues	389,8	2,8	72,2%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	150,4	1,1	9,9%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	929,2	6,7	45,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 540,2	- 3,9	-26,3%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 162,1	- 1,2	-7,9%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	130,7	0,9	67,2%	Of the amount of previously paid income tax

	\$	In relation to average monthly wage	%	Note
Change in social tax revenues	382,8	2,8	71,9%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	130,7	0,9	8,7%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	902,5	6,5	44,5%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 513,5	- 3,7	-25,3%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 154,1	- 1,1	-7,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits

3.3.3.2. Version No. 2. Abolition of the compulsory nature of benefits and compensations, all payments are equated to wages (except of expenditure similar to business trip allowances), enterprises do not compensate the employees for a decrease in incomes.

The most logical behavior for the enterprise, which does not care about retaining the incomes of its employees, would be not to increase their wages by the amount of previously paid benefits. This behavior will result both in a decrease in the enterprise's expenditure and in employees' incomes by the aggregate amount of the benefits equaling about ten average monthly wages (calculation take into account benefits granted to the average family).

In case it is assumed that a part of the benefits is paid as a non-recurrent increase in wages, but in a way the enterprise's expenditures do not increase (and not decrease), incomes of employees still diminish, although to a lesser degree than in the situation the enterprise pays nothing.

#2.1 Abolition of benefits while the current legislation remains in force accompanied by an increase in wages, which will maintain enterprises' expenditures at the level set by the basic version.

TABLE 3.11.

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	1 094,0	7,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 094,0	7,9	100,0%
Including			
Income tax	131,3	0,9	12,0%
Net income of an employee	962,7	6,9	88,0%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 094,0	7,9	72,2%
Social tax	421,2	3,0	27,8%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	1 094,0	7,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 094,0	7,9	100,0%

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Including			
Income tax	131,3	0,9	12,0%
Net income of an employee	962,7	6,9	88,0%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 094,0	7,9	72,2%
Social tax	421,2	3,0	27,8%

The next table demonstrates values characterizing changes in tax revenues, net income of the employee, and the enterprise's expenditure per one employee (with the average family) for this version (abolition of benefits under the current legislation, the enterprise's expenditures are maintained at the same level).

TABLE 3.12.

As compared with the base version 1 (12%)	\$	In relation to average monthly wage		Note
			%	
Change in income tax revenues	84,6	0,6	64,4%	Of the amount of previously paid income tax
Change in social tax revenues	271,4	2,0	64,4%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 271,4	- 2,0	-24,8%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 356,0	- 2,6	- 37,0%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	389,0	2,8	25,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	67,5	0,5	51,4%	Of the amount of previously paid income tax
Change in social tax revenues	271,4	2,0	64,4%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 271,4	- 2,0	-24,8%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 338,9	- 2,4	- 35,2%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	389,0	2,8	25,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#2.2 Abolition of benefits according to the Tax Code (unchanged enterprises' expenditures).

TABLE 3.13.

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	1 109,0	8,0	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 109,0	8,0	100,0%
Including			
Income tax	144,2	1,0	13,0%
Net income of an employee	964,9	6,9	87,0%
TOTAL expenditures of an enterprise	1 503,9	10,8	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 109,0	8,0	73,7%
Social tax	394,8	2,8	26,3%

TABLE 3.14.

As compared with the base version 2 (TC)	\$	In relation to average monthly wage	%	Note
Change in income tax revenues	93,6	0,7	64,9%	Of the amount of previously paid income tax
Change in social tax revenues	256,3	1,8	64,9%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 406,7	- 2,9	-36,7%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 349,9	- 2,5	- 36,3%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	389,0	2,8	25,9%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#2.3 Abolition of benefits accompanied by a simultaneous putting into force the tax rates stipulated by the Tax Code (enterprises' expenditures after the abolition of benefits are equal to expenditures prior to the abolition, although in compliance with the legislation currently in force).

TABLE 3.15.

	Abolition of benefits accompanied by a change in tax rates		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	1 117,4	8,0	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 117,4	8,0	100,0%
Including			
Income tax	145,3	1,0	13,0%
Net income of an employee	972,1	7,0	87,0%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 117,4	8,0	73,7%
Social tax	397,8	2,9	26,3%

	Abolition of benefits accompanied by a change in tax rates		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	1 117,4	8,0	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	1 117,4	8,0	100,0%
Including			
Income tax	145,3	1,0	13,0%
Net income of an employee	972,1	7,0	87,0%
TOTAL expenditures of an enterprise	1 515,1	10,9	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	1 117,4	8,0	73,7%
Social tax	397,8	2,9	26,3%

The next table demonstrates values characterizing changes in tax revenues, net income of the employee, and the enterprise's expenditure per one employee (with the average family) for this version (abolition of benefits coupled with the change in the legislation, the enterprise's expenditures are maintained at the same level).

TABLE 3.16.

	\$	In relation to average monthly wage		Note
			%	
As compared with the base version 1 (12%)				
Change in income tax revenues	98,6	0,7	67,9%	Of the amount of previously paid income tax
Change in social tax revenues	248,0	1,8	62,3%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 248,0	- 1,8	-22,2%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 346,6	- 2,5	- 35,7%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	389,0	2,8	25,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	81,5	0,6	56,1%	Of the amount of previously paid income tax
Change in social tax revenues	248,0	1,8	62,3%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 248,0	- 1,8	-22,2%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 329,5	- 2,4	- 33,9%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	389,0	2,8	25,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an

	\$	In relation to average monthly wage	%	Note
				enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits

In the first version (constant net income of the employee) the abolition of the compulsory nature of the Northern benefits and compensations results in changes most pronounced for the increase in costs of the enterprise. It may be explained by the fact that the enterprise compensating resettlement via wages shall first increase the employee's income by the amount of income tax in order to (by hypothesis) retain the employee's net income and then additionally pay the social tax. The income and social tax revenues increase accordingly. In the second version the change in the amounts of income and social taxes respectively result in a decrease in the employee's income.

3.3.4. Calculation for citizens working in the territory of a Northern region.

In order to calculate financial consequences of the abolition of the compulsory nature of the Northern benefits for the employed we will rely on the annual amounts of wages, benefits, and compensations. The legislation stipulates the following benefits for the persons employed in the territory of the Northern region:

- District coefficient and percentage bonus.

Without making special assumptions about the employee's length of service and the continuity of employment in the Northern district only evaluations related to the district coefficient and its taxation regime¹⁸. Basing on the average regional wage (taking into account the district coefficient and percentage bonuses), the amount of annual payments in the form of the district coefficient may be evaluated as: $\text{Rub. } 2125 / 1.8 \times 0.8 \times 12 = \text{Rub. } 11\,333.3$ (or \$741,0).

- Annual additional vacation.

The annual additional vacation granted in the districts of the Extreme North makes 21 working days. Over the period of vacation the employee is additionally paid the average monthly wage¹⁹.

The annual amount of this benefit makes Rub. 2125 (\$138,9).

- Non-inclusion in the vacation period of the time of travelling to the place of vacation and back each two years.

A large number of Northern districts are accessible only by air transport that leading to shorter time required to travel to the place of vacation. Even in case the travel time makes several days (by

¹⁸ The computation indirectly takes into account the percentage bonus, since the information about the regional average wage includes the value of the percentage bonus. Процентная надбавка учитывается в расчетах косвенно,

¹⁹ This indicator is not taken into account while computing the change in the income of an employee in case the benefit is abolished (the employee is still paid the wage, but s/he have to work it off). The change in the amount of payments pertaining to this benefit is taken into account while computing the change in the enterprise's profit; however, it is assumed that since the employee works in stead of taking the vacation, the enterprise derives extra profits comparable with the wage this employee is paid.

railroad and other transport), the amount of this payment is insignificant. In case the time of travel is three days (by railroad transport) the compensation shall be about \$ 20 a year.

- Lump sum grant at the prolongation of the first labor contract.

Since this benefit is paid only once over the whole length of service, the payment of this benefit (0.5 of the salary) in terms of per employee annual payment is insignificant and is not taken into account in the process of calculations.

- reimbursement of travelling expenses borne while travelling to the place of vacation and back..

Assuming this payment is made each two years to each family member, the expenses of the enterprise for reimbursing each employee will make Rub. 4358,8 x 2.6 x 2 / 2 = Rub. 11 333

(\$741,0)²⁰.

A number of specific benefits exists alongside with the benefits listed above, for instance, retained average wage for employees sent for the day-time training, retained wage for a person dismissed due to a reorganization or liquidation until s/he finds a new job, various benefits for women, including the pregnant. However, the payments of these benefits are small and casual, and it is difficult to evaluate them in quantitative terms; therefore these benefits will not be taken into account in the process of analysis of the financial consequences. Similarly to calculations for the newly employed in the Northern region, two basic versions shall be reviewed in relation to those working in the North (current system of benefits under the current legislation and at the Tax Code rates).

TABLE 3.17. BASIC VERSION 1.

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	1 667,3	12,0	69,2%
Extra income not taxable at the time of entry	741,0	5,3	30,8%
TOTAL income of an employee at the time of entry	2 408,3	17,3	100,0%
Including			
Income tax	200,1	1,4	8,3%
Net income of an employee	2 208,2	15,9	91,7%
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 408,3	17,3	79,0%
Social tax	641,9	4,6	21,0%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	1 667,3	12,0	69,2%
Extra income not taxable at the time of entry	741,0	5,3	30,8%
TOTAL income of an employee at the time of entry	2 408,3	17,3	100,0%
Including			
Income tax	273,4	2,0	11,4%
Net income of an employee	2 134,9	15,4	88,6%

²⁰ Payments pertaining to this benefit are computed as the product of the cost of a single person's one-way trip multiplied by the number of the family members (2.6) multiplied by 2 (round trip) and divided by 2 (one trip per 2 years).

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 408,3	17,3	79,0%
Social tax	641,9	4,6	21,0%

TABLE 3.18. BASIC VERSION 2 (TC).

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	1 667,3	12,0	69,2%
Extra income not taxable at the time of entry	741,0	5,3	30,8%
TOTAL income of an employee at the time of entry	2 408,3	17,3	100,0%
Including			
Income tax	216,8	1,6	9,0%
Net income of an employee	2 191,6	15,8	91,0%
TOTAL expenditures of an enterprise	3 001,9	21,6	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 408,3	17,3	80,2%
Social tax	593,6	4,3	19,8%

The calculation of the financial consequences of the abolition of the compulsory nature of the Northern benefits is conducted for two versions (retaining employees' net incomes and retaining enterprises' expenditures at the same level), in which all payments are equated to wages.

3.3.4.1. Version No. 1. Abolition of the compulsory nature of benefits and compensations, all payments are equated to wages, enterprises compensate the employees for a decrease in incomes.

In this version the enterprise increases the employee's income by raising the wage up to the level, at which the previous value of the employee's net income (\$ 2208.2 a year at 12 per cent income tax rate, \$ 2134.9 a year at the progressive income taxation under the legislation currently in force, and \$ 2191.6 at single 13 per cent rate of the income tax, respectively).

#1.1 Abolition of benefits while the current legislation remains in force accompanied by an increase in wages, which will maintain employees' net incomes at the level set by the basic version.

TABLE 3.19.

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	2 509,4	18,1	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 509,4	18,1	100,0%
Including			
Income tax	301,1	2,2	12,0%
Net income of an employee	2 208,2	15,9	88,0%
TOTAL expenditures of an enterprise	3 475,5	25,0	100,0%
Including			
From profit	-	-	0,0%

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
For wage and fare	2 509,4	18,1	72,2%
Social tax	966,1	7,0	27,8%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	2 665,9	19,2	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 665,9	19,2	100,0%
Including			
Income tax	531,0	3,8	19,9%
Net income of an employee	2 134,9	15,4	80,1%
TOTAL expenditures of an enterprise	3 692,2	26,6	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 665,9	19,2	72,2%
Social tax	1 026,4	7,4	27,8%

TABLE 3.20.

As compared with the base version 1 (12%)	\$	In relation to average monthly wage		Note
			%	
Change in income tax revenues	101,0	0,7	33,6%	Of the amount of previously paid income tax
Change in social tax revenues	324,2	2,3	33,6%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	101,0	0,7	4,0%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	425,2	3,1	12,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 425,2	- 3,1	-12,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 127,6	- 0,9	-3,7%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	257,6	1,9	48,5%	Of the amount of previously paid income tax
Change in social tax revenues	384,4	2,8	37,5%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	257,6	1,9	9,7%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	642,0	4,6	17,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 503,1	- 3,6	-13,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 150,9	- 1,1	-4,1%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#1.2 Abolition of benefits according to the Tax Code (unchanged employees' net incomes).

TABLE 3.21.

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	2 519,0	18,1	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 519,0	18,1	100,0%
Including			
Income tax	327,5	2,4	13,0%
Net income of an employee	2 191,6	15,8	87,0%
TOTAL expenditures of an enterprise	3 415,8	24,6	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 519,0	18,1	73,7%
Social tax	896,8	6,5	26,3%

TABLE 3.22.

As compared with the base version 2 (TC)	\$	In relation to average monthly wage	%	Note
Change in income tax revenues	110,7	0,8	33,8%	Of the amount of previously paid income tax
Change in social tax revenues	303,2	2,2	33,8%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	110,7	0,8	4,4%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	413,9	3,0	12,1%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 413,9	- 3,0	-12,1%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 144,9	- 1,0	-4,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#1.3 Abolition of benefits accompanied by a simultaneous change in tax rates (employees' net incomes after the abolition of benefits are equal to their net incomes prior to the abolition, although in compliance with the legislation currently in force).

TABLE 3.23.

	Abolition of benefits accompanied by a change in tax rates		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	2 538,2	18,3	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 538,2	18,3	100,0%
Including			
Income tax	330,0	2,4	13,0%
Net income of an employee	2 208,2	15,9	87,0%
TOTAL expenditures of an enterprise	3 441,8	24,8	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 538,2	18,3	73,7%
Social tax	903,6	6,5	26,3%

	Abolition of benefits accompanied by a change in tax rates		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry			
Extra income not taxable at the time of entry	2 453,9	17,7	100,0%
TOTAL income of an employee at the time of entry	-	-	0,0%
Including	2 453,9	17,7	100,0%
Income tax			
Net income of an employee	319,0	2,3	13,0%
TOTAL expenditures of an enterprise	2 134,9	15,4	87,0%
Including	3 327,5	23,9	100,0%
From profit			
For wage and fare	-	-	0,0%
Social tax	2 453,9	17,7	73,7%
	873,6	6,3	26,3%

TABLE 3.24.

As compared with the base version 1 (12%)	\$	In relation to average monthly wage		Note
			%	
Change in income tax revenues	129,9	0,9	39,4%	Of the amount of previously paid income tax
Change in social tax revenues	261,7	1,9	29,0%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	129,9	0,9	5,1%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	391,6	2,8	11,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 391,6	- 2,8	-11,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 117,5	- 0,8	-3,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	45,6	0,3	14,3%	Of the amount of previously paid income tax
Change in social tax revenues	231,7	1,7	26,5%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	45,6	0,3	1,9%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	-	-	-	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	277,3	2,0	8,3%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	- 138,3	- 1,0	-4,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	- 41,5	- 0,3	-1,2%	Of the amount of total expenses of an enterprise prior to abolition of benefits

3.3.4.2. Version No. 2. Abolition of the compulsory nature of Northern benefits and compensations, all payments are equated to wages, enterprises do not compensate the employees for a decrease in incomes maintaining their expenditures at the previous level.

In this version the enterprise maintains its expenditures at the same level (at \$3050,2 a year, at the same time employee's income is decreasing due to the growing tax burden on the payments the employee receives. The calculations of the current and new legislation are presented in Tables.

#2.1 Abolition of benefits while the current legislation remains in force accompanied by an increase in wages, which will maintain enterprises' expenditures at the level set by the basic version.

TABLE 3.25.

	Current legislation		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	2 202,3	15,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 202,3	15,9	100,0%
Including			
Income tax	264,3	1,9	12,0%
Net income of an employee	1 938,0	13,9	88,0%
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 202,3	15,9	72,2%
Social tax	847,9	6,1	27,8%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	2 202,3	15,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 202,3	15,9	100,0%
Including			
Income tax	438,7	3,2	19,9%
Net income of an employee	1 763,7	12,7	80,1%
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 202,3	15,9	72,2%
Social tax	847,9	6,1	27,8%

TABLE 3.26.

	\$	In relation to average monthly wage		Note
			%	
As compared with the base version 1 (12%)				
Change in income tax revenues	64,2	0,5	24,3%	Of the amount of previously paid income tax
Change in social tax revenues	206,0	1,5	24,3%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 206,0	- 1,5	-9,4%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 371,2	- 2,7	- 19,2%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an

	\$	In relation to average monthly wage	%	Note
				enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	165,2	1,2	37,7%	Of the amount of previously paid income tax
Change in social tax revenues	206,0	1,5	24,3%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 206,0	- 1,5	-9,4%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 371,2	- 2,7	- 21,0%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	138,9	1,0	4,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	41,7	0,3	1,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#2.2 Abolition of benefits according to the Tax Code (unchanged enterprises' expenditures).

TABLE 3.27.

	Tax Code		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Extra income taxable at the time of entry	2 213,8	15,9	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 213,8	15,9	100,0%
Including			
Income tax	287,8	2,1	13,0%
Net income of an employee	1 926,0	13,9	87,0%
TOTAL expenditures of an enterprise	3 001,9	21,6	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 213,8	15,9	73,7%
Social tax	788,1	5,7	26,3%

TABLE 3.28.

As compared with the base version 2 (TC)	\$	In relation to average monthly wage	%	Note
Change in income tax revenues	71,0	0,5	24,7%	Of the amount of previously paid income tax
Change in social tax revenues	194,5	1,4	24,7%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 194,5	- 1,4	-8,8%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 265,6	- 1,9	- 13,8%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of

As compared with the base version 2 (TC)	\$	In relation to average monthly wage	%	Note
				an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits

#2.3 Abolition of benefits accompanied by a simultaneous change in tax rates (enterprises' expenditures after the abolition of benefits are equal to expenditures prior to the abolition, although in compliance with the legislation currently in force).

TABLE 3.29.

	Abolition of benefits accompanied by a change in tax rates		
	\$	In relation to average monthly wage	% of the TOTAL incomes
Taxation at 12% rate			
Extra income taxable at the time of entry	2 249,4	16,2	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 249,4	16,2	100,0%
Including			
Income tax	292,4	2,1	13,0%
Net income of an employee	1 957,0	14,1	87,0%
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 249,4	16,2	73,7%
Social tax	800,8	5,8	26,3%
Taking into account the movement to higher income groups			
Extra income taxable at the time of entry	2 249,4	16,2	100,0%
Extra income not taxable at the time of entry	-	-	0,0%
TOTAL income of an employee at the time of entry	2 249,4	16,2	100,0%
Including			
Income tax	292,4	2,1	13,0%
Net income of an employee	1 957,0	14,1	87,0%
TOTAL expenditures of an enterprise	3 050,2	22,0	100,0%
Including			
From profit	-	-	0,0%
For wage and fare	2 249,4	16,2	73,7%
Social tax	800,8	5,8	26,3%
	873,6	6,3	26,3%

TABLE 3.30.

	\$	In relation to average monthly wage	%	Note
As compared with the base version 1 (12%)				
Change in income tax revenues	92,3	0,7	31,6%	Of the amount of previously paid income tax
Change in social tax revenues	158,9	1,1	19,8%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 158,9	- 1,1	-7,1%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 177,9	- 1,3	- 9,1%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits

	\$	In relation to average monthly wage	%	Note
Change in profit of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
As compared with the base version 1 (taking into account the income group)				
Change in income tax revenues	19,0	0,1	6,5%	Of the amount of previously paid income tax
Change in social tax revenues	158,9	1,1	19,8%	Of the amount of previously paid social tax (PF, etc.)
Change in income of an in-migrant (including income tax)	- 158,9	- 1,1	-7,1%	Of the income prior to abolition of benefits
Change in net income of an in-migrant	- 177,9	- 1,3	- 9,1%	Of the amount of net income prior to abolition of benefits
Change in costs of an enterprise	-	-	0,0%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit of an enterprise	138,9	1,0	4,6%	Of the amount of total expenses of an enterprise prior to abolition of benefits
Change in profit tax revenues	41,7	0,3	1,4%	Of the amount of total expenses of an enterprise prior to abolition of benefits

It shall be mentioned that the current legislation stipulates the benefit related to the provision of housing for the employee and the family members according to certain norms, the respective expenditures are included in costs and are not subjected to the income and social tax.

Due to the fact that over the last years the migration balance for the Northern regions has been mainly adverse, it may be assumed that the population is provided with the departmental housing in volumes stipulated by the legislation.

It follows that the minimal basic requirements of housing may be met without involving additional expense on the part of the enterprise and the employee. However, it shall be noted that this benefit may be easily abused, as certain persons may be granted housing in a considerable excess over the stipulated requirements, while the housing may be purchased and maintained at the expense of the enterprise.

The comparison of versions related to those working in the Northern regions reveals that in the first version (unchanged net income of the employee) there occurs an increase in the enterprise's expenditure (at about 8 to 20 per cent), while in the second version (unchanged expenses of the enterprise) the income of the employee diminishes by about the same value. At the same time, the comparison of the version related to the progressive income tax and the current legislation with the version presenting the single income tax rate stipulated by TC reveals that the changes in wages and enterprise's expenditures are less pronounced in the case of the single income tax rate.

Part 4. Evaluation of possible outcome and calculation of budget effect of migration from the northern regions

Meanwhile the existing system of benefits and privileges that had encouraged the inflow of working force to the northern regions is the non-funded burden for local enterprises and budget organizations. The decline in economic activity caused by the ongoing transformation processes has led to the recognition of the fact that a substantial working force surplus that would be accumulated deliberately in the northern regions to encourage their development has become of no use and not compensated for. A considerable number of pensioners and unemployed in the northern regions, who have no money to migrate and settle down in the southern and central regions, have to stay in the North, even despite the impossibility to develop their small private lots and natural economy due to the local climate.

The problems that arose and continue to intensify in the northern regions require a solution, because the rising unemployment and the decline in the population's well-being due to the disproportion between the increase in subsistence minimum rate and the indexation of pensions and allowances lead to the rising tension there. At the same time the government has to pay higher pensions and unemployment benefits to the pensioners and unemployed in the northern regions, because they are entitled to those; in addition, the maintenance of the aging housing and facility network in the North proves to be very costly, especially in wintertime, when the probability of heating system breakdowns in some houses and even whole settlements and towns becomes much higher. All the above calls for state programs of encouraging migration of the non-able-bodied and needy population from the North.

It should be noted that the present paper is designated to evaluate the outcome of a possible long-term policy towards the Far North regions, local residents, and general trends in terms of development of the northern territories. The population migration encouragement programs should imply exclusively a voluntarily nature of theirs, however, if the government aims at reducing the number of residents in the northern regions and at optimization of their social structure, it should provide for a number of measures aimed at the contraction of stimuli for the population's inflow. The output of the present research should be calculations of effectiveness of implementation of different variants of migration assistance programs, providing that the evaluation is conducted across all possible inter-regional routes of migration from the northern regions to all the other ones.

The selection of the northern regions for the purpose of the present research poses a separate problem. There are a great number of typologies and criteria for selecting northern regions. For example, one of such criteria may become a local coefficient applied to regular salaries and wages

set by the law, while another variant may be a calculation of special discomfort coefficients²¹ and the selection of the least comfortable regions by some feature. In a similar fashion, to select northern regions, one can use simple characteristics, such as, for instance, the duration of heating season, the average temperature over the winter months, altitude, other climate indices, and various indices that characterize the transport accessibility of single regions, as well as the sufficiency of the provision of essential goods. Upon comparing different methodologies, 27 regions were preliminary selected as northern, and the list of them is given in Table 4-1.

TABLE 4-1. THE LIST OF NORTHERN REGIONS

1. Amur Oblast	10. Nenetsky AO	19. Taymyr AO
2. Arkhangel'sk Oblast	11. Primorsky Krai	20. Tomsk Oblast
3. Jewish AO	12. Altay Republic	21. Tymen Oblast
4. Irkutsk Oblast	13. Republic of Buryatia	22. Khabarovsk Krai
5. Kamchatka Oblast	14. Republic of Karelia	23. Khanty-Mansy AO
6. Koryaksky AO	15. Republic of Komi	24. Chita Oblast
7. Krasnoyarsk Krai	16. Republic of Sakha (Yakutia)	25. Chukotka AO
8. Magadan Oblast	17. Republic of Tyva	26. Evenk AO
9. Murmansk Oblast	18. Sakhalin Oblast	27. Yamal-Nenetsk AO

The above sample can be narrowed, should only the regions with stable negative migration balances (the population outflow from the region) be concerned. Such a narrowing of the sample is related to the fact that it would be expedient to implement migration programs in the regions that have considerable stimuli for the population inflow (for example, well-paid jobs at operating enterprises, a well- developed and efficient infrastructure in the region). The population migration dynamics for the 27 selected regions between 1994 to 1998 is given in Table 4-2.

The regions noted * in the Table are those whose migration balance was negative or declining intensively (increasingly negative) over the majority of the years concerned. Considering the specifics of the present research, to narrow the sample, we will be using only these regions for further calculations (see the list of those in Table 4-3).

In order to measure the intensity of social tension in the region, one may employ, for example, the non-productive population index (the proportion of non- working population). In addition to its showing the pressure per 1 working person, such an index also characterizes the level of the part of the population that is a burden for the region because of the need to pay increased personal payments (unemployment benefits, pensions and benefits to residents with children). Because of that, from the viewpoint of the government support of migrants, the regions that have an increased value of the calculated index constitute the priority and should be included in the sample. The evaluation of the index shows that, indeed, using this particular characteristic, some northern regions can be singled out. In this respect, one should note especially a significant part of Autonomous Okrugs, in which the unemployment rate accounts for a.15 to 20%, which speaks for the need in helping migration there.

²¹ For a greater detail, see the Report on the prior stage of the present research, which particularly provides the evaluation of different Northern regions typologies, including that in terms of discomfort rating developed by the

TABLE 4-2. THE POPULATION MIGRATION DYNAMICS TO THE NORTHERN REGIONS (1994-1997)

Коэффициенты миграционного прироста, чел на 10000 населения	1994	1995	1996	1997	1998
Amur Oblast	-130	-11	-38	-55	-61
* Arkhangel'sk Oblast	-23	-31	-40	-51	-53
Jewish AO	-256	-66	-86	-87	-93
* Irkutsk Oblast	11	7	-4	-18	-10
* Kamchatka Oblast	-348	-280	-172	-175	-163
* Koryaksky AO	-462	-270	-185	-316	-293
* Kransoyarsk Krai	-31	7	3	-12	-17
* Magadan Oblast	-914	-759	-259	-217	-247
* Murmansk Oblast	-194	-148	-129	-145	-157
* Nenetsky AO	-339	-246	-189	-171	-86
Primorsky Krai	-24	-42	-42	-49	-54
Altay Republic	80	70	5	30	44
Republic of Buryatia	12	0	-12	-46	-46
* Republic of Karelia	20	23	0	3	-3
* Republic of Komi	-184	-101	-77	-95	-93
* Republic of Sakha (Yakutia)	-295	-182	-118	-170	-197
* Republic of Tyva	-13	-16	-35	-29	-19
* Sakhalin Oblast	-324	-301	-181	-185	-163
* Taymyr AO	-394	-171	-195	-266	-227
Tomsk Oblast	85	23	12	22	11
Tymen Oblast	76	34	23	78	21
* Khabarovsk Krai	-93	-69	-48	-34	-41
Khanty-Mansy AO	64	1	4	112	34
Chita Oblast	-41	-25	-53	-67	-66
* Chukotka AO	-1278	-978	-592	-566	-558
* Evenk AO	-829	-243	-199	-203	-259
* Yamal-Nenetsk AO	160	105	12	40	-62

TABLE 4-3. THE CORRECTED LIST OF THE NORTHERN REGIONS.

1. Arkhangel'sk Oblast	7. Murmansk Oblast	13. Sakhalin Oblast
2. Irkutsk Oblast	8. Nenetsky AO	14. Taymyr AO
3. Kamchatka Oblast	9. Republic of Karelia	15. Khabarovsk Krai
4. Koryaksky AO	10. Republic of Komi	16. Chukotka AO
5. Kransoyarsk Krai	11. Republic of Sakha (Yakutia)	17. Evenk AO
6. Magadan Oblast	12. Republic of Tyva	18. Yamal-Nenetsk AO

Almost each northern region has its own targeted program aimed at support of pensioners, unemployed and other needy categories of residents, and at their migration and settling down in the regions receiving them (usually, those are the southern and central regions of Russia, but the migration within their native region, closer to mining and industrial centers, is also possible). In addition, one of the World Bank's loans for structural transformations in the economy was disbursed exclusively for the purpose of implementation of the population migration support program.

As far as the migration of the needy residents from the northern regions is concerned, one can single out some components of its economic effect, of which the following ones should be noted:

- Economic consequences (change in the volume of output and consumption, change in the structure of demand and in the composition of goods basket supplied to the northern regions, change in the level of real salaries and wages, changes in the well-being of migrants and

residents, saving of budget expenditure on maintenance and reconstruction of the budget network, change in the amount of spending of the budgets of all levels, etc.);

- Social and demographic consequences (alleviation of social tension and change in the illness, mortality and birth rate indices due to the change in climatic conditions, etc);
- Political consequences (change in electoral preferences, possible cancellation of the northern benefits, etc.)

The evaluation of benefits granted to residents working in the territory of the northern regions, individuals migrating to and from them conducted in the Section ‘ Evaluation of consequences of the cancellation of the compulsory nature of northern benefits and compensations’ allows, on the basis of the data on actual payments of pensions and benefits in the northern regions, calculation of a contraction in personal payments that may result from the individual migration, due to the migrant’s social category.

The decisions on implementation of the migration support programs mostly are based on the budget efficiency of the projects implemented, that is why quantitative estimates of the socio-economic effect will be made on the basis of the aforementioned four components:

- **Contraction in personal payments to the migrating residents.** Such a contraction implies that all the unemployment benefits and allowances to residents with children, and pensions to pensioners and disabled persons in the central and southern regions are lower than in the northern regions, primarily due to ‘the Northern coefficients’.
- **Contraction in the local budgets’ expenditure on housing, transport, education, healthcare, etc.** At this point, one should note that in the case of a individual or a few families’ migration the expenditure by these items would not be contracted, because that requires a migration of a whole condominium or ‘micro-area’. Accordingly, the maximal contraction takes place in the case of migration of a whole settlement or town along with a simultaneous increase in concentration and enhancement of efficiency of services provided to the remaining residents. That is why, to ensure a more comprehensive picture of the efficiency, the consideration of various scenarios is needed.
- **Change in the amount of financial support and financial flows between the tiers within the budget system.** The migration of the least wealthy strata of the population from the northern regions (northern areas of the Subjects) along with a simultaneous consolidation of spare or inefficient infrastructure would lead to a decline in the amount of the financial support allocated to local budgets from the regional budget. In addition, that may entail a decline in the value of the transfer to the northern region and, in some cases, a growth in the transfer allocated to the region that receives migrants, plus, should there be a considerable number of the latter, it would become possible to diminish the amount of funds allocated to finance the federal organizations and institutions network (the federal ministries and departments’ expenditure in the regions).

- **Spending of all the levels of the budget system on the project implementation.** Such costs comprise the expenditure on implementation of the migration programs that imply helping with the migration (payments for passenger and cargo transportation) and in buying a new housing in another region. Such costs are highly dependent on the migration destination, social categories of migrants, the number of migrating residents, and on the number of migrating families.

As noted above, various variants of migration are possible, which depends on the number of individual migrants from the northern region and their concentration in the region receiving them. In order to ensure a more comprehensive estimate of possible migration outcome, the following four scenarios of migration have been considered:

1. Upon migration, it is only personal payments that should change, while the local budget expenditure (in terms of housing, healthcare, education, etc.) remain unchanged both in the northern and in the receiving regions. This scenario corresponds to the ‘spot’ migration that implies a small number of individuals (households’) migration from the northern region, which does not lead to consolidation of infrastructure.
2. Migration is accompanied by a partial (50%) consolidation of infrastructure, while the receiving regions do not increase their expenditure. Such a situation is possible in the case of migration of a significant part of the population from cities, which implies a possibility of a partial reduction of the existing infrastructure.
3. Migration is accompanied by a 100% consolidation of infrastructure (cutting down expenditure on the housing sector, transport, education, healthcare, social policy, law enforcement and the public and self-governance in proportion to the number of the outgoing population), while the receiving regions do not experience any rise in their expenditure. This variant corresponds to the population migration that is accompanied by a shutdown of a whole town or settlement. However the migration is not centralized, i.e. there is no construction of houses for migrants in any region, and every migrating family chooses their residence by themselves.
4. Migration is accompanied by proportional cuts of all the budget expenditure in the northern region and a proportional increase in the budget expenditure of the receiving region. Such a variant corresponds the migration problem in the frame of which the centralized assistance is rendered to a great number of individuals (households) in their migration, and the receiving regions have their infrastructure expanding (possibly without the increase of, for instance, schools and hospitals, but with a growth in their staff).

Because of non-homogeneity of the benefits provided across the groups of population, the budget effect should be calculated in terms of different socio-economic groups of that (pensioners and disabled, children, unemployed and employed individuals). The calculation should bring about a saving of funds per each migrant. In the common case, for all the aforementioned four variants of migration, the formula of calculation of the annual saving of budget funds, exclusive of costs for the

transportation per 1 migrant, is as follows (index 'soc' means that the value is dependent upon the migrant's social category):

$$Y_{soc} = G_{soc}^N - G_{soc}^S + P_{Ssoc}^N - P_{Ssoc}^S,$$

where: G_{soc}^N – annual budget expenditure *per capita* (not to be considered under the 1st variant, at 50% and 100% by main items under the IInd and the IIIrd variants, respectively, and to be considered in full under the IVth variant);

G_{soc}^S – annual expenditure in the receiving region *per capita* (considered only under the IVth variant);

P_{Ssoc}^N – annual personal payments per 1 individual of the given social category in the northern region (considered in all the variants);

P_{Ssoc}^S – annual personal payments per 1 individual of the given social category in the receiving region (considered in all the variants).

The budget expenditure *per capita* for all the migrants comprise costs for the housing and communal sector, transport, healthcare and expenditure by other items, except education. As concerns children, the overall expenditure will be supplemented with the education expenditure per 1 child in the region.

The expenditure on individual payments, i.e the expenditure of the local budget on paying children and other allowances, expenditure of the territorial branches of the State Employment Fund and Pension Fund are determined, proceeding from the benefits provided, depending on the category of the population both in the northern and the receiving regions. However, the main reason for the arising of savings in the course of migration is a relatively broad set of benefits provided to the population in the northern region that partly are subject to cancellation in the course of migration to the mainland:

- Unemployed – the local coefficient introduced to the unemployment benefits and stipendiums during the vocational training period (in the case of employment in the receiving region, the respective costs for the benefit are cancelled at a full rate);
- Pensioners and disabled – lowering of the local coefficient to their pensions in the case of their migration from the Far North regions and areas equaled to them to the ultimate level of 1.5 (if the destination point of their migration is a region with a smaller coefficient);
- Children – payment of compensations to families with children, taking account of the local coefficient and a per cent increase in salaries and wages for the work in the Far North regions and areas equaled to them.

The present value of the final saving can be calculated using the amount of annual saving and taking into account the discount rate of 9% annualized. To calculate the term of the project's profitability, one also needs to identify costs for the moving of every migrant. The population

migration support programs underway currently provide either of the two variants of costs per every migrant:

- The costs are calculated proceeding from the actual costs for the migration of the household (tickets, payment for cargo transportation (for a full container or a fixed part of that for 1 household, a partial or full payment for the housing purchased in the receiving region, proceeding from the calculation of the costs of 9 to 12 sq.m. per 1 migrant);
- The costs are a fixed amount of the subsidy from which the payment for the migrant's expenses is made (the amount of the subsidy can depend on the migrant's social category, or, for example, his record of work in the north).

In the present research, the costs have been evaluated according to the two variants: that is, the costs for the travel to a new residence (including travel costs and costs for the transportation of 5 t. of cargo²²) and the housing costs (12 sq.m. per person, according to prices in the receiving region). To calculate the given costs of the project of the population migration from the northern regions, it is necessary to discount the annualized value of the saving resulted from the migration:

The saving of the budget funds that arises from the population's migration is not accumulated in a single place, but it is subject to distribution between the tiers of the budget system. The calculation of such a distribution is complicated by its dependence on the initial state and consequent changes in the flows of financial support from the federal budget to the regional, and, consequently, from the regional budget to the local one, within the framework of the current interbudgetary relations system. A migration of a poor and non-able-bodied population from the region may be followed by a contraction in financial support, which may affect the distribution of the saved funds. The calculation of the latter across different kinds of budgets and extrabudgetary funds is calculated proceeding from the actual financial support and actual expenditure: the federal budget- expenditure on the Northern Supply and federal programs; the local and the regional budgets - expenditures on the provision of public services to migrants (the housing and communal sector, transport, education, healthcare, etc.); extrabudgetary funds – pensions and various benefits. These constitute the basis for the calculation of the distribution (spread) pattern of the saved funds across the extrabudgetary funds and kinds of budgets.

The following original data formed the basis for calculations:

- The data on the regional budget expenditure by main outlays: (reports on the execution of regional budgets between 1998 to 1999, including final turnovers)' sources- the RF Ministry of Finance;

²² To calculate the travel costs, additional estimations were made, which were based upon the TransSib's data. The latter comprised approximate travel costs on the base of distances between large cities of economic regions in which the Northern and the receiving regions are located. Consequently, the average value of the transportation between the cities was calculated. The average costs were calculated analogously.

- The data on the demographic structure of the population, number of children, pensioners, unemployed and employed (the number of persons), source- Goskomstat of RF, 'Regiony Rossii-99' Reference Book;
- The data on paying pensions and unemployment benefits, source: Report on the execution of the budgets of the Pension Fund and the Employment Fund of RF in 1998 to 1999;
- The data of different information agencies on the costs for travel, sq.m. of housing at the secondary market for real estate, and other supplementary information.

The calculations were made using the data for 1998-99. To compare the data, we used the deflator equal to the arithmetic mean of GDP and CPI indices, and to calculate the respective effect in USD equivalent, the average USD exchange rate for 1999 was used. It is the third variant of migration that appears the most efficient: the scenario implies migration of a whole town or settlement, but migrants are to outspread across the country's territory, i.e. every region receives not so many migrants and there is no increase in the receiving regions' costs. This variant allows estimate a maximal number of migration routes that appear profitable from the viewpoint of the saving of budget funds, that is why a special attention should be paid to it. The results of calculations of annual saving and the projects' profitability term across social categories for all the variants of migration are given in the Annex.

The migration has a positive budget effect in the event the contraction in budget spending per 1 resident of a certain social category, being summed up with a change in individual payments, makes up a positive value. In addition, should the noted present value of rationalizing of resources exceed the costs for migration and settling down, one can refer to a positive final term of the project's profitability²³.

The evaluation of the output (see Annex to Part 4) shows that the saving in the course of the migration of one child is distributed in a different way, depending on the spending on children in the receiving and the northern regions. However, one may note that among the receiving regions not included in the sample, it is Khanty-Mansy AO whose value of the saving differs greatly from the others and becomes negative. The region in question undoubtedly is a northern one, but it has not been included in the sample, due to the existence of a constant positive migration inflow. In 1998, the education expenditure in the region exceeded all the other remaining regions' respective values, except Moscow. On the whole, it is because of the educational expenditure that the value of the saving in the case of migration of one child has proved to be positive in the majority of cases.

As far as pensioners are concerned, it is the IVth type of migration, under which the respective economy would be different, due to the receiving region. That occurs because only in such a case

²³ Note that we consider only the positive budget effect arising from consolidation. In the calculations above, we have not considered the budget spending on implementation of the consolidation and those related to preservation and liquidation of settlements, facilities, utilities network, etc. In addition, we have not considered jobs liquidation and,

the latter experiences a rise in general expenditure per resident, due to the growth in its population. For the 'spot' types of migration that imply a full or partial infrastructure consolidation in the northern regions, the biggest saving effect is noted for Magadan Oblast, Republic of Tyva, and Krasnoyarsk Krai. The distribution of the saving for the first type of migration is notably different from the previous ones, because there is no consideration of changes in overall spending of both the northern and receiving region. In this event, the biggest economy is noted in the case of the migration from Evenk AO, Irkutsk Oblast, and Chukotka AO (the regions with the highest local coefficients and high average pensions).

Table 4-4 provides results of calculations of the timing of profitability for the IIIrd variant of migration.

The evaluation of the timing of profitability for this particular variant (as well as for the others) shows that the northern regions conditionally may be classified in 3 groups. The first group would comprise regions, the migration from which practically to all the regions, according to the model, would provide a positive budget effect. It is the regions for which the biggest net value of budget saving is noted, and, accordingly, the timing of profitability of the migration projects from these regions should prove to be the least one.

The second group would comprise regions, the migration from which to a part of the receiving regions would prove to be unprofitable for the government in terms of budget economy. For this group, there are the following numbers of profitable migration routes.

The third group comprises regions, for which in the majority of cases migration would prove to be unprofitable. That may be attributed to an excessively large subsidy determined by the remote location of the receiving region or by excessively low budget expenditure in the northern region, the contraction of which would not compensate for costs for migration and settling down of migrants.

Tables 4-5 – 4.7 provide the number of routes, the migration along which has a positive net present value

It is Ivanovo and Smolensk Oblasts and Republic Mary-El that should be singled out among the central regions as being capable to absorb migrants. It should be noted that in this case only the 3rd and 4th types of migration would be possible, i.e. these are the cases of a maximal infrastructure consolidation.

TABLE 4-4. THE TIMING OF PROFITABILITY OF THE MIGRATION SUPPORT PROJECT (IIIRD VARIANT), IN YEARS

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai	Taymyr AO	Evenk AO	Irkutsk Oblast
Republic of Karelia	–	30.19	–	6.97	–	–	3.25	3.39	–
Republic of Komi	–	–	–	9.11	–	–	3.92	4.11	–
Arkhangel'sk Oblast	–	11.65	–	4.46	–	–	2.27	2.35	–
Nenetsky AO	–	–	–	10.77	–	–	3.72	4.07	–
Vologda Oblast	–	19.45	–	5.97	–	–	2.88	3.00	–
Murmansk Oblast	–	11.68	–	3.93	–	–	1.90	2.00	–
S-Petersburg	–	–	–	–	–	–	16.53	18.12	–
Leningrad Oblast	–	–	–	10.44	–	–	4.64	4.82	–
Novgorod Oblast	–	–	–	9.75	–	–	4.35	4.53	–
Pskov Oblast	–	20.91	–	6.52	–	–	3.24	3.35	–
Bryansk Oblast	–	27.48	–	7.36	–	–	3.57	3.69	–
Vladimir Oblast	–	26.71	–	7.15	–	–	3.46	3.58	–
Ivanovo Oblast	23.23	9.08	–	3.86	–	20.76	2.06	2.12	–
Kaluga Oblast	–	26.01	–	7.01	–	–	3.38	3.50	–
Kostroma Oblast	–	59.35	–	7.98	–	–	3.73	3.87	–
City of Moscow	–	–	–	–	–	–	11.29	12.14	–
Moscow Oblast	–	–	–	10.87	–	–	4.71	4.90	–
Orel Oblast	–	29.00	–	7.00	–	–	3.31	3.44	–
Ryazan Oblast	–	–	–	9.28	–	–	4.28	4.43	–
Smolensk Oblast	25.89	9.31	–	3.88	–	22.79	2.05	2.11	–
Tver Oblast	–	–	–	9.22	–	–	4.21	4.36	–
Tula Oblast	–	–	–	10.20	–	–	4.59	4.75	–
Yaroslavl Oblast	–	–	–	9.56	–	–	4.28	4.45	–
Republic of Mary-El	27.17	9.56	–	3.98	–	23.66	2.10	2.16	–
Republic of Mordovia	–	18.19	–	6.08	–	–	3.03	3.13	–
Chuvash Republic	–	15.21	–	5.47	–	–	2.77	2.86	–
Kirov Oblast	–	18.92	–	6.12	–	–	3.03	3.13	–
Nizhny Novgorod	–	–	–	16.84	–	–	6.29	6.57	–
Belgorod Oblast	–	15.04	–	5.16	–	–	2.53	2.63	–
Voronezh Oblast	–	–	–	9.30	–	–	4.27	4.41	–
Kursk Oblast	–	11.61	–	4.62	–	37.50	2.37	2.45	–
Lipetsk Oblast	–	–	–	8.23	–	–	3.81	3.95	–
Tambov Oblast	–	17.52	–	5.97	–	–	2.96	3.06	–
Republic of Kalmykia	–	–	–	10.82	–	–	4.77	4.93	–
Republic of Tatarstan	–	–	–	16.47	–	–	6.02	6.30	–

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai	Taymyr AO	Evenk AO	Irkutsk Oblast
Astrakhan Oblast	–	–	–	10.99	–	–	4.80	4.96	–
Volgograd Oblast	–	–	–	9.74	–	–	4.36	4.51	–
Penza Oblast	–	14.12	–	5.31	–	–	2.66	2.74	–
Samara Oblast	–	–	–	21.61	–	–	6.87	7.23	–
Saratov Oblast	–	–	–	9.53	–	–	4.27	4.42	–
Ulyanovsk Oblast	–	18.24	–	6.11	–	–	2.99	3.09	–
Republic of Adygea	–	15.02	–	5.31	–	–	2.60	2.69	–
Republic of Dagestan	–	25.94	–	7.27	–	–	3.52	3.63	–
Republic of Ingushetia	–	–	–	9.63	–	–	4.46	4.60	–
Kabardino-Balkarskaya AO	–	11.87	–	4.53	–	–	2.29	2.37	–
Karachaevo-Cherkessia	24.81	9.30	–	3.92	–	21.44	2.05	2.12	–
Republic of North-Ossetia-Alania	–	–	–	9.90	–	–	4.52	4.66	–
Chechen Republic	–	43.23	–	8.87	–	–	4.30	4.41	–
Krasnodar Krai	–	–	–	21.77	–	–	7.35	7.64	–
Stavropol Krai	–	12.33	–	4.84	–	53.97	2.48	2.56	–
Rostov Oblast	–	–	–	10.18	–	–	4.59	4.75	–
Republic of Bashkortostan	–	–	–	13.59	–	–	5.32	5.56	–
Undmurt Republic	–	23.36	–	6.63	–	–	3.14	3.25	–
Kurgan Oblast	–	14.83	–	5.37	–	–	2.66	2.75	–
Orenburg Oblast	–	18.90	–	6.16	–	–	2.99	3.09	–
Perm Oblast	–	–	–	10.74	–	–	4.55	4.74	–
Komi-Permyatsky AO	–	–	–	9.14	–	–	4.11	4.26	–
Sverdlovsk Oblast	–	–	–	9.98	–	–	4.31	4.49	–
Chelyabinsk Oblast	–	–	–	8.96	–	–	4.05	4.20	–
Altay Republic	–	18.64	–	5.92	–	–	2.75	2.85	–
Altay Krai	–	24.02	–	6.89	–	–	3.20	3.30	–
Kemerovo Oblast	–	–	–	7.92	–	–	3.49	3.63	–
Novosibirsk Oblast	–	–	–	10.88	–	–	4.61	4.78	–
Omsk Oblast	–	25.78	–	7.10	–	–	3.28	3.39	–
Tomsk Oblast	–	44.28	–	7.66	–	–	3.40	3.54	–
Tymen Oblast	–	31.37	–	7.86	–	–	3.66	3.77	–
Khanty-Mansy AO	–	–	–	23.52	–	–	4.95	5.46	–
Yamal-Nenetsk AO	–	–	–	30.37	–	–	5.11	5.69	–
Republic of Buryatia	20.51	8.37	–	3.57	33.24	14.86	1.68	1.73	28.98
Republic of Tyva	–	–	–	8.70	–	–	3.73	3.87	–
Republic of Khakassia	–	15.32	–	5.31	–	–	2.40	2.49	–

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai	Taymyr AO	Evenk AO	Irkutsk Oblast
Kransoyarsk Krai	–	–	–	11.66	–	–	4.62	4.81	–
Taymyr AO	–	–	–	–	–	–	5.70	6.72	–
Evenk AO	–	–	–	16.68	–	–	4.62	4.93	–
Irkutsk Oblast	–	–	–	10.38	–	–	4.28	4.44	–
Ust-Ordynsky Buryatsky AO	–	–	–	8.52	–	–	3.69	3.82	–
Chita Oblast	21.72	8.66	–	3.68	36.70	15.55	1.73	1.78	31.92
Ahinsky Buryatsky AO	–	–	–	8.37	–	–	3.75	3.88	–
Republic of Sakha (Yakutia)	–	–	–	22.51	–	–	5.14	5.65	–
Jewish AO	–	–	–	9.54	–	–	4.14	4.28	–
Chukotka AO	–	–	–	–	–	–	6.39	7.37	–
Primorsky Krai	–	–	–	15.15	–	–	5.71	5.94	–
Khabarovsk Krai	–	–	–	13.45	–	–	5.11	5.35	–
Amur Oblast	–	18.81	–	5.89	–	–	2.71	2.81	–
Kamchatka Oblast	–	13.01	–	4.02	–	–	1.76	1.84	–
Koryaksky AO	–	–	–	–	–	–	6.08	6.89	–
Magadan Oblast	–	9.34	–	3.27	–	57.67	1.46	1.53	–
Sakhalin Oblast	–	27.24	–	6.50	–	–	2.86	2.99	–
Kaliningrad Oblast	–	–	–	11.73	–	–	5.06	5.25	–

TABLE 4-4 (CONTINUE)

	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	6.29	3.59	–	17.30	4.40	8.32	25.22	2.51	15.49
Republic of Komi	8.11	4.34	–	35.09	5.42	11.00	–	2.99	28.75
Arkhangel'sk Oblast	4.12	2.49	20.29	9.13	3.00	5.29	11.19	1.77	8.39
Nenetsky AO	10.29	4.13	–	–	5.57	13.66	–	2.73	–
Vologda Oblast	5.43	3.18	–	13.49	3.87	7.10	17.76	2.24	12.41
Murmansk Oblast	3.67	2.09	24.96	8.56	2.57	4.63	10.86	1.47	7.29
S-Petersburg	–	20.32	–	–	51.83	–	–	10.64	–
Leningrad Oblast	9.35	5.17	–	–	6.39	13.17	–	3.51	46.62
Novgorod Oblast	8.79	4.84	–	42.59	5.99	12.19	–	3.29	34.20
Pskov Oblast	6.02	3.59	–	15.15	4.34	7.98	20.12	2.48	14.12
Bryansk Oblast	6.74	3.99	–	18.14	4.83	9.06	25.77	2.76	17.18
Vladimir Oblast	6.57	3.86	–	17.63	4.69	8.79	24.95	2.66	16.63
Ivanovo Oblast	3.68	2.30	14.55	7.75	2.74	4.72	9.24	1.60	7.26
Kaluga Oblast	6.45	3.78	–	17.24	4.60	8.60	24.27	2.60	16.22
Kostroma Oblast	7.29	4.17	–	22.16	5.11	9.85	39.98	2.86	20.60

	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
City of Moscow	–	13.21	–	–	19.70	–	–	7.84	–
Moscow Oblast	9.71	5.28	–	–	6.56	13.77	–	3.57	–
Orel Oblast	6.45	3.70	–	17.82	4.53	8.57	26.12	2.54	16.61
Ryazan Oblast	8.38	4.79	–	30.12	5.86	11.59	–	3.28	27.72
Smolensk Oblast	3.70	2.29	15.24	7.87	2.74	4.74	9.44	1.59	7.36
Tver Oblast	8.33	4.71	–	30.67	5.79	11.49	–	3.22	27.94
Tula Oblast	9.14	5.14	–	47.16	6.32	12.86	–	3.50	39.27
Yaroslavl Oblast	8.62	4.79	–	36.94	5.92	11.94	–	3.26	32.29
Republic of Mary-El	3.79	2.35	15.69	8.07	2.80	4.86	9.69	1.63	7.69
Republic of Mordovia	5.64	3.39	–	13.70	4.09	7.43	17.70	2.35	13.16
Chuvash Republic	5.11	3.09	34.80	11.91	3.72	6.68	14.97	2.15	11.43
Kirov Oblast	5.68	3.38	–	13.99	4.09	7.48	18.28	2.34	13.41
Nizhny Novgorod	14.34	7.11	–	–	9.03	23.63	–	4.71	–
Belgorod Oblast	4.79	2.83	37.44	11.31	3.44	6.20	14.37	1.95	10.73
Voronezh Oblast	8.31	4.78	–	29.06	5.84	11.50	–	3.27	27.61
Kursk Oblast	4.30	2.65	19.81	9.42	3.17	5.56	11.45	1.85	9.02
Lipetsk Oblast	7.43	4.26	–	22.75	5.21	10.06	42.66	2.92	21.63
Tambov Oblast	5.49	3.31	–	13.13	3.99	7.22	16.80	2.29	12.63
Republic of Kalmykia	9.54	5.38	–	–	6.61	13.58	–	3.65	–
Republic of Tatarstan	13.92	6.84	–	–	8.71	22.36	–	4.51	–
Astrakhan Oblast	9.68	5.42	–	–	6.67	13.79	–	3.67	–
Volgograd Oblast	8.66	4.92	–	34.26	6.03	12.05	–	3.34	33.49
Penza Oblast	4.89	3.00	26.81	11.10	3.60	6.39	13.72	2.07	10.90
Samara Oblast	17.42	7.84	–	–	10.18	34.59	–	5.09	–
Saratov Oblast	8.49	4.81	–	32.31	5.91	11.77	–	3.27	31.53
Ulyanovsk Oblast	5.59	3.37	–	13.50	4.06	7.37	17.36	2.32	13.26
Republic of Adygea	4.90	2.94	33.48	11.42	3.55	6.37	14.38	2.02	11.14
Republic of Dagestan	6.53	3.89	–	17.07	4.71	8.75	23.46	2.72	16.75
Republic of Ingushetia	8.50	4.96	–	29.55	6.03	11.85	–	3.44	29.17
Kabardino-Balkarskaya AO	4.18	2.53	20.83	9.29	3.04	5.37	11.40	1.78	8.98
Karachaevo-Cherkessia	3.64	2.27	14.39	7.65	2.70	4.66	9.13	1.60	7.42
Republic of North-Ossetia-Alania	8.73	5.02	–	33.44	6.13	12.20	–	3.47	32.75
Chechen Republic	7.86	4.77	–	22.64	5.73	10.88	36.08	3.34	22.62
Krasnodar Krai	17.35	8.29	–	–	10.59	35.59	–	5.47	–
Stavropol Krai	4.44	2.74	20.94	9.79	3.28	5.76	11.93	1.94	9.55
Rostov Oblast	8.96	5.11	–	38.24	6.25	12.57	–	3.52	37.13

	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Bashkortostan	11.87	6.07	–	–	7.66	17.73	–	4.01	–
Undmurt Republic	6.11	3.57	–	15.91	4.35	8.09	21.83	2.42	15.55
Kurgan Oblast	5.01	3.03	32.22	11.60	3.65	6.54	14.54	2.07	11.36
Orenburg Oblast	5.70	3.40	–	13.98	4.11	7.51	18.20	2.32	13.71
Perm Oblast	9.58	5.18	–	–	6.45	13.52	–	3.46	–
Komi-Permyatsky AO	8.25	4.67	–	29.77	5.73	11.36	–	3.15	29.01
Sverdlovsk Oblast	8.96	4.91	–	52.38	6.08	12.47	–	3.29	46.61
Chelyabinsk Oblast	8.09	4.61	–	27.86	5.65	11.12	–	3.11	27.23
Altay Republic	5.37	3.17	–	13.14	3.85	7.02	17.09	2.15	13.07
Altay Krai	6.20	3.67	–	15.95	4.45	8.24	21.61	2.50	15.99
Kemerovo Oblast	7.08	4.01	–	21.33	4.93	9.50	37.18	2.70	21.26
Novosibirsk Oblast	9.51	5.29	–	–	6.52	13.47	–	3.55	–
Omsk Oblast	6.37	3.77	–	16.68	4.57	8.50	22.96	2.56	16.73
Tomsk Oblast	6.86	3.91	–	19.92	4.79	9.17	31.76	2.64	19.85
Tymen Oblast	7.01	4.19	–	19.06	5.06	9.49	27.41	2.86	19.29
Khanty-Mansy AO	16.79	5.61	–	–	7.83	26.41	–	3.74	–
Yamal-Nenetsk AO	19.66	5.81	–	–	8.27	34.92	–	3.61	–
Republic of Buryatia	3.00	1.89	10.76	6.12	2.25	3.82	7.20	1.44	6.66
Republic of Tyva	7.26	4.18	–	21.72	5.11	9.81	37.32	3.01	24.43
Republic of Khakassia	4.47	2.69	24.84	10.15	3.25	5.78	12.59	2.00	10.99
Kransoyarsk Krai	9.56	5.19	–	–	6.45	13.49	–	3.67	–
Taymyr AO	–	6.66	–	–	10.40	–	–	4.21	–
Evenk AO	12.93	5.23	–	–	7.02	18.62	–	3.56	–
Irkutsk Oblast	8.58	4.80	–	35.25	5.92	11.89	–	3.42	–
Ust-Ordynsky Buryatsky AO	7.12	4.14	–	20.54	5.04	9.61	32.44	2.99	22.96
Chita Oblast	3.09	1.95	11.18	6.32	2.31	3.94	7.45	1.48	6.88
Ahinsky Buryatsky AO	6.98	4.10	–	19.49	4.98	9.42	29.11	2.99	21.81
Republic of Sakha (Yakutia)	15.35	5.69	–	–	7.86	25.42	–	3.83	–
Jewish AO	7.91	4.53	–	26.02	5.54	10.83	–	3.27	30.59
Chukotka AO	–	6.90	–	–	11.13	–	–	4.53	–
Primorsky Krai	12.07	6.31	–	–	7.91	18.27	–	4.41	–
Khabarovsk Krai	10.84	5.63	–	–	7.09	15.71	–	3.96	–
Amur Oblast	4.94	2.94	38.66	11.66	3.56	6.42	14.80	2.19	12.69
Kamchatka Oblast	3.33	1.89	21.77	7.09	2.32	4.18	9.79	1.43	8.44
Koryaksky AO	43.52	6.77	–	–	9.73	–	–	4.37	–
Magadan Oblast	2.70	1.56	13.19	5.92	1.91	3.09	7.27	1.20	6.52

	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Sakhalin Oblast	5.43	3.11	–	13.91	3.81	7.07	17.23	2.29	15.20
Kaliningrad Oblast	10.40	5.68	–	–	7.04	15.05	–	3.84	–

TABLE 4-5. THE NUMBER OF ROUTES WITH A POSITIVE NET PRESENT VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 1ST GROUP

	Nenetsky AO	Taymyr AO	Evenk AO	Republic of Sakha (Yakutia)	Chukotka AO	Koryaksky AO	Yamal-Nenetsk AO
Number of possible migration variants for the 1 st type of migration	42	81	39	48	69	73	50
Number of possible migration variants for the 2 nd type of migration	78	88	87	82	88	87	89
Number of possible migration variants for the 3 rd type of migration	84	89	89	85	89	89	89
Number of possible migration variants for the 4 th type of migration	75	83	84	81	83	83	88

TABLE 4-6. THE NUMBER OF ROUTES WITH A POSITIVE NET PRESENT VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 2ND GROUP

	Republic of Komi	Khabarovsk Krai	Kamchatka Oblast	Magadan Oblast	Sakhalin Oblast	Murmansk Oblast
Number of possible migration variants for the 1 st type of migration	–	–	2	1	–	–
Number of possible migration variants for the 2 nd type of migration	13	3	24	50	13	21
Number of possible migration variants for the 3 rd type of migration	42	20	64	84	47	65
Number of possible migration variants for the 4 th type of migration	51	54	54	75	23	35

TABLE 4-7. THE NUMBER OF ROUTES WITH A POSITIVE NET PRESENT VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 3RD GROUP

	Republic of Karelia	Arkhangel'sk Oblast	Republic of Tyva	Kransoyarsk Krai	Irkutsk Oblast
Number of possible migration variants for the 1 st type of migration	–	–	–	–	–
Number of possible migration variants for the 2 nd type of migration	–	–	–	–	–
Number of possible migration variants for the 3 rd type of migration	6	–	2	9	2
Number of possible migration variants for the 4 th type of migration	–	–	3	6	–

The limited number of migration routes that are profitable for the state allow to advocate a certain encouragement of some routes, i.e. to grant a migrant a fixed subsidy equal to the average amount of costs (a. USD 2,000) rather than to pay for his actual migration and the costs of his settling down, as per his choice. The evaluation of the positive net present value of this mechanism of migration support provides the following number of the profitable migration routes for the noted three groups of the Northern regions (see Tables 4-8 to 4-10).

TABLE 4-8. THE NUMBER OF ROUTES WITH A POSITIVE NET VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 1ST GROUP, WITH A FIXED SUBSIDY

	Nenetsky AO	Taymyr AO	Evenk AO	Republic of Sakha (Yakutia)	Chukotka AO	Koryaksky AO	Yamal-Nenetsk AO
Number of possible migration variants for the 1 st type of migration	1	89	–	79	89	89	84
Number of possible migration variants for the 2 nd type of migration	81	85	85	83	85	85	85
Number of possible migration variants for the 3 rd type of migration	87	89	89	87	89	89	89
Number of possible migration variants for the 4 th type of migration	76	83	84	82	83	83	88

It should be noted that it is 2 regions in the group (Nenetsky and Evenk AO=s) in which migration without infrastructure consolidation appears unprofitable for the budget. Considering the potential implementation of practically every migration variant for the other three types, one should conclude that in the regions concerned the overall expenditure is high compared to the receiving regions, however, individual payments only insignificantly exceed the payments to be made upon the migration. Considering this feature, the two regions can be attributed to an intermediary group to be positioned between the 1st and the 2nd groups.

The second group of the northern regions is characterized with a significant diversity of realistic migration variants, should their infrastructure be consolidated to a maximum possible extent. However, for all the northern regions, except Magadan Oblast, from the viewpoint of the saving of budget funds, a ‘spot’ migration with even 50% consolidation proves to be unprofitable

TABLE 4-9. THE NUMBER OF ROUTES WITH A POSITIVE NET VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 2ND GROUP, WITH A FIXED SUBSIDY

	Republic of Komi	Khabarovsk Krai	Kamchatka Oblast	Magadan Oblast	Sakhali n Oblast	Murmansk Oblast
Number of possible migration variants for the 1 st type of migration	–	–	–	–	–	–
Number of possible migration variants for the 2 nd type of migration	–	–	–	74	–	–
Number of possible migration variants for the 3 rd type of migration	40	–	77	86	67	77
Number of possible migration variants for the 4 th type of migration	51	60	62	76	16	36

Two regions should be singled out in the group: Magadan Oblast allows a maximal number of migration variants by the first three types, while migration without consolidation does not ensure a positive effect there. That is why, similar to Nenetsky and Evenk AO=s, the Oblast may

be equaled to the intermediary between the 1st and 2nd groups. Such results show that, despite relatively small individual payments, the provision for a single person in the Oblast is very costly for the budget. Hence, the implementation of the program makes sense only in the case of implementation of infrastructure consolidation.

There are no profitable migration variants for the third group.

TABLE 4-10. THE NUMBER OF ROUTES WITH A POSITIVE NET VALUE OF THE MIGRATION SUPPORT PROGRAM FOR THE REGIONS OF THE 3RD GROUP, WITH A FIXED SUBSIDY

	Republic of Karelia	Arkhangel'sk Oblast	Republic of Tyva	Kransoyarsk Krai	Irkutsk Oblast
Number of possible migration variants for the 1 st type of migration	–	–	–	–	–
Number of possible migration variants for the 2nd type of migration	–	–	–	–	–
Number of possible migration variants for the 3rd type of migration	–	–	–	–	–
Number of possible migration variants for the 4th type of migration	–	–	–	–	–

The respective findings allow acknowledgement of the fact that despite the similarity in the arising challenges related to the growth in the proportion of non- able-bodied or unemployed population, in the light of evaluation of different migration programs, the northern regions differ from each other by their financial indices. The calculations have allowed classification of the northern regions by three groups:

- 1st group (Autonomous Okrug=s) is characterized with a high efficiency of migration programs. That can be attributed to the fact that, located in the northern parts of the country and being scarcely populated, the AO=s spend somewhat more *per capita* than the other regions.
- 2nd group (Republic of Komi, Murmansk Oblast, Khabarovsk Krai, Magadan Oblast, Kamchatka and Sakhalin Oblasts) – the group of regions, migration from which is profitable not for all the routes (for all the receiving regions). That happens because in these regions the budget spending per capita is just slightly higher than in the majority of the central and southern Russian regions and, perhaps, it is lower, compared, for instance, with the regions of the 1st group (partly that can be attributed to the fact that not all of the regions in this group are fully located in a northern area; that is why migration only from the northern area would ensure a greater effect than the projected effect from the average resident's migration).
- 3rd group (Republic of Karelia, Arkhangel'sk Oblast, Republic of Tyva, Krasnoyarsk Krai, Irkutsk Oblast)- for these regions, migration programs cannot be profitable. It should be

noted that, should the migration take place from a settlement or a town as a whole, the servicing of which is inefficient, and providing a simultaneous infrastructure consolidation, profitable projects may become possible.

The calculations show that the migration variants can be different. The first variant implying just a change in individual payments does not bring about a considerable saving of funds, which can be attributed to the fact that it is the expenditure on the housing and communal sector, healthcare and education rather than on individual payments that constitutes main expenditure on maintenance of a single person in the North. A significant amount of funds spent on migration cannot be compensated by a mere cancellation of the local coefficient (up to 1, and even up to 1.5- for pensioners that have a long record of work in the North), that is why for the majority of the regions this particular variant appears unprofitable.

In the course of the growth of infrastructure consolidation in the northern regions, the value of the annual economic use of resources grows, accordingly (the term of implementation diminishes). However, with the migration scale growing, there is a need arising in the proportional increase in *per capita* spending in the receiving regions. With their well-developed and optimized infrastructure, the southern regions find themselves less affected by the above phenomenon, however, the latter substantially decreases the level of rational spending on migration to the northern regions or to those that are characterized with high costs for provision of public services.

The aforementioned approach comprises a great number of variants of calculations (the calculation by the 4 variants of migration for several social categories from 18 areas in 89 Subjects with regard to 2 kinds of costs - a constant subsidy and travel fares), and all of them were completed. It should be noted that each of these calculations comprises both the value of the annual saving from one person's migration and the calculation of costs, present value, net present value and the term of profitability of the migration program under the given variant. The present paper and Annexes to it contain only main output to ensure a maximally complete picture of efficiency of migration programs.

Different variants of economic development of the northern regions may provide different variants of migration support programs: thus, for instance, should the purpose be to expand and create a qualitative infrastructure in the northern regions, then it should be only pensioners willing to migrate to whom support should be provided, along with an effort to create job

opportunities and employment of unemployed in the northern regions. Should the purpose be to maintain just several large centers, while it is envisaged that in the majority of the northern territories the work will be proceeded in shifts, it would be necessary to create incentives for their residents outflow through reforming the current system of benefits. Besides, a significant number of migrants arising in this case requires additional calculations (the solution to a transport problem on the base of the receiving regions' capacity and their respective costs for absorption of the migrants) that can be made on the basis of the data available. At the same time, while considering the variant in question, it is necessary to reiterate that the migration must be only voluntary, which implies both migration alternatives (selection of the receiving region, etc.) and a possibility to stay and work in the native northern region.

Part 5. Fiscal relations between the federal and territorial governments in Canada: a comprehensive overview

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5.1. Overview

“For the things we have to learn before we can do them, we learn by doing them.”

- Aristotle, *Nicomachean Ethics*, bk. II, ch. 1

The issue of fiscal relations between the federal government and territorial governments has been dominated by a gradual process of devolving to the territories the management of programs and services formerly administered at the centre and by the financing of such government activities by an all-encompassing grant governed under the terms of a Territorial Formula Financing (TFF). Although there is a high level of fiscal dependence by the territories on the centre, the objective of the federal government (the centre) has been: (a) to move accountability and responsibility for local services and their delivery to the territorial governments; and (b) to base financial support not on a line-by-line expenditure regime, but on a single total grant based on an historical expenditure base, modified by indices related to population growth and the revenue generating capacity of the territorial governments.

The federal approach to the territories differs from the approach to the provinces. While provinces raise significant revenues on their own, most still depend on federal transfer payments for a portion of total provincial revenues. For the territorial government, however, the degree of dependency on federal transfers is much greater. The Equalization program used to distribute federal transfers to the provinces is not appropriate for the territories. This “Territorial Formula Financing” program was introduced due to the territories’ unique circumstances and the significant fiscal requirements associated with public program and service delivery in the North.

While much research has been done on the subject of federal-provincial fiscal relations in Canada, comparatively little has been written on fiscal relations between the federal and territorial governments. This paper attempts to achieve a comprehensive overview of the latter relationship, outlining the development and current state of fiscal relations between the

Government of Canada and those of its three northern territories – Yukon, Northwest Territories, and Nunavut. While this paper touches on some of the key differences between Territorial Formula Financing and Equalization transfers to the provinces, it primarily focuses on the fiscal mechanisms between the federal and territorial governments.

The North has unique needs that must be reflected in federal transfers to the territories. Territorial infrastructure and socio-economic needs cost significantly more than elsewhere in Canada. Canada's territories face several distinct challenges in this respect, the fundamental challenge being their limited capacity for generating revenues. This limited capacity is primarily due to their limited degree of economic activity and small tax base, a product of their small population and low tax rate. Regarding the latter factor, territorial governments are extremely hesitant to increase personal taxes, since the cost of living is higher for northern residents than in the rest of Canada, given the already high cost of living in the North, or to raise corporate taxes, so as to avoid creating disincentives to doing business in the territories.

Although Equalization and Territorial Formula Financing seek to achieve the same fundamental objective – to provide equitable delivery of public goods and services – the two programs are calculated and implemented in very different manners. Since not all parts of the country have the same capacity to generate revenues used by regional governments to finance public services, federal transfer programs such as Equalization and Territorial Formula Financing help ensure that all Canadians receive comparable levels of public services, wherever they live.

This paper is divided into several key sections, the first of which provides an overview of non-conditional fiscal transfers from the federal to territorial levels of government. While the key factors of Territorial Formula Financing are discussed in this section, the following section analyzes the development and implementation of this transfer program in chronological order. The third section evaluates this program, as well as the Canada Health and Social Transfer from a different perspective – in terms of their impact on the three territories. The fourth section touches on conditional federal transfers to the territories. The fifth section addresses the ways that federal transfer programs have helped to ensure responsibility and accountability on the part of the respective territorial governments. The last section outlines the lessons that may be learned from the Canadian experience that might be of relevance for Russian fiscal relations with their northern territories, followed by a brief conclusion.

5.2. Federal fiscal transfers to provinces and territories

The federal government makes both conditional and unconditional grants to the territories. Conditional grants have specific conditions placed upon them for their use or application, while unconditional grants do not. Conditional grants are addressed later in this paper. More than 90 percent of federal transfers to the territories take the form of unconditional grants awarded through two major programs – Territorial Formula Financing (TFF) and the Canada Health and Social Transfer (CHST). The other major federal transfer program, applicable only to the provinces, is called Equalization. The next section provides a description of the CHST and its significance to federal-territorial relations, followed by a brief description of the Equalization program, for purposes of comparison, and then an in-depth description of the TFF.

5.2.1. The Canada Health and Social Transfer (CHST)

The Canada Health and Social Transfer (CHST) entails transfers to both provinces and territories in order to ensure adequate financial support for programs such as health care, post-secondary education, social assistance and social services. This block-funded transfer was designed to give provinces and territories enhanced flexibility to design and administer social and health programs and to allocate funds among social programs according to their specific priorities. It came into effect on April 1, 1996, replacing the Canada Assistance Plan (CAP), which financed social assistance and social service programs, and Established Programs Financing (EPF), which financed health care and post-secondary education. CHST payments are equivalent to the previous combined share of EPF and CAP transfers. Additional federal funding is provided for Aboriginal health services, which will be later addressed in the section on conditional transfers.

There have traditionally been disparities in the way CHST transfers are allocated between territories and provinces and even among the provinces. In 1990, the federal government imposed a freeze on per capita EPF entitlements. This affected the provinces differently than the territories because of the failsafe for EPF revenues built into the Formula Grant. For the territories, this has meant that revenues are much less volatile. Regional disparities are expected to be eliminated by 2001/02 and that all provinces and territories will then receive identical per capita CHST entitlements, providing equal support for health and other social services to all Canadians. Further, total tax and cash transfers for 2001/02 (\$30 billion) are expected to surpass the total combined funding available in 1995/96 through the EPF and CAP (\$29.9 billion).

Like EPF, CHST transfers to territories and provinces can take the form of both cash transfers and tax transfers. Cash transfers represent payments in cash, while tax transfers occur when the federal government reduces its tax rates in order to allow provinces and territories to raise their respective tax rates by the same amount. The end result of a tax transfer is that revenues that would have otherwise accrued to the federal government are instead directed to the respective provincial and territorial governments. For Canada as a whole, about half of CHST transfers are currently in the form of cash, while half comprise tax transfers. While this also happens to be the case for the NWT for this current funding period, this has not traditionally been the case for the territories. This variation for the period 1993-2004 can be seen, in dollar value, in Table 5-1. Thus, while transfers still differ in the mechanism they use for delivering federal support, both cash and tax transfers have the same impact on federal and regional governments. This distinction between cash and tax transfers was first introduced under the EPF in 1977 at the request of the provincial governments.

In 1996, the federal government introduced a “cash floor” – or minimum cash payment – for the CHST. This cash floor ensures that the percentage growth in the value of the tax transfer could not erode, and eventually eliminate, the cash transfer. In 1998, legislation was passed to increase the CHST cash floor by \$1.5 billion from \$11 billion in 1996 to \$12.5 billion.

In 1999, all major federal transfers to the provinces and territories, including the CHST, were placed on a common five-year track. The current CHST arrangement entails that, from 1999 through to 2004, the federal government shall provide an additional \$11.5 billion, over and above existing funding, to the provinces and territories specifically for health care. Of this amount, \$3.5 billion is earmarked as an immediate one-time supplement to the CHST while the remaining \$8 billion will be provided through increases in the CHST in future years. The supplement was paid into a third-party trust in 1999 and shall be transferred in increments over the initial three years of the five-year commitment. Provinces and territories are able to draw down the supplement in a pattern which best meets the needs of their health care systems. In effect, the \$12.5 billion on average annually awarded in CHST cash transfers, are topped up by an average annual supplement of \$2–2.5 billion for this five-year period.

TABLE 5-1. MAJOR FEDERAL TRANSFERS: CHST AND TFF SUPPORT -- 1993/94 TO 2003/04

		1993/94 ¹	1994/95 ¹	1995/96 ¹	1996/97	1997/98	1998/99	1999/00 ²	2000/01 ²	2001/02 ²	2002/03 ²	2003/04 ²
(millions of dollars)												
YUKON	CHST tax transfer	10	10	11	12	12	12	12	13	13	14	14
	CHST cash	24	23	22	19	18	17	19	19	19	20	20
	TFF	290	286	288	286	298	296	301	305	317	329	341
	Total	324	319	321	316	328	326	332	337	349	363	375
N.W.T.	CHST tax transfer	24	25	26	26	25	26	20	20	21	21	21
	CHST cash	50	53	55	47	45	43	20	20	20	21	21
	TFF	864	885	899	893	892	886	493	495	506	523	541
	Total	938	964	980	965	962	965	532	535	547	565	585
NUNAVUT	CHST tax transfer							7	7	7	8	8
	CHST cash							21	21	19	20	20
	TFF							505	523	543	561	582
	Total							533	551	569	589	610
TOTAL FOR CANADA	CHST tax transfer	10,181	10,651	11,406	12,159	12,174	13,521	13,891	14,379	14,988	15,639	16,367
	CHST cash	18,810	18,719	18,476	14,741	12,500	12,500	14,500	14,500	15,000	15,000	15,000
	Equalization	8,063	8,607	8,759	8,849	9,670	9,579	9,288	9,696	10,094	10,492	10,892
	TFF	1,153	1,172	1,187	1,178	1,190	1,182	1,299	1,324	1,365	1,413	1,464
	Total	37,433	38,345	38,992	36,005	35,519	35,775	37,977	38,802	40,312	41,367	42,499

¹ Established Programs Financing (EPF) and the Canada Assistance Plan (CAP) were in effect prior to 1996/97 and were the predecessors of the CHST.

² Figures for 1999/2000 to 2003/04 are estimates.

Totals may not add up due to rounding. Total for Canada includes transfers to all 10 provinces and 3 territories.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex B, Table 1.

How does increased funding for the CHST affect the territorial governments? From 1999-2004, the Yukon will receive an increase in health funding equivalent to \$2.4 million annually (\$12 million in total over five years). These figures, respectively, for the NWT and Nunavut are \$3.2 million annually (\$16 million in total), and \$2 million annually (\$10 million in total). Apart from this increase, the average annual CHST funding for this period is projected at \$32.6 million for the Yukon, \$41.6 million for the NWT, and \$27.6 million for Nunavut. New CHST funding for the territories is represented, in dollar value, in Table 5-2.

TABLE 5-2. CHST: NEW FUNDS FOR HEALTH CARE – ESTIMATES ¹

	1999/00	2000/01	2001/02	2002/03	2003/04	Total for 5 Years
Annual amount per capita (dollars)	65	65	80	79	78	
(millions of dollars)						
CANADIAN TOTAL	2,000	2,000	2,500	2,500	2,500	11,500 ²
YUKON	2	2	3	3	3	13
N.W.T.	3	3	3	3	3	15
NUNAVUT	2	2	2	2	2	10

¹ Equal per capita support for all Canadians through CHST shall be achieved by 2001/02.

² Includes a CHST supplement of \$3.5 billion. It is anticipated that provinces and territories will draw down this one-time supplement by \$2 billion in 1999/00, \$1 billion in 2000/01 and \$0.5 billion in 2001/02.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex A, Table 3.

Transfers made to the territories under CHST are used to fund health care, which is primarily a territorial responsibility, the delivery of which is guided by the Canada Health Act. Apart from setting national principles for health care, this legislation also clarifies the requirements for insured health services and extended health care services that the health care insurance plan in each province and territory must meet in order to receive the full cash contribution from the federal government. This cash contribution is embodied in the CHST. While the legislation stipulates a number of requirements that must be met, the level of reporting and accountability to federal authorities in these regards is actually minimal. While provinces and territories may voluntarily submit a statement each year detailing the operation of their health care insurance plans in relation to the Act, it is only mandatory to submit information on extra-billing and user charges.

In terms of federal transfers that are made directly to individuals by government, residents of the Yukon and NWT are typically less dependent than other regions of Canada²⁴. Even with

²⁴ The *Economic Dependency Ratio (EDR)* is used to measure the degree of dependence on transfer payments made to individuals by government for each of Canada's administrative units (provinces and territories). It measures the dollar amount of transfer payments received for every \$100 of employment income. Transfer

the increased economic dependency of Yukoners resulting from the Faro mine closures, the Yukon rate still remained the second lowest in Canada. In 1997, Nunavut was fifth in these regards, ranking behind Alberta and Ontario. This low dependency rate can be explained by several factors, including; the higher employment income of taxpayers in the territories, and smaller per capita expenditures on Canada Pension Plan (CPP) and Old Age Security (OAS) benefits in the North compared to the national average. The most important transfer to Yukon and NWT residents is Employment Insurance, comprising more than 27 percent of government transfers to individuals.

CHST payments to the territories constitute a minute fraction of the national CHST budget, with just 0.3 percent of current CHST funding distributed between the three northern jurisdictions for each of the fiscal years 1999-2004. Total CHST funding for the period 1999-2004, inclusive of these increases, is depicted, in dollar value, in Table 5-3 and, as a percentage share of total increases for Canada, in Table 5-4. Equal support per capita for all jurisdictions will be achieved by 2001/02 and will primarily affect the provinces, while the percentage of CHST funding to the territories remains stable. By 2003/04, the three territories collectively will continue to receive 0.3 percent, or \$106 million, from a total CHST budget of \$31,367 million. Likewise, CHST payments account for a small portion of territorial government revenues. For instance, CHST transfers accounted for only four percent of the Yukon government's budget in 2000/01. The figures are similar for the NWT and Nunavut. CHST support for the NWT, in dollar value, is depicted in Figure 5-1.

TABLE 5-3. GROWING FEDERAL TRANSFERS: CHST AND TFF – ESTIMATES (1999-2004)

	1999/00	2000/01	2001/02	2002/03	2003/04
(millions of dollars)					
TOTAL	37,977	38,802	40,312	41,367	42,499
YUKON	332	337	347	363	375
N.W.T.	532	535	547	565	585
NUNAVUT	533	551	569	589	610

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex A, Table 1.

payments considered in this assessment include: Employment Insurance, Social Assistance, Canada/ Quebec Pension Plan, Family Allowance (for certain provinces), Goods and Services Tax Credit, Child Tax Credit, Old Age Security (including Guaranteed Income Supplement), Net Federal Supplements and Spousal Allowance, Worker's Compensation, and Refundable Tax Credits (for certain provinces, the NWT and Nunavut).

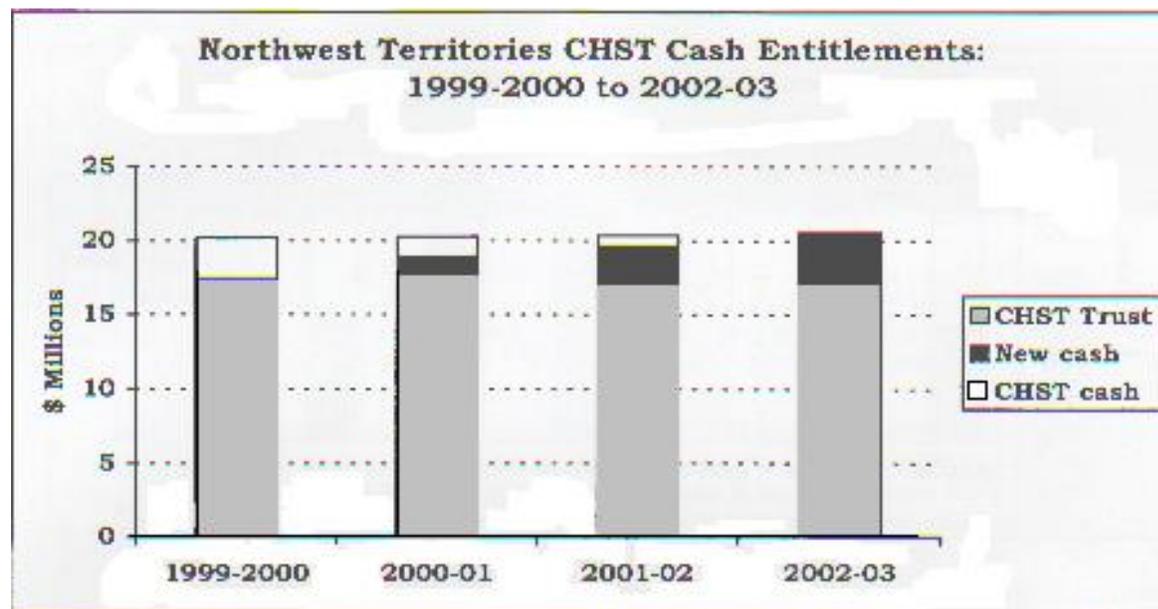
TABLE 5-4. CHST AND TFF SUPPORT ¹ – ESTIMATES (1999-2004)

		1999/00	2000/01	2001/02	2002/03	2003/04
(share of total for Canada in percent)						
YUKON	Total Transfers	0.9	0.9	0.9	0.9	0.9
	Population	0.1	0.1	0.1	0.1	0.1
	CHST	0.1	0.1	0.1	0.1	0.1
	TFF	23.2	23.1	23.2	23.3	23.3
N.W.T.	Total Transfers	1.4	1.4	1.4	1.4	1.4
	Population	0.1	0.1	0.1	0.1	0.1
	CHST	0.1	0.1	0.1	0.1	0.1
	TFF	37.9	37.4	37.0	37.0	37.0
NUNAVUT	Total Transfers	1.4	1.4	1.4	1.4	1.4
	Population	0.1	0.1	0.1	0.1	0.1
	CHST	0.1	0.1	0.1	0.1	0.1
	TFF	38.9	39.5	39.7	39.7	39.7

¹ Percentage share of total for TFF program is calculated as the share allocated to the three TFF recipients.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex A, Table 5.

FIGURE 5-1. NORTHWEST TERRITORIES CHST FUNDING: 1999/2000 TO 2002/03



Note: For illustrative purposes, CHST Trust was assumed to be drawn down as follows: 57 percent in 1999/2000, 29 percent in 2000/01, and 14 percent in 2001/02.

Source: 1999/2000 Budget Address, Seventh Session of the Thirteenth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, April 19, 1999, p. 29 (based on estimates from GNWT Department of Finance and Finance Canada).

5.2.2. Provincial Equalization Transfers

The Equalization program has played an important role in defining the Canadian federation since it permits fiscal redistribution, whereby federal resources are made available to less prosperous provinces in support of public programs and services, including health care. Created 44 years ago, Equalization represents a federal transfer program whose purpose is entrenched in the Canadian Constitution:

“Parliament and the Government of Canada are committed to the principle of making Equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.”
(Section 36.2)

Currently, seven of ten provinces qualify for Equalization payments. As net donor regions, only Ontario, British Columbia and Alberta do not qualify. Equalization payments are calculated according to a formula set out in federal legislation. Provinces with revenue-raising capacity below a set standard receive Equalization transfers to bring their per capita fiscal capacity up to that standard. This “standard” constitutes the average fiscal capacity of the five “middle income provinces” – Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. When a province’s fiscal capacity declines, its Equalization transfer increases and vice-versa. In this way, Equalization serves as an automatic stabilizer of provincial government revenues.

Equalization payments to the provinces are calculated on a per capita basis. This does not mean that transfers are calculated at so many dollars per head; rather, the number of provincial residents serves as a basic indicator of the number of people utilizing government services for the purposes of calculating federal transfers to the provinces under Equalization and CHST.

In 1999, all major transfers to provinces (Equalization and CHST) and territories (TFF and CHST) were, for the first time, placed on common five-year tracks in order to provide all levels of government with greatly improved predictability. In that year, transfers to the provinces over the current five-year arrangement were projected at \$50 billion, representing an increase of \$5 billion over funding received for the previous five-years.

Equalization could not reasonably be applied to the territories due to their significantly lesser capacities to sustain themselves. Even those provinces considered to be worst off are on stronger footing than are the territories. While federal transfers account for between 14 and 43 percent of total provincial revenues, the figure is much higher for the territories. Nunavut is the most dependent territory, relying on federal transfers for about 90 percent of its total revenues. The figure is about 81 percent for the NWT and 78 percent for the Yukon. Notwithstanding this extreme dependence, however, provincial transfers actually place a greater financial strain on federal transfers. While transfers to territories currently constitute only 3.7 percent of the total dollar value of federal transfers, the remaining 96.3 percent represents federal transfers to provinces. This breakdown shall remain virtually the same for the full five-year arrangement.

Table 5-5 provides a breakdown of the percentage share of total federal transfers which can be attributed to transfers to the territories, including the CHST and TFF programs. Looking to the end of that period, in 2003/04, the territories will collectively receive \$1,570 million in transfers of the total \$42,499 million budget for federal transfers. This includes \$610 million for Nunavut, \$585 million for the NWT, and \$375 million for the Yukon.

Grants to the territories could not be governed by Equalization since its formula assumes that the per capita costs of providing public goods and services is comparable between provinces. However, due to the unique circumstances of the territories, we know that this is not the case. According to the Equalization formula, the territories would not be entitled to receive transfers since their fiscal capacity would be seen to exceed the national standard. Including the territories in the Equalization program would require amending the Equalization formula. Currently, the Equalization formula uses revenue raising capacity as a proxy for a region's ability to provide public goods and services to its citizens. Were it to encompass the territories, the Equalization formula would have to incorporate measures of cost differences between regions, or at least between the provinces and territories. Just as Equalization was designed for the provinces, a funding method was designed specifically for the territories as part of the federal budgetary system, called Territorial Formula Financing. Table 5-6 briefly compares these two programs. The next section examines the formula financing regime set up as the territorial alternative to the Equalization program.

TABLE 5-5. MAJOR FEDERAL TRANSFERS: CHST AND TFF -- 1993/94 TO 2003/04

		1993/94 ¹	1994/95 ¹	1995/96 ¹	1996/97	1997/98	1998/99	1999/00 ²	2000/01 ²	2001/02 ²	2002/03 ²	2003/04 ²
(share of total for Canada in percent)												
YUKON	Total transfers	0.9	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
	Population	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	CHST	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	TFF	25.1	24.2	24.3	24.2	25.0	25.1	23.2	23.1	23.2	23.3	23.3
N.W.T.	Total transfers	2.5	2.5	2.5	2.7	2.7	2.7	1.4	1.4	1.4	1.4	1.4
	Population	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
	CHST	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1
	TFF	74.9	75.6	75.7	75.8	75.0	74.9	37.9	37.4	37.0	37.0	37.0
NUNAVUT	Total transfers							1.4	1.4	1.4	1.4	1.4
	Population							0.1	0.1	0.1	0.1	0.1
	CHST							0.1	0.1	0.1	0.1	0.1
	TFF							38.9	39.5	39.7	39.7	39.7

¹ Established Programs Financing (EPF) and the Canada Assistance Plan (CAP) were in effect prior to 1996/97 and were the predecessors of the CHST.

² Figures for 1999/2000 to 2003/04 are estimates.

Totals may not add up due to rounding.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex B, Table 3.

TABLE 5-6. FEDERAL TRANSFERS TO PROVINCES AND TERRITORIES COMPARED

	Provinces	Territories
Revenue Raising Capacity (Revenue Means)	Fair to Adequate	Low
Key Justification for Providing Transfer	Need to equalize revenue means of recipient provinces to that of 5-province standard	High cost (expenditure need) of providing public services in the territorial North
Level of Dependency on Federal Grants	Low to Moderate (totals 14 – 43% of provincial revenues)	High (represents over 62% of territorial revenues)
Percentage of the Total Dollar Value Accounted for by Federal Transfers	96.3% of federal transfer dollars awarded to provinces	3.7% of federal transfer dollars awarded to territories

5.2.3. Territorial Formula Financing (TFF)

Territorial Formula Financing (TFF) is an annual unconditional federal transfer to the territories which is governed by agreements made between the Ministers of Finance of the federal and territorial governments. While the TFF provides equitable support to the territories, this does not necessarily mean equal. Federal transfers under TFF provide territorial governments with greater funding per capita to offset the higher costs of providing public services in the North, thus enabling the provision of a range of public services comparable to those offered in the provinces. It is calculated very differently than transfers to the provinces, which are based on revenue raising capacity and Equalization. The formula for calculating transfers to the territories, on the other hand, is typically expenditure-based.

Although territories have the authority to raise revenues through taxation (personal and corporate income, fuel, property, etc.) and fees for rentals and sales of goods and services, the TFF remains by far the largest source of territorial government revenue. While the figures vary from year to year, the formula grant currently accounts for 73 percent of estimated revenues for the NWT, 62 percent for the Yukon, and 80 percent for Nunavut. The Formula Grant is designed to provide territorial governments with the flexibility and resources necessary to provide public goods and services to northern residents and to ensure accountability for territorial priorities, expenditures, and revenue raising efforts.

TFF transfers are calculated according to a formula based on a “gap-filling” principle. The basic concept is that the federal government provides cash payments to cover the difference between the expenditure needs of territorial governments and their revenue raising ability. *Expenditure needs* determine the level of services and are represented by an explicit variable – the formula’s Gross Expenditure Base (GEB). *Revenue raising ability* or *revenue capacity* is

measured in order to reflect the territories' capacity to raise revenues on their own, represented as "eligible revenues".

The initial figure used for the GEB was arrived at by escalating territorial revenues for the year 1982/83 (including both the Grant from Canada and territorial own-source revenues) by the provincial and local government expenditure growth ratio for every year to 1985/86, the first year of formula financing. To this figure was added specific items which the territories managed to negotiate for inclusion in the expenditure base. The GEB has been indexed to move in accordance with provincial and local government expenditure growth, since this growth ratio is deemed to be a good measure of territorial expenditure needs.

Eligible revenues, for the purpose of the territorial financing formula, are represented in the following equation:

$$\text{Eligible Revenues} = \text{National Average Tax Rate (NATR)} \times \text{Territory's Tax Base,}$$

where
$$\text{National Average Tax Rate (NATR)} = \frac{\text{Revenues (for all provinces)}}{\text{Tax Base (for all provinces)}}$$

and where
$$\text{Territory's Tax Base} = \frac{\text{Territory's Revenues}}{\text{Territory's Tax Rate}}$$

The formula used for calculating the Formula Grant and the Grant from Canada is represented in following equation:

$$\begin{aligned} & \text{Gross Expenditure Base} \quad (\text{Proxy for Expenditure Needs}) \\ & \underline{\quad - \quad \text{Eligible Revenues} \quad (\text{Proxy for Revenue Raising Capacity})} \\ & = \text{FORMULA GRANT} \\ & \underline{\quad - \quad \text{Resource Revenues (from Oil and Gas)*} \quad * \text{ applies to the Yukon only}} \\ & = \text{GRANT FROM CANADA} \end{aligned}$$

TFF transfers, like those made under Equalization, are subject to a "ceiling". The ceiling was introduced in 1987 to act as a stabilizer for the federal government, protecting it from unaffordable growth in transfer payments. It is equal to the lower of the three-year growth rate of Canada's GDP, or average expenditures of provincial and local governments. Once the ceiling takes effect, the growth rate of the GEB would be less than GDP. As such, if provincial and local expenditures grow faster than GDP, then the lower of the two (the GDP) will be used to calculate the formula grant. Likewise, were the provincial and local expenditure made under Equalization usually increase to reflect Canada's economic growth, this is not the case under TFF, where the federal government effectively curbs growth of the GEB by imposing a ceiling

on federal transfers. The ceiling for TFF was more restrictive than that for Equalization payments, and was eventually modified in 1999. In 1984/85 and 1985/86, the escalator (growth rate) of the TFF was lower than that of the EPF and other major federal transfers, which grew at the same rate as GDP. These changes resulted in a five percent cut in the formula grant from the previous year, in the period preceding the introduction of formula financing.

In 1990/91, the federal government introduced an adjustment factor to the formula grant equation, which measures the change in the population growth rate for each territory relative to that for Canada as a whole, thereby recognizing that expenditure requirements are affected by population growth. The population factor is of potential benefit to the territories, since its population often grows at a faster rate than the national average. However, the reverse scenario would entail lost funding. This growth rate is averaged over three years to smooth out fluctuations in territorial population changes and to put this adjustment factor on the same three-year base as the provincial and local government expenditure escalator. For each percentage point difference between territorial and national population growth rates, the GEB will be adjusted by about one percentage point.

Territorial hypothetical own-source revenues, for purposes of calculating the Formula Grant, are adjusted by two separate factors that were introduced by the federal government to correct a perceived lower tax effort by the territorial governments. These are: (1) the Tax Effort Adjustment Factor; and (2) the year-over-year changes in territorial tax effort. The National Average Tax Rate (NATR) is used in calculating both of these adjustments.

The first adjustment factor assesses the *tax effort* exerted by territorial governments relative to the average provincial tax effort. It is equal to the ratio of a territory's *fiscal capacity* relative to its tax effort. *Fiscal capacity* is a measure of what territorial own-source revenues would be had the territorial government exercised a tax effort comparable to the provinces - that is, had they, on average, taxed the same things as the provinces and taxed them at the same rate. Table 5-7 provides a comparison of provincial and territorial tax rates for various items. Simply stated, it is *what could have been raised* by the territories divided by *what was actually raised*.

TABLE 5-7. PROVINCIAL AND TERRITORIAL TAX RATES (APRIL 1, 1999)

	Personal Income Tax (b)	Retail Sales Tax	Fuel Tax Gasoline Diesel Aviation Unleaded			Tobacco Tax	Payroll Tax	Corporate Income Tax Small Large		Capital Tax
	% of federal tax	%	cents/ litre	cents/ litre	cents/ litre	Cigarettes \$/ carton	% (h)	%	%	% (i)
Northwest Territories	45		10.7 (e)	9.1	1.0	25.20	1.00	5	14	
Nunavut	45		6.4	9.1	1.0	25.20	1.00	5	14	
Yukon	50		6.2	7.2	1.1	16.40		6	15	
British Columbia	49.5	7	11.0 (e)	11.5	3.0	22.00		7	16.5	0.3/ 3.0
Alberta	44		9.0	9.0	1.5	14.00		6	15.5	0.0/ 2.0
Saskatchewan	48	6	15.0	15.0	3.5	16.80		8	17	0.6/ 3.25
Manitoba	50	7	11.5	10.9	4.2	16.00	2.15	9	17	0.3/ 3.0
Ontario	40.5	8	14.7	14.3	2.7	4.70	1.95	8.5	15.5	0.3/ 1.12
Quebec	N/A (c)	7.5	15.2 (e)	16.2	3.0	8.00	4.26	5.91	9.15	0.64/ 1.13
New Brunswick	60	8	10.7	13.7	2.5	7.70		7	17	0.3/ 3.0
Nova Scotia	57.5	8	13.5	15.4	0.8	9.04		5	16	0.25/ 3.0
Prince Edward Island	59.5	10	13.0	12.5	0.7	12.65		7.5	16	0.0/ 3.0
Newfoundland	69	8	16.5 (e)	16.5	0.7	22.00	2.00	5	14	0.0/ 4.0
Canadian Average (a)	45.5 (d)	6.8	13.5	13.8	2.7	10.14	1.88	7.2	14.2	0.4/ 1.8
Average including sales tax			14.7 (f)	14.9		11.30 (g)				

(a) Average of all provincial and territorial rates, weighed by population.

(b) In addition, all provinces and the Yukon have surtaxes and/ or flat rates.

(c) Quebec levies a Personal Income Tax, directly against taxable income.

(d) 45.5% is the weighted average of the basic rate in nine provinces and two territories, which have tax collection agreements with the federal government. The average effective rate (total provincial/ territorial tax, including surtaxes, flat taxes, and credits, as a percentage of basic federal tax) for the eleven jurisdictions is 48.8%.

(e) Different rates apply in some areas of the province/ territory.

(f) Quebec, New Brunswick, Nova Scotia and Newfoundland apply sales tax to fuel.

(g) Average includes provincial sales tax of Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and Newfoundland applicable to sales of tobacco.

(h) Other than for the Northwest Territories, rates shown are for payrolls over \$400,000. The Northwest Territories' Payroll Tax is levied on employees. British Columbia and Alberta do not have payroll taxes but levy health care premiums.

(i) Rates shown for capital tax are for large corporations and for financial institutions in the order shown. The bases are different for different types of companies.

The territories' fiscal capacity is calculated by the same method as is used for calculating Equalization transfers to the provinces. This is done by calculating territorial tax bases using the standardized definitions developed for Equalization, called the Representative Tax System (RTS). The bases are then multiplied by the NATR, which are also used in the Equalization formula, to yield fiscal capacity. The fiscal capacity for a given territory is represented in the following equation:

$$\text{Fiscal Capacity} = \text{NATR} \times \text{Territory's Tax Base}$$

The Tax Effort Adjustment Factor is calculated by dividing fiscal capacity by territorial tax effort. The tax effort for a given year is equivalent to actual tax collections for that year. It is represented in the following equation:

$$\text{Tax Effort Adjustment Factor} = \text{NATR} \times \frac{\text{Territory's Tax Base}^1}{\text{Territory's Tax Rate} \times \text{Territory's Tax Base}^2}$$

where ¹ signifies the tax base as calculated using RTS estimates used under Equalization and where ² signifies the territory's actual tax base (revenues divided by tax rate)

The resultant ratio, or Tax Effort Adjustment Factor, remains fixed for the duration of the financing arrangement. This is referred to as a revenue "Catch-up" Factor and it is calculated just once at the outset of the agreement. The initial value for the catch-up factor in 1987/88 was 1.385 for the Yukon and 1.176 for the NWT.

The second adjustment factor used in calculating the Formula Grant represents the year-over-year changes in the NATR. This calculation method differs from that for Equalization transfers, which is based on the difference between the "standard" tax base (the average tax base of the five middle-income provinces) and the per capita tax base of a given province. This adjustment factor is referred to as a revenue "Keep-up" Factor and is calculated annually.

In effect, the catch-up and keep-up factors have had mixed results for the territories. The main objective in introducing these changes was to offer a comparable level of services for comparable levels of taxation, as provided for in the Canada's Constitution vis-à-vis Equalization payments. There may also have been other federal objectives in introducing these changes, such as: avoiding surplus transfer payments to the territories (which occurred for the previous few years); encouraging greater accountability for territorial expenditures; and encouraging the generation of greater territorial own-source revenues through taxation measures. However, in calculating the Formula Grant, the application of these revenue adjustment factors

to hypothetical own-source revenues artificially increases the amount subtracted from the GEB. This, in turn, results in lost funding for the territories. Due to the large number of problems associated with the application of the Representative Tax System in evaluating territorial capacity, the federal government arbitrarily reduced the value of the territorial tax effort factor by 15 percent. In other words, territorial revenue efforts would only be measured against 85 percent of the NATR – if it is equal to or higher than this amount, the territory is rewarded. If it is less, then it is penalized. From the territorial perspective, this element was not introduced to solve, but rather to counter the effect of complications surrounding the application of the catch-up factor to the TFF. To soften the blow of the tax effort factor’s application, the federal government conceded to territorial requests to phase in the adjustment over a three-year period. However, no special concessions were conferred upon territories in regards to the second adjustment factor.

Territorial revenues are dealt with in two separate ways under formula financing. Territorial revenue for which territorial governments *do not* normally control the tax rates (e.g. CHST transfers, interest income) are offset on a dollar-for-dollar basis. In other words, for every dollar raised by a territorial government, the formula grant would decrease by the equivalent amount. On the other hand, revenue for which territorial governments *do* normally control the tax rates (e.g. economic development activity) are offset at the National Average Tax Rate (NATR) via the Catch-up and Keep up Factors. Since hypothetical own-source revenues are adjusted upward, any increase in tax collections stemming from increases in the level of economic activity results in the grant diminishing by a larger amount. Additional revenues generated by tax rate increases are not included in eligible revenues and, therefore, do not result in a reduction of the Formula Grant. This means that the territorial governments actually lose more than one dollar from their formula grant for every dollar of revenue generated. For instance, if the effect of the two adjustment factors combine to artificially increase hypothetical own-source revenues by a factor of 1.4, then a \$1 increase in tax revenues will translate to a decrease in Formula Grant of \$1.40. The only benefit of such a mechanism is that, on the flip side, it means that economic decline in hypothetical own-source revenues would produce a net fiscal dividend, compensated by a larger increase in the Formula Grant.

Prior to the introduction of the Catch-up and Keep-up Factors to the financing formula, the financing formula entailed that volume changes in tax revenues – that is, changes that were

related to the number of taxpayers and not on the adjustment of tax rates- were matched by equal changes in the grant. Currently, the impact of these revenue adjustment factors on the Formula Grant is amplified, having what some would describe as a “distorted” effect.

From the federal perspective, there are a number of areas in the formula financing arrangements where territorial governments might conceivably benefit. These include: (1) the population growth factor, whose benefit is dependent on the relative positive population growth of each territory; (2) the Economic Development Incentive (EDI); (3) the financing formula “floor”; (4) the 1999 modification to the financing formula “ceiling”; (5) the introduction of the “simplified” method of calculating territorial revenues; and (6) a 15 percent reduction in the tax effort factor against which territorial revenue efforts are measured. Among territorial officials, it is debatable just how beneficial the fifth and sixth factors are to the territories. The first and sixth points have been addressed above. The second and third points are discussed below in this section. The fourth point is briefly discussed, together with the original ceiling, in the next section on the period 1985-1990. The fifth is addressed towards the end of the next section, in the sub-section dedicated to the current Territorial Formula Financing arrangement.

In response to territorial appeals to introduce measures to offset the cumulative effect of the Catch-up and Keep-up Factors on the Formula Grant, the “Economic Development Incentive” (EDI) was introduced to the Formula Financing Arrangement for the Yukon in 1993/94 to promote economic activity and greater territorial self-sufficiency. It was valued at 15 percent at that time. A variation of the EDI was formally incorporated into the TFF for both territories in 1995/96. The EDI allows territorial governments to retain a portion of own-source revenues arising from development without any associated reduction in the Formula Grant. This portion is equal to 20 percent of revenue growth over and above that of the GEB. On the other hand, if they lose money below a fixed level, then 20 percent of that value is deducted from the Grant. While territories benefit if revenues grow faster than the GEB, the opposite holds true in the reverse scenario. In this way, territorial losses are federal gains and vice-versa. The EDI has not greatly profited the territories, nor has it completely offset the negative effects of the above adjustment factors; however, the potential exists for territories to accrue financial benefits from this process in future (i.e. from diamond, oil and gas development). In contrast to the period prior to its introduction, the EDI has resulted in reductions from the Formula Grant of approximately \$0.90 per dollar of revenue generated.

The concept of a “floor” was incorporated into the formula financing equation to act as a stabilizer for the territories, protecting them from serious downturns. This mechanism allows territorial governments to limit serious declines in the GEB, in the same way that the federal government has limited its growth with the ceiling. The floor, however, was introduced much later than the ceiling, in response to economic downturns, government cutbacks, and out-migration from the North that characterized the mid-1990s. These troubles resulted in a reduction of the GEB and, consequently, the Formula Grant. The floor is designed to be a temporary element compared to the permanency of the ceiling. The floor establishes that the grant is calculated on the basis that the escalator for provincial and local expenditures for the year is not less than minus one percent. In the following year, the grant is calculated based upon the actual escalator value of provincial and local expenditures, at which time the floor is dropped and GEB growth occurs as if the floor had never existed, with the GEB then beginning at a level lower than it was with the floor.

5.3. Development and implementation of the TFF

While this paper provides an overview of what constitutes the TFF and how it functions today, this formula was not arrived at overnight. It is the product of more than 5 years of initial negotiations and another 15 years of ongoing dialogue between the federal and territorial governments and their resultant modifications gradually made to the financing formula. This section follows the development of the TFF until the present day.

Prior to the introduction of the Territorial Financing Formula, federal transfers were “deficit grants” which were calculated annually. This process involved line-by-line budget control and bi-lateral negotiations between federal and territorial officials as part of the territorial budgetary process. The grant represented the difference between the level of expected territorial revenues and expenditures. This situation created uncertainty and inhibited any measure of financial stability, long-range fiscal forecasting or program planning on the part of territorial governments, as well as greatly interfering with the accountability of the territorial governments.

The growth in transfer payments to the territories slowed dramatically with the introduction of formula financing. Between 1980/81 and 1985/86, the first year of the formula, the Yukon’s grant increased from 51 million to 151 million dollars, which is about 200 percent. Between 1985/86 and 1990/91, the grant increased from 151 million to 200 million dollars, which is only

about 33 percent. The growth in formula was also much less than that under Equalization for the provinces. Equalization payments increased from 5.143 billion dollars in 1985/86 to 8.002 billion dollars in 1990/91, some 55 percent.

Over time, the territories have taken on additional provincial government-type responsibilities from the federal government. The devolution of these program responsibilities has resulted in increased Formula Financing payments as the territorial tax capacity has not changed except in the case of resource revenues. Currently, these devolved programs and new federal initiatives constitute about 25 percent of the grant for Yukon. That is about \$74 million out of a grant of some \$317 million for the year 2000/01.

5.3.1. The Period 1985-1990

The federal government first accepted the suggestion to change the territorial financing system in 1979-80 with the release of the Drury Report. The plan for this change was completed in 1982 and 1985 was set as the date of its inception. The first formula grant to each of the territories was awarded for a three-year term, from 1985 to 1988, and included a clause that provided for a two-year extension by mutual consent of the parties. The financing formula used a given expenditure level at a particular date (1982/83 was chosen as the base year), known as the “expenditure base”. This was then escalated yearly to reflect the percentage growth in total provincial and local government expenditures. The annual Grant from Canada was, at that time, arrived at by subtracting certain revenues from the following sources from the expenditure base. These revenues include: (1) own-source revenues that could be collected if territorial tax rates were maintained at predetermined and fixed levels (called “hypothetical own-source revenues” or “eligible revenues”); and (2) other transfers from the federal government.

Throughout federal-territorial fiscal relations, provincial and local expenditure patterns have been used to provide comparability for the territories on the expenditure side and, likewise, taxation levels on the revenue raising side. The former indicator takes in to account both price changes (inflation) and real increases in government spending, employing a three-year average to smooth out potentially large and irregular year-over-year changes in provincial and local expenditure growth rates. The template for calculating the Formula Grant for this period is provided in Figure 5-2. Significant growth in provincial and local spending during the first three years of the Formula Financing Agreement resulted in a large increase in the territories’ Formula Grant for that period. The annual change in the GEB, called the “escalator”, was also applied in

subsequent funding periods. Provincial taxation levels would not be applied to the territorial financing formula until a later stage.

FIGURE 2 CALCULATION OF THE GRANT UNDER THE 1985/86 TO 1989/90 FORMULA

Expenditure base in year x	\$500*
TIMES	
Escalator (three-year average of provincial-local government expenditure growth)	<u>1.05</u>
EQUALS:	
Expenditure base in year $x + y$	\$525
LESS:	
Hypothetical own-source revenues (Revenues measured at March 1, 1985 tax returns)	<u>\$100</u>
EQUALS: Grant from Canada	<u>\$425</u>

* This is an arbitrarily chosen figure, used to demonstrate the formula's impact on the expenditure base.

Note: Changes in revenues due to changes in tax rates are outside of the formula and are therefore entirely to the benefit of the territorial governments.

Source: *1990/91 Budget Address, Sixth Session of the Twelfth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, February 1990, p. 57.*

The workings of Formula Financing were designed to encourage the territories to seek new funding sources to reduce territorial dependence on the Grant. Revenues from new sources and tax rate increases would not result in a reduction to the grant, but volume changes would. In order to encourage greater efforts by territorial governments to generate revenues, the federal government imposed a "ceiling" on the escalator in 1988/ 89, whereby the growth in the value of transfers to the territories could not surpass the growth rate of Canada's GDP. Modifications were introduced to the ceiling in 1999, whereby the ceiling would have a temporary impact as opposed to the permanent impact produced by the original ceiling. From that time forward, the growth rate of federal transfers to the territories would become increasingly affected by exogenous influences – namely, economic developments in southern Canada.

The advent of block funding in the TFF represented a fundamental break from the pattern of federal-territorial fiscal relations that existed prior to 1985. The introduction of Territorial Formula Financing was also significant to the constitutional development of the territories. By

providing unconditional grants to the territories on an annual basis, the TFF endows elected territorial officials with responsibility for allocating budgetary resources. The fixed terms of multiple-year block funding entailed in the TFF also allow for greater accountability, predictability, adequacy and stability on the part of territorial administrations. The greater stability of formula financing is reflected in the fact that transfer payments are made over the course of the year and that the escalator is calculated on the basis of three-year estimates.

5.3.2. The Period 1990-1999

The second TFF Agreement, introduced in 1990 for five years, introduced three new adjustment factors to the financing formula. The first adjustment, which was applied to the GEB, is the Relative Population Growth Factor. The other two – the Tax Effort Adjustment Factor (Catch-up Factor) and the Keep-up Factor – adjusted a territory's eligible revenues. These adjustment factors have been described in the previous section. This section is dedicated to the process by which they were developed and the issues surrounding their development and implementation.

The Relative Population Growth Factor was added to the formula at the territories' suggestion. The concern was that a quickly growing population would strain the provision of governmental services, thereby outstripping the capacity of the territorial governments to deliver services as they have in the past. Alternatively, it would result in significantly increased health care costs that should not fall to bear solely on the territorial government. This change effectively meant that when the territory's population grows at a faster rate than the growth rate for Canada as a whole, the GEB would also increase at a greater rate. The opposite holds true in the reverse scenario, however, with the GEB being affected negatively by downward population trends. This was the case for the NWT until 1999 and currently is the case for the Yukon.

The objective of the two revenue adjustment factors is to encourage territorial governments to raise their territorial taxes; however, the territorial governments were concerned that if taxes were raised to any great extent, it could drive away potential economic investment in the territories and result in an increased cost of living.

The application of the NATR to the financing formula is viewed by territorial officials as problematic due to its focus on a region's tax base rather than its tax rate, its intended purpose. The definition and measurement of these tax bases is not seen to reflect the territorial situation. The NATR is calculated by dividing total tax revenues for all provinces by the tax base for all

provinces (revenues divided by tax rate). Designed for use in calculating Equalization transfers, the application of the NATR to the TFF has had very different consequences for the territories. Under Equalization, the focus is on finding an appropriate tax base for a given province minus the tax base of the “standard”, multiplied by the NATR. The NATR is applied to the territories in a similar way, the territory’s tax base being multiplied by the NATR to determine “eligible revenues”. The application of the NATR to the provinces and territories differ and their implications are reversed. If the NATR increases, the provinces receive more money from the federal government under Equalization but the territories receive less under Formula Financing.

Territorial representatives felt that while inclusion of these adjustments factors in the financing equation may be appropriate for provinces, this is not the case for the territories. It is felt that the federal government does not pay ample consideration to actual territorial needs, instead using the comparison of territorial and national tax indicators as a proxy for territorial expenditure needs. The territorial governments were opposed to using the NATR in the TFF equation for many reasons including the territories’ small tax base, limited revenue raising capacity, and the impediments to raising territorial taxes. Nevertheless, the use of the NATR was introduced into the TFF equation by the federal government despite territorial opposition.

Since funding to the territories is linked to economic growth in southern Canada, the impact of the GDP ceiling, catch-up and keep-up factors on the territories was a significant reduction in the size of the Formula Grant relative to that which they would have been entitled to under the original financing formula. This clearly reflected the federal government’s view that the original formula produced an overgenerous Formula Grant. Table 5-8 outlines this cumulative effect of several of the amendments made to the original formula in the past decade.

TABLE 5-8. EFFECT OF FORMULA FINANCING CHANGES ON THE NWT

FISCAL YEAR	EFFECT OF GDP CEILING	EFFECT OF TAX EFFORT ADJUSTMENT	EFFECT OF POPULATION ADJUSTMENT	COMBINED EFFECT ¹
(millions of dollars)				
1990/91	(23.2)	(8.2)	7.9	(23.3)
1991/92	(74.0)	(15.0)	19.6	(68.0)
1992/93	(135.1)	(25.3)	30.3	(127.1)
1993/94	(173.7)	(25.9)	38.6	(154.9)
1994/95	86.8)	(33.7)	45.5	(167.5)
TOTAL	(592.8)	(108.1)	141.9	(540.7)

¹ Because the effects of the GDP ceiling and the population adjustment factor are compounded, their combined effect is less than the effect of each separately.

Figures in brackets denote a financial loss on the part of the territorial government.

Source: *1993/94 Budget Address, Third Session of the Twelfth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, February 1993, p. 22.*

FIGURE 5-3. CALCULATION OF THE GRANT UNDER THE 1990/91 FORMULA

Expenditure base in year x		\$500
TIMES		
Escalator (three-year average of provincial-local government expenditure growth)	<u>1.05</u>	
		\$525
TIMES		
<u>Territorial population growth rate (=1.02)</u> Canadian population growth rate (=1.01)		1.01
EQUALS:		
Expenditure base in year $x + y$		\$530.25
LESS:		
Hypothetical own-source revenues (Revenues measured at March 1 tax returns)		\$100
TIMES		
<u>Territorial fiscal capacity in base year (1987/88)</u> times 0.85		1.20
Territorial tax collections in base year		
TIMES		
<u>Current total Canadian provincial and local government tax effort</u> Total Canadian provincial and local tax effort in base year (1987/88)		1.08
		\$129.60

EQUALS: Grant from Canada		<u>\$400.65</u>

* This is an arbitrarily chosen figure, used to demonstrate the formula's impact on the expenditure base.
Source: 1990/91 Budget Address, Sixth Session of the Twelfth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, February 1990, p. 58.

FIGURE 5-4. ESTIMATED GRANT FROM CANADA FOR NWT FOR 1991/92 (THOUSANDS OF DOLLARS)

Gross Expenditure Base		\$1,010,008
LESS: Adjusted Hypothetical Own-Source Revenues		
Hypothetical Own-Source Revenues Subject to Adjustment	133,033	
TIMES Catch-Up Factor	1.12656	
TIMES Keep-up Factor	<u>1.04433</u>	
EQUALS:	156,514	\$ 156,514
LESS: Unadjusted Hypothetical Own-Source Revenues		\$ 440
LESS: Other Revenues		\$9,323
LESS: Other Transfers		\$45,751

EQUALS: Grant from Canada		<u>\$797,980</u>

Source: 1991/92 Budget Address, Seventh Session of the Twelfth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, February 1991, p. 35.

With the renewal of financial arrangements in 1995/96, the Economic Development Incentive (EDI) was officially implemented to the territorial funding formula for both territories in order to promote economic activity and to promote territorial self-sufficiency. The mechanism by which this operates is described in the previous section. To date, gains and losses under the EDI are relatively small and both the Yukon and NWT have, to a small extent, tended to lose money. This may change in future with increases in development, particularly in the spheres of diamond or oil and gas development.

The changes introduced by the federal government in 1990/91 and beyond make the Formula much more complex and have led to both benefits and drawbacks for territorial and federal governments respectively. The financing formula introduced in that year is depicted in Figure 5-3. A concrete example of this is provided for the NWT for the year 1991/92 in Figure 5-4.

5.3.3. *The Fiscal Freeze and Five Percent Cut to Federal Transfers*

In the early 1990s, the Canadian government was confronted with an escalating annual budget deficit and there were compelling pressures, both from within and from outside, to address the issue. As a result, federal government expenditures were cut significantly and taxation was significantly increased with the intention of eliminating the national deficit.

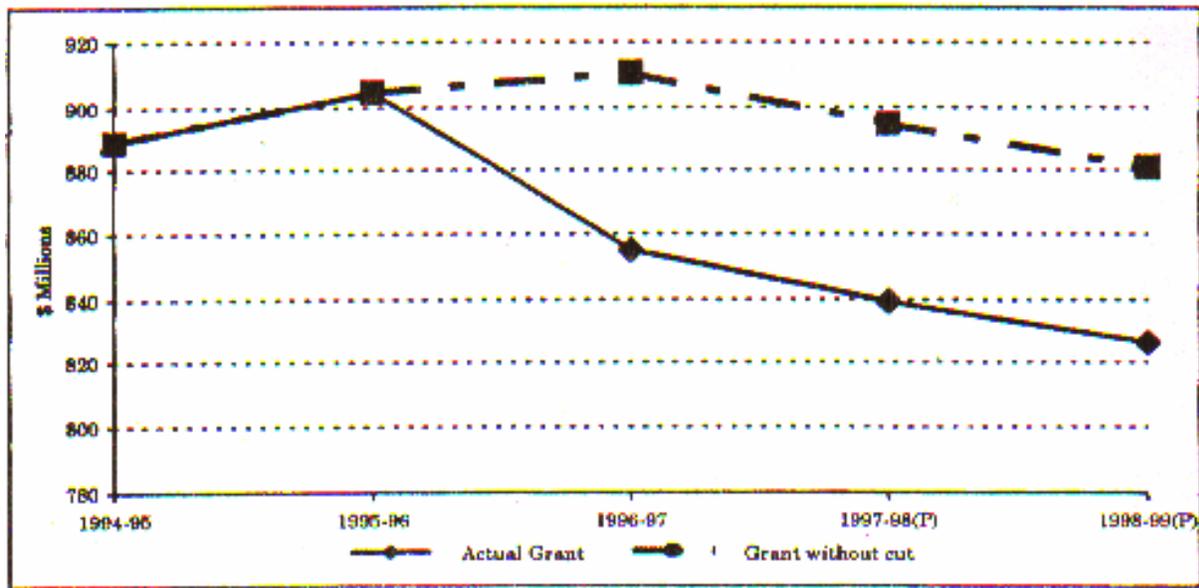
The territories were not immune from federal fiscal restraint. Based on the principle that all regions of Canada must share the burden of fiscal restraint, the territories' fiscal situation deteriorated when the federal government tightened its purse strings in 1995/96 and 1996/97. This resulted in foregone transfer revenues under the CHST program, as well as a freeze on TFF transfers at the previous year's level. While CHST cuts affected the funding available to the provinces, the territories were doubly affected by foregone transfer revenues under the TFF program. The formula was frozen for 1995/ 96. This also had a markedly negative impact upon the territorial governments. In the 1995/ 96 fiscal year, for instance, the NWT government received \$8 million less than if the Grant had been permitted to grow according to the Formula. As a result, total revenues grew only slightly, while expenditure needs for social programs actually increased significantly in that year. This resulted in the territorial government having to cover the extra financial burden from its existing budget in order to honour this previous commitment.

As part of a series of federal cost-cutting measures, an arbitrary cut of five percent was applied to the Gross Expenditure Base in the Formula Financing Agreement in 1996/97. Because this cut is applied to the GEB, its effects will carry forward into future years. With respect to the NWT budget, for instance, this is equivalent to a reduction of about \$60 million annually and for Yukon about \$20 million. The federal government cut the CHST program by some 5 billion dollars, which would have meant a 5 million dollar cut for the Yukon and some 15 million dollars for the NWT. Because the CHST payments offset the formula grant, this reduction in CHST for the territories would have meant an increase in the formula financing grant of an equal amount. In recognition of this, the federal government cut Formula Financing but by an even more onerous amount than the provinces were burdened.

In addition to the *direct* impact on the territories of the federal funding freeze and subsequent cuts, federal fiscal restraint also affected the territories *indirectly* through funding cuts to the provinces. Restraint at the federal level induced fiscal restraint measures at the

provincial and local levels, which translated to a decrease in expenditures and an increase in the provincial tax effort. Since the territorial financing formula is tied to economic growth in southern Canada through several factors, all of which were affected by the cuts, transfers to made to the territories under TFF were reduced even further. Table 5-8 (above) and Figure 5-5 refers to the effects of some of these changes to the financing formula. In this manner, the territories were also affected budgetary reductions in southern Canada, and especially in Ontario and Quebec. This relationship depicts the normal workings of formula financing for the territories, as agreed upon under the TFF Arrangements. The direct and indirect effects of federal restraint measures on the territories can be called the “double burden of fiscal restraint”.

FIGURE 5-5. EFFECT ON THE NWT OF FEDERAL CUTS TO THE FORMULA GRANT



(P) Projected

Source: 1998/99 Budget Address, Fifth Session of the Thirteenth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, January 22, 1998, p. 22 (based on figures from GNWT Department of Finance).

5.3.4. The Current Territorial Financing Formula Arrangement

The current funding arrangements for the territories took effect in 1999 to coincide with the creation of Nunavut, Canada’s newest territory. It also places the territories on a common 5-year funding track with the provinces, as announced in the 1999 federal budget. The current territorial financing agreements took effect on April 1, 1999 and expire in 2004. TFF transfers are projected at nearly \$6.9 billion for this five-year arrangement, with funds increasing by almost \$300 million over the five years, from \$1.3 billion in 1999/2000 to \$1.6 billion in 2003/04. In the 2000/01 fiscal year, the federal government will transfer a total of \$1.4 billion to

the three territorial governments under TFF arrangements: \$537 (or 37.9 percent) to the Northwest Territories, \$553 million (or 38.9 percent) to Nunavut, and \$326 million (or 23.2 percent) to the Yukon. The higher transfer payments to the NWT and Nunavut can be explained by inclusion of a one-time transfer to these territories in order to offset the costs of establishing two separate territorial administrations following the division of the NWT. TFF transfers for the period 1993-2004 are laid out, in dollar value, in Table 9, and, on the basis of per capita expenditures, in Table 5-10.

In 1999, the federal government introduced a modified ceiling to the GEB, which will first be applied to the current territorial financing arrangement. The ceiling on the GEB for all three territories was loosened up at that time. While it will not necessarily correct the financial losses to the territories caused by the previous ceiling, it does respond to the criticism that the

GEB used in territorial formula was much more rigid than that imposed upon the provinces. The cumulative ceiling introduced in the current arrangement uses 1999 as a base year. Instead of being based on year-over-year growth, as in past arrangements, the cumulative ceiling is based on growth since 1999 and will be in effect until 2004. The ceiling was introduced to reflect federal government's affordability of the program. Since this is considered to be a temporary concern, the ceiling now reflects this temporary situation.

TABLE 5-9. TERRITORIAL FORMULA FINANCING (TFF) – 1993/94 TO 2003/04

	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 ¹	2000/01 ¹	2001/02 ¹	2002/03 ¹	2003/04 ¹
(millions of dollars)											
YUKON	290	286	288	286	298	296	301	305	317	329	341
N.W.T.	864	885	899	893	892	886	493	495	506	523	541
NUNAVUT							505	523	543	561	582
TOTAL	1,153	1,172	1,187	1,178	1,190	1,182	1,299	1,324	1,365	1,413	1,464

¹ Figures for 1999/2000 to 2003/04 are estimates.

Totals may not add up due to rounding.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex B, Table 5.

TABLE 5-10. MAJOR FEDERAL TRANSFERS: CHST AND TFF (PER CAPITA SUPPORT) -- 1993/94 TO 2003/04

		1993/94 ¹	1994/95 ¹	1995/96 ¹	1996/97	1997/98	1998/99	1999/00 ²	2000/01 ²	2001/02 ²	2002/03 ²	2003/04 ²
(thousands of dollars)												
YUKON	CHST	1,113	1,102	1,085	962	930	926	950	953	960	971	985
	TFF	9,456	9,596	9,348	8,968	9,242	9,349	9,253	9,198	9,376	9,567	9,774
	Total	10,569	10,698	10,433	9,930	10,172	10,275	10,203	10,151	10,336	10,538	10,759
N.W.T.	CHST	735	735	752	1,079	1,021	1,009	950	953	960	971	985
	TFF	13,580	13,640	13,506	13,231	13,077	13,050	11,787	11,674	11,734	11,933	12,163
	Total	14,315	14,374	14,258	14,310	14,098	14,059	12,737	12,627	12,694	12,904	13,148
NUNAVUT	CHST							1,023	1,014	960	971	985
	TFF							18,862	19,245	19,662	20,052	20,410
	Total							19,885	20,259	20,622	21,023	21,395
Average	CHST	1,003	1,005	1,017	908	857	860	928	934	960	971	985
National Average	Major transfers	1,295	1,312	1,318	1,215	1,185	1,182	1,241	1,255	1,290	1,311	1,334

¹ Established Programs Financing (EPF) and the Canada Assistance Plan (CAP) were in effect prior to 1996/97 and were the predecessors of the CHST.

² Figures for 1999/2000 to 2003/04 are estimates. Totals may not add up due to rounding.

Source: Finance Minister Paul Martin 1999 Federal Budget Speech, Annex B, Table 2.

In 1999, another change was introduced for Nunavut and NWT to the financing equation that is of potential benefit to these territories. It is known as the “simplified approach” to calculating territorial revenues. While territorial governments may choose to continue calculating revenues according to the traditional method, as the Yukon has chosen to do, now they also have the option of using a simplified approach. The first approach entails adding actual revenues from all sources for every year of the Formula Grant, while the second entails adding all sources for only the first year of the five-year funding arrangement. For subsequent years, only a specific 20 revenue sources would have to be tallied, while the remaining ones would be escalated from one year to the next at the same year-over-year growth rate exhibited by the largest 6-10 individual revenue items. By using the simplified approach, territorial representatives might avoid detailed accounting for the smaller items. If the actual growth rate is higher than the rate for the territory’s largest 10 individual revenue items, the territories keep the difference and vice-versa if the growth rate is lower. The NWT may have chosen to adopt the simplified approach due to its potential for enhancing the EDI factor. However, it also poses a risk of falling short of the TFF “gap-filling principle” in the case that it produces revenue projections that exceed actual territorial revenues. Thus, this approach provides an added element of risk sharing or economic development incentive for these territories.

5.4. The effect of federal transfers on the territories

A key benefit of formula financing is that, for any given financing period, the formula maintains certain key features of the previous financial arrangements and provides financing to the territories through a formula whose terms are fixed. One of the challenges of this process, referred to in the opening quote of this paper, is that sometimes we only learn by doing. Current financing arrangements are much more complex than at the outset 16 years ago as a result of the periodic changes to the financing formula that has occurred. While projecting the grant for a given year previously required a projection of own-source revenues and of the provincial-local government expenditure escalator, it now also requires projections of changes in provincial and local government tax efforts and of population growth rates. This process is further complicated by the impact of adjustment factors on hypothetical own-source revenues and the fact that such revenues, which previously bore no effect on the territories’ fiscal framework, are now subject to the direct and distorted effects of the various adjustment factors.

5.4.1. The Effect on the Yukon

Excluding additional funding related to newly-devolved programs, annual growth in federal transfers to the territories generally tended to be greater before 1985 than they were in the years following the introduction of formula financing. While formula financing has some benefits, many

of the changes implemented to the TFF has generally had a negative fiscal impact for the Yukon. This is especially true with respect to the Catch-up and Keep-up Factors. The EDI, to date, has not actually resulted in a financial benefit for the Yukon.

One adjustment factor which generally worked to the benefit of the Yukon is currently taking the opposite course. Declines in employment have resulted in a net out-migration of more than two thousand residents from the territory. Since the financing formula is partially based on territorial population growth rate relative to that of Canada, this population decline has negatively affected the growth in the Formula Grant. It has also affected the Yukon's tax base through lost income tax revenues. The effect of the population decline, at least, is offset by the fact that the Formula Financing Agreement protects the territories against 80 percent of declines in tax revenues.

The Yukon has managed to effectively negotiate the method by which resource revenues are to be dealt with vis-à-vis the TFF and Grant from Canada. Responsibility for oil and gas was devolved to the Yukon Government via the Canada Yukon Oil and Gas Accord in November 1998. As a result, funding was provided to facilitate the increased responsibilities taken on by the Yukon Government and to promote its industry. Yukon is currently negotiating the devolution of responsibility for minerals, forests and waters. Devolution is expected to occur April 1, 2002.

The territories should not be subject to taxation that is inconsistent with practices used elsewhere in Canada and which excessively reduce transfer payments otherwise accruing to their respective governments. As such, it was stipulated in the Yukon's devolution accord that revenues earned from oil and gas development would remain outside the equation for the Formula Grant. Instead, they are *deducted* from the Formula Grant to arrive at the total for the Grant from Canada. The inclusion of oil and gas revenues in the calculation of the Formula Grant would be devastating to the territorial economy. The Yukon Government benefits from an annual upward limit of \$3 million in non-taxable royalties accruing from oil and gas development. Resource revenues beyond \$3 million result in a progressive reduction in the Grant from Canada, starting at 60 percent and rising to 80 percent. That is, for each additional dollar in oil and gas revenues, the Grant from Canada is reduced by 60 cents. This offset rate rises in 5 cent increments to 80 cents on the dollar.

5.4.2. The Effect on the Northwest Territories

The overall impact of the TFF on the NWT has generally followed the same patterns as for the Yukon. Where their experience is dissimilar, however, lies with the question of resource royalties. The devolution of responsibility for oil and gas regulation has permitted the Yukon Government to negotiate the exclusion of specific resource royalties from the formula financing equation. While responsibility for forestry management has been devolved from federal authorities to the Government of the NWT, resource revenues from the forestry sector currently are not considered outside the formula financing equation, thus contributing to the reduction of the formula grant

provided to the NWT. The fact that forestry management was devolved to the NWT in the first phase of formula financing may be a contributing factor to the different treatment of natural resource revenues vis-à-vis the financing formula. The impact of this should be qualified by noting that forestry revenues in the territories have been of minor significance. Given the precedent of the Yukon, the devolution of natural resource regulation – including that of diamonds, oil and gas – to the NWT Government will undoubtedly require a special regime for dealing with resource revenues.

5.4.3. The Fiscal Impact of the Division of the NWT and Creation of Nunavut

The division of the NWT and subsequent creation of Nunavut affected the fiscal requirements of both the NWT and Nunavut. The funding available to each territory will include: (a) the proportionate share of the NWT Formula Grant for each of these jurisdictions, reflect the estimated costs of providing public services in each territory; and (b) the additional funding required, above and beyond the proportionate funding calculated above, for ongoing incremental costs of operating two separate territorial governments. Additionally, Nunavut will receive one-time funding for transitional costs and infrastructure development. Funding provided to the Governments of the NWT and Nunavut to cover the ongoing incremental costs totalled \$95 million. These also cover the costs of setting up accounting systems and computer systems, tracking payroll, and moving various property to Nunavut that was acquired in the division of the NWT's assets. Nunavut's expenditures will be higher in future years, since they have not yet reached their full staffing capacity or completed the task of establishing a new government.

The one-time federal funding for transitional costs and infrastructure needed to provide public services in Nunavut is equal to \$150 million. It is expected that the NWT will also incur significant one-time costs as a result of the division (i.e. office relocation costs, severance pay for surplus employees in Yellowknife, etc.). Figure 6 depicts the effects on the GEB of the NWT and Nunavut following division of the NWT into two territories.

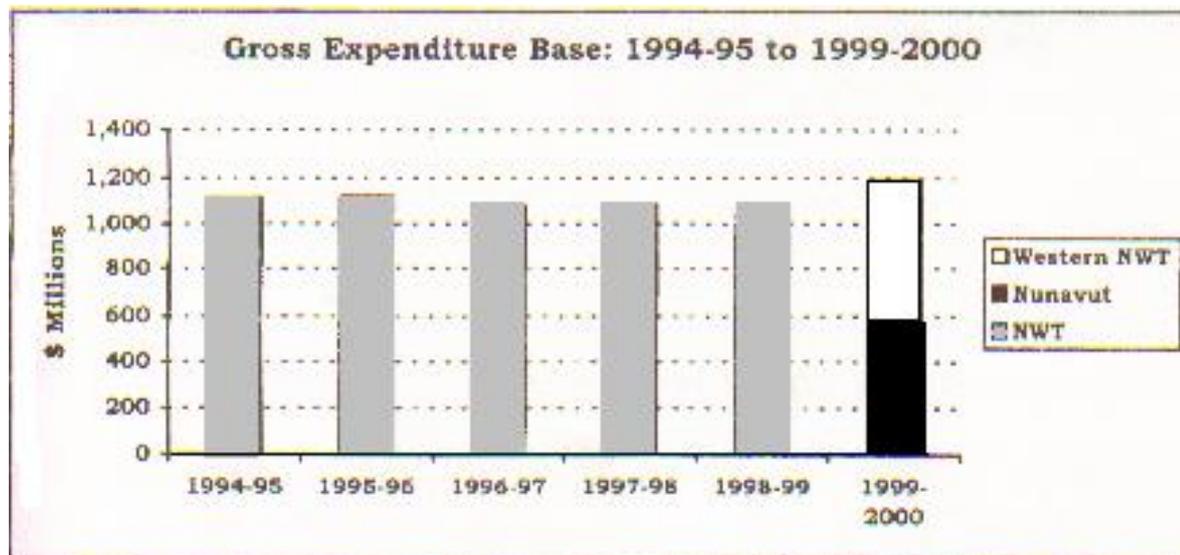
It is perhaps too early to remark on the impact of federal transfer programs on Nunavut, and even earlier to speak as to the cumulative effects of Territorial Formula Financing, the Canada Health and Social Transfer and other federal transfer programs for the territory.

5.5. Conditional federal transfer programs

While unconditional transfers such as Equalization, TFF and the CHST constitute the largest type of transfers to provincial and territorial governments, the federal government also provides assistance to provinces and territories under the form of conditional transfer programs. These provide grants to the territories for delivery of programs that are, for the most part, national in scope. Those that apply to the territories include Official Languages in Education, Grants-in-lieu

for Municipal Governments, Disaster Financial Assistance Arrangements, Provision of Non Insured Services, the National Infrastructure Program, and the Medical Equipment Trust Fund, and Health Care - Indian and Inuit.

FIGURE 5-6. FORMULA FINANCING FOR THE TWO NEW TERRITORIES: 1994/95 TO 1999/2000



Note: The 1995/96 Gross Expenditure Base was used only to calculate the 1996/97 Gross Expenditure Base. In 1995/96, the Formula Financing Grant was frozen at its 1994/95 level. The federal government cut the 1996/97 Gross Expenditure Base by five percent as part of its deficit-reduction measures.

Source: 1999/2000 Budget Address, Seventh Session of the Thirteenth Legislative Assembly of the Northwest Territories, Government of the Northwest Territories, April 19, 1999, p. 28 (based on figures from GNWT Department of Finance).

Collectively, conditional federal grants represent a greater percentage of the total budget for each of the territories than transfer payments made under CHST. For instance, in the 2000/01 fiscal year, conditional federal grants collectively accounted for 11 percent of the Yukon's total budget, while CHST transfers represented only four percent.

Each of the territories have benefited from grants made in support of official languages in education. Even in Nunavut, an agreement has been concluded for the construction of a French language school in the territorial capitol, Iqaluit. The federal government contributes a portion of the total required funding, while the territory also contributes funding from its budget.

The National Infrastructure Program commenced in 1994 with the objective of promoting employment and accelerating economic recovery across Canada through capital improvements. This involved two components: a National Infrastructure Program to be administered by the territorial governments and a First Nations Infrastructure Program to be administered by the federal Department of Indian Affairs and Northern Development. This original design was problematic in that it would have resulted in different treatment for the territories' different communities. After negotiations between federal and NWT representatives, funding for this program in the NWT was increased from \$4 million to \$5.3 million over two years and the two programs were merged into one program to be administered by the Government of the NWT.

The federal government has historically maintained responsibility for the health care of on-

reserve Indians (in the provinces) and for all Aboriginal peoples in the territories. As such, many of the expenses associated with health services and their delivery to Aboriginal peoples was not included in the CHST transfer. Instead, such expenses were reimbursed through a conditional federal transfer, which is administered by the Department of Indian and Northern Development. An administrative arrangement was negotiated with Yukon whereby the funding for these services was included in the Formula Grant. The NWT, however, has preferred that these services be financed through a separate conditional grant from the federal government.

In addition to cut-backs and cancellations of various federal programs of particular significance to the territories (i.e. funding for social housing through Canada Mortgage and Housing Corporation), the federal government has, in times of fiscal restraint, cut back on fiscal transfers to the territories. In both cases, such funding cuts can be particularly detrimental for the provision of public goods and services in the territories, since it places additional pressure on territorial governments to increase funding to fill the gap, funding that they do not have.

5.6. Ensuring greater accountability for transfer funds

Formula Financing was introduced to encourage greater fiscal accountability on the part of territorial governments. Because of its introduction, territorial governments must be more accountable for spending decisions to taxpaying residents in their respective territories. The accountability of territorial governments is reflected through the unconditional status of federal grants and the fact that calculations are based on variables supplied by an independent source.

While transfer payments require greater accountability by territorial governments, the federal government also holds some measure of accountability. The federal government is accountable to all Canadians for providing grants to the territories. The accountability of the federal government is reflected through the written terms of the formula used for calculating transfers to the territories, as well as the use of data from an independent source (Statistics Canada). Even forecast data comes from an independent source (The Conference Board of Canada). The use of independent sources serves to minimize the influence of federal or territorial officials in determining the size of the grant.

The fiscal and budgetary capacity of territorial governments is a key concern of both northern residents and federal representatives. Good budgeting demonstrates capability on the part of the current territorial government to its residents, as well as nurturing positive relations and laying a solid foundation for the development of fiscal relations with Ottawa in future years.

5.6.1. Enhancing Fiscal Capacities

The territories benefit under TFF arrangements, as they currently exist, in numerous ways. Of these, there are several aspects of particular benefit to the territories that do not necessarily apply to

the provinces. Several of these are addressed above (page 15). Additionally, transfer payments to the territories are significant enough to permit the provision of public services comparable to those found in the provinces. The territories would not be able to provide this level of services without significant financial support from the federal government. Another benefit to the territories is that public services are provided across the board, to everyone and to all communities, regardless of their ethnic makeup. This latter point is important, since it means that Aboriginal communities in the territories are typically better serviced than is the case for reserves found in the provinces, the funding for which comes from the federal government through conditional transfers. As such, the territories are unique in terms of equal access to public services. This differs from the provincial situation, where the provision and accessibility of public services differ for Aboriginal peoples, depending on whether they live on or off the reserve. The near absence of reserves in the territories further distinguishes the territorial and provincial systems.

In terms of benefits to the territories that are also enjoyed by the provinces through Equalization payments, there are two that are fundamental in regards to the territories' development: (1) the advent of multi-year block funding has provided improved, stability and predictability for the territorial governments; and (2) it demands greater accountability for spending and related policy decisions on the part of the territorial governments to their citizens. Both factors have been key to the territories in terms of achieving responsible government.

The introduction of multi-year block funding for federal transfers has placed increased demands on the territorial governments in terms of forecasting, program planning and effective budgeting, to be undertaken well in advance of the transfers ever being received. Territorial capabilities in the areas of policy planning and forecasting were also bolstered by an increased effort on the part of the territorial governments to collect data through research, to compile existing and newly-acquired statistical data, and to conduct analyses on various issues of significance. The predictability and stability that this has produced has, in turn, ensured a balanced approach to addressing the capital needs of all communities in the territories.

Because territorial own-source revenues account for a small portion of total revenues, the ability of territorial governments to control its deficit through revenue measures is limited. In order to protect the territorial government from further debt, the Government of the NWT adopted the *Deficit Elimination Act*, requiring that government expenditures did not exceed revenues by more than two percent, towards achievement of a balanced budget by the 1998/99 fiscal year. This measure represents a fiscally responsible effort on the part of the territorial government, since large debts increase the amount of money that governments must devote to debt servicing charges which effectively constrains its ability to provide services to the public.

The Yukon Government introduced its Tax Payer protection Act which calls for a referendum

if the government intends to raise certain taxes or run an accumulated deficit.

5.6.2. Increasing Territorial Self-Sufficiency

While generating greater own-source revenues is one option to reduce territorial dependence on the federal government, the Catch-up and Keep-up Factors have a distorted effect on the Formula Grant that creates disincentives to generating increased revenues through increased economic development. Given that the effects of these revenue adjustment factors cannot be totally offset by the Economic Development Incentive and that transfer payments to the territories are not going to be greatly augmented, territorial administrations require a combination of efforts vis-à-vis increased revenue generation and fiscal restraint. This represents an ongoing challenge to the territories.

The introduction of formula financing meant that grants to the territories would no longer be based solely on territorial expenditure needs, but also revenue raising efforts. Own-source revenues typically account for 10-20 percent of total territorial revenues and include funds generated from the following sources: various forms of taxation levied at the territorial level; licenses, fees and permits; interest income; liquor control revenues; and recoveries (includes rental income, sales of government assets, sales of goods and services). Of these, the bulk of territorial revenues are derived from taxation.

Territorial taxes may be levied on the following: personal income, corporate income, insurance, private property, alcohol (within the liquor control system), tobacco, fuel, and payrolls. While territorial governments are typically hesitant to increase personal and corporate taxes, they must do so from time to time. The introduction of the Catch-up and Keep-up Factors into the financing formula has virtually necessitated such increases, as well as increases in the tax rates at which tobacco tax, liquor, and property is taxed. The fuel tax rate typically remains untouched in recognition of the fact that adding to the cost of fuel would greatly increase the cost of transportation, and therefore the cost of living, in the territories.

Perhaps the most innovative application of taxation in the NWT has been the payroll tax, which took effect in 1993. It represents an effort by the territorial government to tax the income of all workers who earn wages and salaries in the NWT. In effect, it provides a mechanism by which the territorial government may procure tax revenues from non-resident workers who benefit from territorial services but do not contribute to the funding of these programs through income tax, since their income is taxed in their province of residence as of December 31st of the year. The imposition of this tax is justified by the fact that the percentage of total wages and salaries earned in the NWT by non-residents represents a significant amount of tax dollars that are not paid to the NWT, as well as the fact that a greater portion of income earned in the NWT is taxed elsewhere than any other jurisdiction in Canada. The latter fact is due to the seasonal nature of the territorial economy (i.e.

for construction, tourism), the existence of isolated and “fly-in” mining camps, and a historically large proportion of residents leaving the territory to reside in other jurisdictions. The payroll tax is levied at a rate of one percent of employment earnings, which is deducted by the employer from employees’ salaries and remitted via the federal government. The Nunavut has inherited much from its predecessor, the NWT, including the payroll tax. A payroll tax has, thus far, not been introduced in the Yukon.

Revenues generated from fees and licences have increased for all territories over the past 15 years. This is due to several reasons, including the introduction of both new fees and new licences, increases in the cost of existing fees and licenses, and the increased demand for such fees and services due to territorial population growth. Since the taxation and other changes listed above involve rate increases, all of the revenues raised through these initiatives will accrue directly to the territorial governments and will not result in decreases to the Formula Grant.

In terms of resource revenues derived from both royalties and taxation, devolution of responsibility for non-renewable resources would significantly benefit the territories. The Yukon is much closer to achieving this than the NWT or Nunavut. The latter two governments claim that they are negotiating the devolution of responsibilities in this area with federal authorities; however, to date, devolution has not been actively pursued. Achieving devolution could enhance the territories’ revenue generating capacity, as well as its prospects for greater self-sufficiency.

The intricacies of formula financing arrangements has made it increasingly apparent that governments cannot continually finance new spending initiatives out of revenue growth and that existing programs may become unaffordable. The governmental response is often based on the concept of “living within one’s means” and “doing more with less”. This requires rethinking the way public goods and services are delivered and necessitates better fiscal planning. In times of substantial fiscal restraint, it has often resulted in a number of organizational measures which are carried out simultaneously. These involve: streamlining government operations; consolidating departments to reduce duplication of administration, programs and services; rationalizing government boards and agencies; program cuts; reductions in staff, work hours and salaries; and privatization of various government functions. In order to forestall potential deficits and minimize the need to borrow, short-term restraint measures are sometimes introduced. These include: a temporary freeze on hiring and use of consultants; restrictions on travel and purchases; and reductions in spending on utilities, fuel and housing. In implementing such measures, it is best to reduce spending in areas where the effect on service delivery would be minimized and to ensure that no one sector of the territorial economy is disproportionately affected.

Territorial governments face a peculiar quandary – expenditure pressures continue to grow, despite restraint measures. Unless revenues can keep pace, either through increased federal

transfers or greater taxation efforts, territorial governments will find themselves with a deficit. In the absence of increased revenues, territorial administrations will have to balance future budgets using expenditure restraint.

5.6.3. Representing Territorial Interests to Federal Authorities

That federal transfers to the territories are arranged according to five-year plans has been beneficial to the development of “responsible government” for Canada’s territories. Not only do these fixed terms enable officials to conceptualize the issues and problems existing with respect to federal transfers to the territories well into the future. It also holds territorial governments accountable to local residents for the efforts they make and the decisions they take in these regards. Territorial officials meet with federal representatives annually to discuss the progress of TFF arrangements, as well as meeting with them in order to review and re-negotiate TFF arrangements.

Similar to the permanent federal-provincial committees established under Equalization, which meet regularly and intensify their efforts for two years prior to renewing the necessary legislation, officials have established federal-territorial committees concerned with the TFF whose responsibility it is to undertake technical work and partake in intensive consultations on the financing arrangements. Another committee comprised of federal and territorial officials and stakeholders has also been established to address funding issues surrounding the division of the NWT to create two new territories – the NWT, with its new borders, and Nunavut. Such federal-territorial fora are vital to ensuring territorial input into fiscal matters of local consequence.

5.7. Lessons learned

To fundamentally understand the concept of formula financing, it is important to first ask what drives a formula. Of key importance in centre-regional fiscal relations is not so much the total value of funds transferred, but the level of dependence of that region on the centre. This is largely determined by the revenue generating capacity of regional governments.

The transition from a fiscal mechanism based on territorial expenditures to one that is primarily revenue-based represents a landmark in the development of Canada’s territories. While annual meetings between territorial and federal representatives had ritually involved budgetary negotiations using line-by-line budget control, the focus of these meetings changed with the introduction of formula financing. They now presented a forum to discuss the development of federal-territorial fiscal relations on an ongoing basis and to review the development and implementation of objectives as defined within this relationship. Discussions which previously surrounded the cost of delivering public goods and services in the North instead focused on the mechanism and dynamics of the financing formula.

The concept of formula financing is much more complex than just the computation of a set

mathematical formula. In the Canadian experience, it is the product of interaction between multiple components and is difficult to express the financing formula in terms of a static equation due to the large number of variables involved and the adjustments continually being made in these regards. The territorial financing formula reflects a dynamic equation as it is built around growth rates and evolving territorial government responsibilities. And it is able to address any situation which may arise because of the two sides to the formula; expenditures side and revenues side. Equalization for the provinces is not this flexible because it is a static, one variable equation based upon revenues only. The financing formula for the territories is, itself, represents an evolving entity over time and has developed in response to both endogenous and exogenous influences.

Formula financing has also brought stability to the territories by employing block-funding and three-year averages. These have been two of the greatest factors in enabling the territories to move away from an expenditure-based budgetary mechanism. Block funding encouraged territorial administrators to manage expenditures within the limits of their own budgets, while the use of three-year averages protected them from sudden economic downswings.

In the Canadian experience, the objective of the federal government is to encourage greater self-sufficiency among its regions, including its northern regions. However, formula financing did not always allow northern regions to benefit from increased capacity to raise own-source revenues. As such, the financing formula has continually required adjusting in order to account for new factors and issues that have presented themselves gradually and in response to the formula preceding it. At times, the fine-tuning of the financing formula is demonstrative of the federal government's conviction to encouraging greater self-sustainability of its regions. At other times, however, territorial capacity has been limited by economic pressures and the centre's desire for northern territories to conform to national patterns and fiscal considerations.

The Canadian experience demonstrates that certain conditions warrant the extensive review, modification and/ or re-design of the financing formula. This may occur when the current formula creates a situation whereby greater own-source revenue generation causes undue financial burden to the territories, or when the formula acts as a financial disincentive for territorial governments to take over the management of a federal program. One such change entailed the federal government introducing the Economic Development Incentive (EDI) to the formula. The EDI provides a useful example of a fiscal mechanism designed to encourage development in northern regions. In relation to the Russian North, for instance, while out-migration from northern regions may currently be desirable, this will directly affect only a portion of the population, the remainder potentially benefiting from this example.

One lesson that may find some application elsewhere concerns the estimation of territorial revenues. The "simplified approach" provided territorial administrators with the opportunity to

pocket the difference between actual expenditures and revenue levels projected using the simplified approach. This represents an added form of risk sharing or economic development incentive for the territory. By administering public services more efficiently, territorial governments can maximize actual revenues – this represents one of the most powerful incentives for encouraging efficiency and less reliance on the federal centre.

While the simplified approach aimed to ease the application of the financing formula, the majority of changes to the formula since its inception have served to make the formula financing process much more complex. Each amendment is based on or has been made in reaction to the one which preceded it. Apart from producing a lengthy process for calculating the Formula Grant, this also means that the compounded effects of such changes are increasingly difficult to predict. Consequently, their outcomes may be not be fully foreseen and may even be distorted.

The freeze in transfer payments and the subsequent 5 percent cut in fiscal transfers to the territories, for instance, had consequences for the territories that were not fully foreseen by federal representatives at the time of negotiating the TFF Arrangement. This scenario produced a “double effect of fiscal restraint” for the territories, whereby they were affected twice by fiscal restraint measures – once directly and once indirectly. Persons responsible for designing fiscal policy in Russia could learn from this example the benefit of keeping funding formulas as simple as possible and the potential implications for territories when the calculation of federal transfers to a specific region is too strongly linked to indices and developments occurring in other regions.

On a national scale, formula financing arrangements permit the federal government to deal with the “have” (advantaged) provinces differently from the “have not” (challenged) provinces, as well as dealing with the territories differently than the provinces. Depending on the degree of reliance on the federal government exhibited by a jurisdiction, this may encourage regional governments to take responsibility for the issues that face them, thus allowing them to be part of the solution to a problem rather than leaving all decisions in the hands of the federal centre.

In the end, formula financing arrangements serve to encourage greater decision-making capabilities and accountability on the part of regional governments. Territorial governments, then become accountable, not to the federal government, but to local residents for their actions and decisions. However, the final impact on regional governments may be greater than originally expected by the federal centre, as is demonstrated by the Canadian experience. The achievement of “responsible government” by the territories was not necessarily an intended outcome of the Territorial Formula Financing mechanism introduced by the federal government.

In Canada, government accountability does not mean that officials are subject to prosecution for activities associated with poor management (i.e. mis-balanced budgets, overspending, etc.), though they may be held *politically accountable* to the public for their actions and decisions,

especially if they involve ethical questions (i.e. conflict of interest, etc.). Accountability on the part of territorial governments does, however, entail that both elected and non-elected officials be held *legally accountable* for any actions of a criminal nature (i.e. fraud, embezzlement, receiving kick-backs, offering bribes).

Ensuring financial accountability requires that territorial expenditures be audited by an independent third party. In the territories, this is fulfilled by the Auditor General of Canada who performs this function in accordance with provisions set out in the territorial Acts establishing the responsibilities of federal and territorial governments. The need to be answerable to criticisms from the Auditor General puts an additional onus on the territorial governments to manage resources well, within the confines of their budget.

Just as all regions share in the benefits that come during economic upswings, all regions – including *donor* and *recipient* regions alike – must share the costs of economic downsizing and make efforts towards greater cost effectiveness during periods of economic hardship. Canada's territories also have not managed to escape these national trends. Russia likely already knows this lesson all too well.

In Canada, stable federal-territorial fiscal relations demand a strong statistical foundation. This also provides territorial governments with the necessary tools to measure their own performance. This statistical base was fundamental in designing the original formula and has since been vital in the re-design of subsequent Territorial Formula Financing Agreements. The use of three-year data, for instance, in calculating the Formula Grant is based on the quality of available data. It is possible to employ a three-year measure since statistical data is collected in Canada on an annual basis. In countries where data is less reliable and is collected more infrequently, a longer time period would have to be used for calculating averages. Such data may also be used to develop formulas for other calculations with respect to the North (i.e. northern subsidies).

There are prospects for further improving the fiscal relationship between Canada's federal and territorial governments, since new arrangements may offer greater benefits to the territories including: (1) expanding the "tax window" – revenues that can be kept by the territories as a result of economic growth and development; and (2) sharing the resource revenues with the territories that currently accrue to the federal government. In fact, these same opportunities for improving federal-regional fiscal relations may also have relevant application in Russia.

It may be valuable to assess the effect the population of a region has on its overall fiscal requirements. In this context, the Population Growth Adjustment Factor in the financing formula for Canada's territories may be of otherwise unseen benefit with respect to Russia's northern regions. The concept could be applied to the Russian North, but in a different way than its current usage in Canada.

While Canada's territories benefit during periods of higher population growth relative to the national average, the introduction of a population factor for Russia's northern regions would have to consider the current decline of their populations. While such a mechanism would not offer *direct* incentives for increased out-migration, they would not be financially penalized for population declines, as would be the case in Canada. It could, however, offer significant *indirect* benefits to northern regions for encouraging out-migration to more southerly regions. The next paragraph presents some ideas as to how such a mechanism might be realized provided the existence of multi-year budgeting.

The value of federal transfers to a given region could be based on population projections for that region over a specified funding period (i.e. three or five years) or the population level for the initial year of the funding period. This population level could then be used in calculating federal transfers, the value of which would remain fixed for the duration of the funding period, notwithstanding population changes due to out-migration. In the case of Russia's northern regions, a well-designed population adjustment factor would ensure that funding changes were not perpetually adjusted in accordance with population changes. This might permit regional administrations to benefit from population losses due to out-migration, since this would allow them more per capita funding to allocate to other public services for the remainder of the funding period. Base population levels could subsequently be readjusted for the next funding period.

Encouraging out-migration from Russia's northern regions is of potential benefit to not only these regions, but to the country as a whole, by encouraging greater efficiency from an otherwise inefficient system. It would achieve this by relocating people from areas where the cost of providing public services is high to regions where the cost is significantly less, ultimately saving the federal government money in the long run. The challenge is to encourage people to leave these regions and to ensure their unproblematic relocation to more southerly regions. Despite the burden out-migration may cause for Russia's southern regions, its wider benefits should justify federal support, through fiscal instruments, for regional out-migration initiatives. This proposed population adjustment factor could introduce a mitigating factor to population reductions based on population growth. That is, the population adjustment factor could come into effect when a certain population change rate, either upwards or downwards, occurs. A variation of this idea would have the adjustment factor take effect at a specified negative population growth rate. This would be lifted upon achieving the equivalent population growth rate in the opposite direction – the adjustment factor, again, would only be in effect for the remainder of the funding period.

While many of the lessons listed above may be of actual or potential significance with respect to Russia's northern regions, the fact that they are a products of the Canadian experience also means that not all may apply to the Russian North; nevertheless, they may provide useful insight into the

commonalities and differences in federal-regional fiscal relations vis-à-vis the northern regions of Canada and Russia. In Canada, there are still many incentives to moving to the territories. The resultant population growth translates into higher federal transfers, as well as the increased need to provide subsidies to northern residents and the territorial governments to support this population. In Russia, a fiscal instrument that encouraged out-migration from northern regions might, in the short term, result in larger transfers but would, in the long run, translate to less funds expended on transfer payments and a decreased need to provide benefits and subsidies to northern residents.

5.8. Conclusion

This paper has provided a comprehensive overview of the fiscal relationship which exists in Canada between the federal government and the three territorial governments, including a detailed description of the financial mechanism governing transfer payments under Territorial Formula Financing. In outlining the differing federal transfer programs to the provinces and territories and the main differences between them, this paper has highlighted the different ways in which the equitable delivery of public goods and services is achieved in Canada. These are highly dependent on the fiscal requirements of each jurisdiction, on the expenditure side, and their corresponding fiscal capacities on the revenue side. This paper has outlined the effects of the CHST and TFF programs on territorial capacities on both sides of the budget equation.

While the introduction of block-funding under Territorial Formula Financing was fundamental in the political development of the Yukon and NWT, this was not necessarily the case for Nunavut since, with its creation, it inherited the legacy of ‘responsible government’ established by its territorial predecessors. Likewise, the tendencies and potential lessons identified in this paper may prove beneficial to the development of Russia’s northern regions and their fiscal relationship with the federal centre. Policy-makers and citizens alike may also benefit from the fact that the formula financing-based relationship shared by federal and territorial governments may, in its current form, provide estimable lessons for Russia – as the product of over 15 years, it will take much less time for governments to learn from these examples than it did to create them.

Conclusions

Given that the classification of regions as northern may be based on their geographic location, in the meantime it is impossible to practically identify objective grounds for the attribution of a concrete Russian region to the ‘territories equaled to the North’. That happens because there was no duly research accomplished prior to the adoption of the respective primary legislative acts. That particularly concerns the formation of the list of regions that require government support in terms of the Supply conditions. According to the RF State Committee for the Northern Affairs (‘Goskomsever’), of 153 areas (‘rayons’) included in the official list, 29 rayons have a stable permanent connection with the highway network and with all the locations within their territory, and on the grounds as such they may not be considered areas with a limited timing for cargo supply. In its essence, the absence of methodological principles of ‘rayoining’ and typology of the Russian North is a factor that constrains the formation of a single legal base for identification and general procedures of application of a system of legislative acts that would ensure the implementation of social guarantees set by the Constitution.

The legislative base of the state support to the socio-economic development of the northern areas has not emerged as yet as a system of inter-related and mutually complementary legal regulations. In the meantime the system comprises 3 federal laws, single provisions of federal laws covering the nationwide items that regulate problems of the North, a number of the presidential decrees and resolutions of the RF Government.

The federal laws lack a comprehensive consideration of changes in the economic sphere and capacity of the federal budget and the Subjects’ budgets, while the presidential decrees and the government resolutions mostly tackle particular issues of the socio-economic development of the North. The legislative acts tend to be amended frequently, and the mechanism of the state support of the supply of goods to the northern areas is subject to annual changes. To form a regular legislative base, one needs to revise and evaluate the legal practices and to work on elimination of the existing gaps and renewal of the noted practices.

Conditionally, the areas of the Russian North can be divided into those that develop vigorously and depressive ones. Clearly, the forms, methods, and priorities of the state support should be different for each of them. The selectivity of the state support suggests the transition from the generalized equaling of such territories to the Far North areas towards their differentiation, according to concrete criteria. It is a new ‘rayoning’ of the northern territories in terms of their climatic conditions that should constitute a genuine base for reforming their labor compensation, social guarantees and compensations system, and procedures of their financing. That would allow formation of a flexible system of targeted provision of the state support funds to the northern

regions and setting a limited circle of guarantees and compensations for the people working in the areas with discomfort conditions.

The enhancement of efficiency of the state support depends upon a pro-active stand of the federal center on the matters of the population migration and re-settlement, promotion of the work in shifts, ensuring supplies of goods, etc. The intensification of this kind of interaction is of a great importance to the Russian Federation and its northern areas.

The evaluation of the provision of **financial support** from the federal budget to the northern regions allows the following conclusions:

1. On the whole, the Subjects that for the purpose of the present research we have classified as northern receive all kinds of financial support from the federal budget provided by the law, though the level of their dependence from the federal funds differs substantially.
2. The volume of non-targeted financial support *per capita* received by the northern regions exceeds both the average nationwide level and the analogous value allocated for the non-northern Subjects. At the same time the structure of the non-targeted funds received by the northern regions just slightly differs from the average one noted across Russia.
3. Due to the insufficiency of statistical data provided by financial agencies, it appears impossible to estimate correctly the volume of targeted financial support provided to the Russian regions. At the same time one can argue that all the northern regions regularly receive that kind of targeted financial support that is characteristic of only the given group of the Subjects. The financial support is earmarked annually in the body of the trusted to the regional authorities (prolonged) amount of loans for supporting the Northern Supply issued between 1994 to 1995, and the respective interest. Despite the fact that the amount of such funds has been contracting in the course of time, partly due to the debt repayment, and partly because of depreciation of the principal body, according to results of 1999, the said financial resources constituted a main part of the financial support received by the northern regions.
4. The overall volume of the federal budget funds earmarked to the northern Subjects is far in excess of the analogous indices for all other regions. At the same time the increased level of the northern regions' dependence upon the federal financial support is attributed mostly to their receipt of specific kinds of the federal financial support in a form of the prolongation of their debt on budget loans: in all, across the northern regions the proportion of the regional budget expenditure funded at the expense of the federal resources, exclusive of the noted loans, is just slightly higher than the average amount reported nationwide. It is also necessary to note a substantial inter-regional differentiation among the northern regions: the said group comprises both the Subjects with the maximal volume of financial support in the country and the Subjects with a high level of budget sufficiency.

5. In terms of the receipt of the federal financial support, one of the major differences of the northern regions from the other Subjects is the structure of federal support: the proportion of financial resources allocated in compliance with formalized and uniform procedures is over 3-fold lower compared with the other Subjects.
6. It also should be noted that, according to the findings of the present research, it appears impossible to develop recommendations on changing the system of provision of the federal financial support, except the necessity of the respective arrangements in revenue and expenditure parts of the budgets on the respective levels that concern the trusting of loans to the regional authorities. Any elaboration of further recommendations would require a more intensive research into the balance between financial resources transferred to the northern regions and their need in financing their current expenditure obligations.

Having considered the non-targeted financial support from the federal budget to the northern regions' budgets, one can conclude that the latter receive, in absolute terms, more significant amounts of financial support than the other regions. However, the proportion of financial support in the revenue of budgets of the regions-recipients of the funds is slightly higher than the respective average index across the country, i.e. the increased amount of financial support as a whole is determined by higher expenditure needs of the regions. On the other hand, the Northern regions' dependence on the federal financial support is lower in general than the average one nationwide, which is caused by the existence of the Subjects with high tax revenues in the composition of the said regions.

In current conditions, the level of efficiency of the system of the federal funds allocation to fund the **Northern Supply appears maximal**. Nonetheless, in order to enhance the efficiency of the Northern Supply system itself, we believe that a whole range of institutional transformations is needed. The purpose of such transformations should be elimination of defects characteristic of the Northern Supply funding system at the regional level, as follows:

1. The absence of the efficient control on the part of the federal financial agencies over complying with procedures of tender-based allocation of financial resources between suppliers of goods and transport companies. Despite the fact that a part of funds to finance the Northern Supply is allocated from the federal budget, according to tender procedures the distribution of the those between suppliers and transport companies is carried out at the regional level. At the same time the federal authorities have no actual levers to control the justification of any decision on commissioning a supply of goods to any enterprise.
2. The absence of control over justification of prices and tariffs by producers of communal services. Despite the fact that the housing and communal companies remain recipients of funds allocated from the territorial budgets that subsidize the difference between the tariffs for the

housing and communal services and their production costs, in the meantime the majority of the regions lack possibilities of creation of a transparent system of tariff- setting for the housing and communal services. That leads to such situations when additional costs for an early delivery of oil and petroleum derivatives funded at the expense of the state support to the Northern Supply are included in the costs for the housing and communal services yet at the stage of tariffs approval. Hence, the additional costs for implementation of the early supply of oil and petroleum derivatives for the housing and communal sector's need are paid for twice: once - by the budget (at the stage of paying for the Northern Supply) and, consequently, by final consumers of the said services- at the stage of their payment for those.

Evidently, despite a substantial rationalizing of the federal funds allocation system of support of the Northern Supply, the aforementioned defects lead to a considerable loss of efficiency in terms of use of public funds. That is why we believe that in the short run it would be necessary to undertake radical measures both in the area of reforming the Northern Supply system and in the housing and communal sector. As noted above, the formal grounds for the Northern Supply are the need in additional funds during the period of the seasonal deliveries of oil, petroleum derivatives, and other goods. However, from economic point of view, the said need is an additional factor for the price rise for the housing and communal services, i.e. for an increase in the level of expenditure obligations of budgets of the Subjects that have areas with a limited transport accessibility in their territory, which necessitates an early supply of goods.

That is why, should the obligations related to the organization of an early cargo delivery be assigned to enterprises of the housing and communal sector or their consortiums, the costs of the Northern Supply might be added to tariffs for the housing and communal services. If necessary, the tariff level can be subsidized from the territorial budget in a form of categorial or targeted subsidies. That means that the federal support of the Northern Supply should be included in the total volume of financial support to the Subjects' budgets allocated in a form of transfers from FFSR according to uniform procedures that take into account an objectively determined need in budget expenditure. At the same time the regulation concerning seasonality of allocation of funds for the Northern Supply may be abolished, because during the period of transport accessibility the attraction of additional funds may also be included in tariffs for the housing and communal services and be subsidized in a traditional way.

We believe that a favorable outcome of the inclusion of the funds allocated for the support of the Northern Supply in the overall volume of a FFSR transfer would be a non- targeted nature of the said support. With the overall control over the targeted use of budget funds at all the government levels and the transparency of the process of tariff- setting by natural monopolies in place, the effect should be an increase in efficiency of consumption of the earmarked funds and

decline in embezzlement: in the event the regional authorities have planned expenditure related to an early supply of produce in a volume less than the amount of funds allocated from the federal budget for those purposes, the targeted nature of the said funds (i.e. the possibility of their spending only on concrete supplies agreed upon earlier) would lead to decrease in efficiency of the use of the federal funds.

On the other hand, however, clearly, because of the radical and comprehensive nature the proposed transformations, any urgent implementation of them appears impossible. That is why, to ensure a prompt correction of the aforementioned defects of the current Northern Supply system, the implementation of the following measures is needed:

1. It is necessary to introduce a system of control on the part of the federal managing agencies over compliance with the tender procedures. From the formal viewpoint, the allocation of funds for the support of the Northern Supply falls under the competence of the Subjects' authorities, however, regional branches of the federal control and inspection agencies must exercise a stricter control over the compliance with all the tender procedures and ensure an equal treatment of all the rivals in a tender for goods supplies in the frame of the Northern Supply.
2. It is the approval of results of tenders on assigning commissions on goods supply at the federal level that may become an effective element of control over compliance with the tender procedures. We believe that due to the fact that the circle of suppliers of oil and petroleum derivatives is fairly narrow, the federal authorities would be capable to exercise an efficient control over pricing and conditions of the respective contracts. At the same time, in the event of an appeal against results of the tender, the refusal to the Subject regarding the allocation of the funds for the support of the Northern Supply should be practiced.
3. As a temporary measure preceding the implementation of a wide-scale reform in the area of funding the housing and communal sector, one can consider creation of such a system of tariff regulation of the communal companies' operations, under which the costs for fuel purchased at the expense of the state support of the Northern Supply, would be subject to subtraction from the costs for communal services paid by their consumers. That would ensure the prevention of a double payment for an early supply of goods by the state budget and consumers.

Proceeding from the analysis of benefits and guarantees, one can conclude that it is expedient to cancel the compulsory nature of guarantees and benefits set by the Law "On state guarantees and compensations to individuals working and residing in the areas of the Far North and areas equaled to those" for the private sector. Nonetheless, if upon the cancellation of the benefits set by the Law,

the employer takes a decision to continue paying those, the respective expenses (as it is the case now) should be included in the composition of the costs for labor compensation, i.e. they should become subject to exemption from corporate profit tax.

Analogously, one should keep the existing interpretation of some kinds of the northern benefits as enterprises' expenses that are not included in the composition of their costs and that are funded at the expense of that part of profit that remains at their disposal.

At the same time there may be two approaches to imposition of personal income tax and social tax (contributions to the state extrabudgetary funds) on the northern benefits.

1) To keep the existing taxation regime in terms of imposition of personal income tax and social tax on the northern benefits.

In this case the cancellation of the compulsory nature of the northern benefits and compensations would lead to the transfer in a form of salaries and wages of those benefits that currently are not subject to exemption from personal income tax and social tax, and to keeping the benefits that are fully or partly exempted from these kinds of taxation. The negative effect of such a decision is the preservation of possibilities for evasion from social tax on payments due to employees that are effected in a form of benefits and compensations provided under the law.

2) To equal social guarantees and compensations provided by the northern employers to their employees in monetary and natural form, in compliance with the Law "On state guarantees...", to their wages (with some exceptions). That would necessitate the imposition of personal income tax and social tax on the said payments.

A practical consequence of the proposed solution would be, primarily, the simplification of the system of labor compensation to the northern employees, thanks to the transfer of the majority of current social benefits to the form of salaries and wages.

Such an approach has several advantages: first, it appears a logical solution: given that for the purpose of taxation of entities' income the noted payments are classified as labor compensation costs, the same status they also should have with respect to the purpose of taxation of private individuals. Secondly, that would block tax dodging through the transfer of salaries and wages in a form of the noted social benefits.

The solution in question, however, may have a negative effect: that is, some increase in tax burden on the labor compensation fund that, in turn, may result in a decline in real salaries and wages in the North. Considering a probable negative public reaction to such a solution, the expediency of making such a decision appears purely political matter.

To legitimate the above decisions, the draft normative acts for the both variants of the solution of the problem of imposition of personal income tax and social tax on northern benefits have been elaborated (see Annexes 3.1 and 3.2).

The present research also deals with the evaluation of financial outcome of the reform of the system of northern benefits, guarantees, and compensations payable to enterprises and their employees, according to some of the aforementioned variants. Calculations have been made for the cases in which the enterprise compensates, or does not compensate, a contraction in its employees' incomes resulted from the cancellation of the compulsory nature of benefits. The evaluation of benefits related to employees at enterprises in the northern regions was conducted separately from the analysis of benefits in relation to migrants that arrived to the northern region to work there. The rates of corporate profit tax, personal income tax, and social tax (social contributions to extrabudgetary funds) are considered in two variants: the current legislation (1998-99) and the envisaged draft Tax Code (the chapters already passed through the State Duma and the draft Chapter on taxation of enterprises' incomes).

The authors' calculations showed that different variants of **migration** differ from each other. The first variants implying just a change in individual payments, do not result in a considerable saving of funds. That can be attributed to the fact that in the North the main kinds of expenditure *per capita* are budget spending on the housing and communal sector, education and healthcare rather than personal payments. The significant costs of migration cannot be compensated by a simple elimination of the local coefficient (up to 1, or even to 1.5 - for the pensioners that have a long record of work in a northern region). That is why this variant appears unprofitable for the majority of the regions.

In the course of the growth in infrastructure consolidation in the northern regions, accordingly, the annual value of saving grows (the profitability term is diminishing). However, with the scale of migration growing, there is an increasing need in the proportional increase of expenditure *per capita* in the receiving regions. To a less extent that affects southern regions with their well-developed and optimized infrastructure, but it considerably diminish the saving effect from migration to the northern regions or to those that are characterized with high costs for the provision of public services.

The aforementioned approach comprises numerous variants of calculations (the calculation by 4 variants of migration for several social categories from 18 northern regions to 89 Subjects, in terms of two kinds of costs: constant subsidy and travel payment). All of the calculations have been completed, providing that each of them includes both the annual value of saving from the migration of one person and the calculation of costs, present value, net present value and the migration program profitability term for the said variant. The present paper and its Annexes comprise just main output that allows a maximum comprehensive picture of the migration programs' efficiency.

Different variants of economic development of the northern regions may provide different scenarios for migration support programs: thus, for example, should the purpose be formulated as

expansion and creation of a qualitative infrastructure in the northern regions, then it should be only pensioners willing to leave the region to whom assistance should be rendered. At the same time the effort should be made to create job opportunities for unemployed in the northern regions. Should the purpose become the maintenance of just some large centers, while it is intended to proceed with operations in 'by-shifts' mode in the majority of the northern territories, one needs to create incentives for the residents' outflow through reforming the current system of benefits. In addition, a considerable number of migrants arising in this case requires additional calculations (solution of transport problems on the basis of the receiving regions' capacity and their costs for absorption of migrants) that can be made on the base of the existing results. At the same time, while considering the present variant, it should be reiterated that the migration should be voluntary, which must imply both migration alternatives (the choice of the receiving region, etc.) and the chance to stay and work in the northern region.

Annexes

Annexes to Section 1

Annex 1.1. (references)

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Annex 1.2 (legislative acts)

1. ФЕДЕРАЛЬНЫЙ ЗАКОН от 02 января 2000 года N 30-ФЗ « О ВНЕСЕНИИ ИЗМЕНЕНИЙ В ФЕДЕРАЛЬНЫЙ ЗАКОН "ОБ ОСНОВАХ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ СОЦИАЛЬНО - ЭКОНОМИЧЕСКОГО РАЗВИТИЯ СЕВЕРА РОССИЙСКОЙ ФЕДЕРАЦИИ"»
2. ФЕДЕРАЛЬНЫЙ ЗАКОН от 25 июля 1998 года N 131-ФЗ «О ЖИЛИЩНЫХ СУБСИДИЯХ ГРАЖДАН, ВЫЕЗЖАЮЩИМ ИЗ РАЙОНОВ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЕЙ»
3. ФЕДЕРАЛЬНЫЙ ЗАКОН от 28 марта 1998 года N 43-ФЗ «О ВНЕСЕНИИ ИЗМЕНЕНИЯ И ДОПОЛНЕНИЯ В СТАТЬЮ 112 ЗАКОНА РОССИЙСКОЙ ФЕДЕРАЦИИ "О ГОСУДАРСТВЕННЫХ ПЕНСИЯХ В РОССИЙСКОЙ ФЕДЕРАЦИИ"»
4. ФЕДЕРАЛЬНЫЙ ЗАКОН от 8 января 1998 года N 4-ФЗ «О ВНЕСЕНИИ ИЗМЕНЕНИЙ В СТАТЬЮ 16 ЗАКОНА РОССИЙСКОЙ ФЕДЕРАЦИИ "О ГОСУДАРСТВЕННЫХ

ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ"»

5. ФЕДЕРАЛЬНЫЙ ЗАКОН от 20 июня 1996 года N 81-ФЗ «О ГОСУДАРСТВЕННОМ РЕГУЛИРОВАНИИ В ОБЛАСТИ ДОБЫЧИ И ИСПОЛЬЗОВАНИЯ УГЛЯ, ОБ ОСОБЕННОСТЯХ СОЦИАЛЬНОЙ ЗАЩИТЫ РАБОТНИКОВ ОРГАНИЗАЦИЙ УГОЛЬНОЙ ПРОМЫШЛЕННОСТИ» (в ред. Федерального закона от 07.08.2000 N 122-ФЗ)
6. ФЕДЕРАЛЬНЫЙ ЗАКОН от 19 июня 1996 года N 78-ФЗ «ОБ ОСНОВАХ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ СОЦИАЛЬНО - ЭКОНОМИЧЕСКОГО РАЗВИТИЯ СЕВЕРАРССИЙСКОЙ ФЕДЕРАЦИИ» (в ред. Федерального закона от 02.01.2000 N 30-ФЗ)
7. ЗАКОН от 2 июня 1993 года N 5082-1 « О ВНЕСЕНИИ ИЗМЕНЕНИЙ В СТАТЬЮ 16 ЗАКОНА РОССИЙСКОЙ ФЕДЕРАЦИИ "О ГОСУДАРСТВЕННЫХ ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ"»
8. ЗАКОН 19 ФЕВРАЛЯ 1993 ГОДА N 4520-1 « О ГОСУДАРСТВЕННЫХ ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ» (в ред. Закона РФ от 02.06.93 N 5082-1; Указа Президента РФ от 24.12.93 N 2288; Федерального закона от 08.01.98 N 4-ФЗ)
9. «ПОЛОЖЕНИЕ О ЛЬГОТАХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ НА КРАЙНЕМ СЕВЕРЕ РСФСР», УТВЕРЖДЕНО ВЦИК И СНК РСФСР 10 МАЯ 1932 Г.
10. «ПЕРЕЧЕНЬ МЕСТНОСТЕЙ, ПРИРАВНЕННЫХ К РАЙОНАМ КРАЙНЕГО СЕВЕРА», ПОСТАНОВЛЕНИЕ СНК СССР от 18 ноября 1945 г.
11. ПОСТАНОВЛЕНИЕ ПРАВИТЕЛЬСТВА РОССИЙСКОЙ ФЕДЕРАЦИИ от 23 мая 2000 г. N 402 « ОБ УТВЕРЖДЕНИИ ПЕРЕЧНЯ РАЙОНОВ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЕЙ С ОГРАНИЧЕННЫМИ СРОКАМИ ЗАВОЗА ГРУЗОВ (ПРОДУКЦИИ)»
12. ПОСТАНОВЛЕНИЕ ПРАВИТЕЛЬСТВА РОССИЙСКОЙ ФЕДЕРАЦИИ от 29 марта 2000г. N 278 « О ГОСУДАРСТВЕННОЙ ПОДДЕРЖКЕ В 2000 ГОДУ ЗАВОЗА ПРОДУКЦИИ (ТОВАРОВ) В РАЙОНЫ КРАЙНЕГО СЕВЕРА СРОКАМИ ЗАВОЗА ГРУЗОВ»
13. ПОСТАНОВЛЕНИЕ ПРАВИТЕЛЬСТВА РОССИЙСКОЙ ФЕДЕРАЦИИ от 7 марта 2000 г. N 198 Зарегистрировано в Минюсте РФ 21 марта 2000 г. N 2158 ; ПОСТАНОВЛЕНИЕ МИНИСТЕРСТВО ТРУДА И СОЦИАЛЬНОГО РАЗВИТИЯ РОССИЙСКОЙ ФЕДЕРАЦИИ от 17 февраля 2000 г. N 17 «ОБ УТВЕРЖДЕНИИ РАЗЪЯСНЕНИЯ "О ПОРЯДКЕ ПЕНСИОННОГО ОБЕСПЕЧЕНИЯ ГРАЖДАН, КОТОРЫМ ПЕНСИИ БЫЛИ УСТАНОВЛЕННЫ С УЧЕТОМ ЕДИНЫХ РАЙОННЫХ КОЭФФИЦИЕНТОВ, УТВЕРЖДЕННЫХ ОРГАНАМИ ИСПОЛНИТЕЛЬНОЙ ВЛАСТИ СУБЪЕКТОВ
14. ПОСТАНОВЛЕНИЕ ПРАВИТЕЛЬСТВА РОССИЙСКОЙ ФЕДЕРАЦИИ от 23 января 2000г. N 58 «О ДОПОЛНЕНИИ ПЕРЕЧНЯ РАЙОНОВ ПРОЖИВАНИЯ МАЛОЧИСЛЕННЫХ НАРОДОВ СЕВЕРА
15. Постановление Правительства Российской Федерации от 31 декабря 1997 г. N 1664 "О РЕФОРМИРОВАНИИ СИСТЕМЫ ГОСУДАРСТВЕННОЙ ПОДДЕРЖКИ РАЙОНОВ СЕВЕРА".

Annexes to Section 2. Legal fundamentals for the Northern Supply (over the reform period)

The fundamentals for legal regulation in the area of supplies of produce (goods) to the areas of Far North and areas equaled to them are stipulated in the federal Law “On fundamentals of the state regulation of socio- economic development of the North of the Russian Federation”, federal budget laws for the respective year, single provisions in the federal legislation on the national issues, Resolutions of the RF Government and other legislative acts of both the federal and regional levels. At the same time, despite a considerable number of legislation issued annually, it cannot be argued that the legal base that regulates goods supply to the North has been formed and constitutes a system of inter-related and mutually complementary acts.

The federal laws do not fully take into account the changes in the economic sphere and capacity of both the federal and Subjects’ budgets. The presidential Decrees and government Resolutions mostly tackle some particularities, and the mechanism of the state support of good supplies to the northern regions has undergone numerous modifications.

During the period prior to reforms the state had undertaken in full the compensation for objectively necessary increased costs for production and provision of the population’s daily needs. That is why at the initial stage of the market emergence, a number of specific problems has arisen in the northern regions. As far as the comparable indices in the economy social sphere, and population’s living standards are concerned, the decay in the majority of the northern territories has proved to be much more intensive than across the country on average.

A long as the supply of cargo to the North is concerned, the situation is especially sharp in this respect. In the period prior to 1997 alone, the bodies of federal executive and legislative powers adopted over 40 resolutions. Considering the situation changing annually, the organizational and financial mechanism of the Northern Supply was subject to annual adjustment. Because of the critical situation, more than once special procedures of the Northern Supply were introduced. However, the noted changes have not brought about envisaged results: thus between 1992 to 1997 the volume of supplies of petroleum derivatives and food stuffs slid as much as twice or even thrice.

The current system of the state support still keeps numerous features of the old administrative-command model, particularly as follows:

- vagueness in defining the object for support- “the areas of Far North and areas equaled to them”, “ the areas of the North with a limited period of cargo transportation”, “the areas of residence of aboriginal minor peoples of the North”;
- inefficiency of the system of energy and food provision of the northern, primarily Arctic, locations.

Annex 2.1. Legislative procedures for the financial and organizational mechanism of the Northern Supply.

The financial and organizational mechanism of the Northern Supply has emerged as follows: between 1992 to 1993 the entities supplying food stuffs to the areas of Far North and areas equaled to them were given centralized credits issued by the Central Bank, which have not been returned. In 1995 the funds under the said credits were restructured into the public debt.

The procedures for organization of supply and transportation of produce (goods) for the purpose of provision of the economy and population of the areas of Far North and areas equaled to them were approved on March 6, 1993, with Resolution of the RF Government # 207. The Resolution set the procedures with respect to commercial and intermediary operations in the area of organization of material and technical supplies, trade entities, public enterprises that are located in the Far North areas and in territories that were not attributed to those. The document in question identifies entities that ensure government procurements of goods; those responsible for the ensuring of supplies, for coordination of operations of the federal bodies of executive power; regulates operations of suppliers of goods, enterprises- producers of tare, transport companies, etc.

To ensure a funding of an early supply of the most essential consumer goods to the areas of Far North and areas equaled to them, in compliance with Article 24 of Law of the Russian Federation of May 14, 1993 # 4966-1 "On the 1993 republican budget of RF ", the Fund for the Social Protection of Northern Residents was established. In addition to targeted support to the needy residents in a form of compensation payments for the goods they bought, the Fund earmarked state subsidies to compensate the enterprises and organizations located in the areas in question for 50% of tariffs for produce (goods) transportation.

The next year, in 1994, the support to the supply of goods was provided on the return basis- through allocating budget loans both to the regions and single economic agents. To ensure a guaranteed provision of the population in the northern regions, organizations of the social sphere with all the goods needed for their operations, and for the purpose of the state support to the Northern Supply, within the federal budget the Fund for the State Support to Supplies of Produce (goods) was established. The Fund was formed at the expense of the federal budget funds, interest payments for the use of the said Fund's resources, and at the expense of interbudgetary sources. To ensure operations with the resources of the Fund, banks - agents were selected.

The resources of the Fund were targeted, and they were to be spent on centralized supplies, particularly on creation of reserves of goods during the pre-navigation period. The amount of the funds and the timing of their spending on the support measures related to the Northern Supply were subject to the respective provisions of the federal budget law for the respective year.

The Subjects were recommended to create analogous regional funds.

To receive resources from the federal Fund, the executive power bodies and economic agents that purchase and supplied goods, were bound to submit a substantiated application of their need in funds, along with the list of intended suppliers, consumers and transport organizations - participants in the supply. Enterprises and organizations were given the funds under guarantees of commercial banks and using collateral schemes.

The concrete conditions and term of issuance and return of the Federal Fund resources, and interest payments were to be stipulated in an agreement with the Fund, which was to be concluded between the RF Ministry of Finance and recipients of the resources.

In addition, the resources of the Fund could be earmarked in a form of T-bonds on the return basis. Such a mechanism also provided the existence of an agreement on allocation of resources from the Federal Fund on the return basis, upon which, in compliance with Government Resolution of August 9, 1994 # 906 “On the issuance of Treasury Bonds”, the RF Ministry of Finance transfer to the recipients of budgetary funds the T-bonds in a volume equal to the funds due.

The amount of T-bonds was determined proceeding from the value of products (goods) and transportation costs, including the costs for storing and bulking of cargo in ports and at railway stations. The suppliers were paid with T-bonds that were redeemed then by the RF Ministry of Finance through an authorized bank against the submission of the T-bonds, according to procedures, as per the respective agreement.

In addition, the federal budget provided appropriations to compensate for the difference between the interest rate on loans issued for the organizational efforts related to the supply to the Northern territories.

Since 1994, it was the federal budget loans issued between 1994 through 1995 (worth a total of Rb. 8.8 bln.) that has become the regions’ main resources to ensure the Northern Supply. The said loans were trusted to the regions as liquid assets, and by now the total amount of those, including interest for the use of them, has reached roughly Rb. 22 bln. Since January 1, 1999, the said federal budget loans have been trusted to the executive authorities of the northern Subjects, while the respective interest payments for the use of those were assigned under their ownership.

In addition, the Northern Subjects annually receive from the federal budget a state support in a form of direct subsidies – to compensate for transportation costs for deliveries of oil, petroleum derivatives, fuel and food stuffs:

- in 1996 – Rb. 7.5 bln.;
- in 1997 – Rb. 3.5 bln.;
- in 1998 – Rb. 2.54 bln.;
- in 1999 – Rb. 3.0 bln., – from the Federal Fund for Targeted Subventions for the purpose of compensating for the costs for purchasing oil, petroleum derivatives, and fuel. An additional

amount of Rb. 1.75 bln. was allocated from the federal budget in August- September 1999.

In 2000, Rb. 3.0 bln. was allocated as a subsidy from FFFSR, to compensate for a part of expenditure of the Northern Subjects on procuring and delivery of goods needed to ensure the functioning of the population, enterprises, and social institutions and housing and communal organizations. The funds were earmarked to the executive bodies of the northern Subjects that had territories with a limited supply periods.

At the same time, in 2000, in compliance with Art. 76 of the federal budget Law, the interest for the use of the noted loans worth a total of Rb. 13.0 bln. was assigned under the ownership of the executive power bodies of the northern Subjects. Notably, however, as of today, the actual return rate of the said funds has not exceeded 45%.

The scheme of financing the government opted for in 2000 implies that the federal budget funds are channeled through the Federal Treasury to the regional Treasuries of the Subjects, where the regional Treasures pay to suppliers for the delivered fuel or their provision of transportation services against the submission of the respective contract and payment documents.

In 2001, it is envisaged to allocate from FFFSR as much as Rb. 6.65 bln. in subsidies for the state financial support of procurement and delivery of oil, petroleum derivatives, fuel and food stuffs (except excised ones) to the northern territories, to ensure supplies to their population, enterprises and organizations of the social sphere and those of the housing and communal sector.

Annex 2.2. Main legislative acts regulating the Northern Supply between 1995 trough 1996

The volumes of the government financial support of the supply of produce (goods) are considered in the course of formation of the federal budget and are set there as a separate outlay.

The federal budget law for the respective financial year reads that the funds allocated from the federal budget for the implementation of measures of the government support of supplies of produce (goods) to the Far North areas and areas equaled to those are disbursed under the terms of their return and payment for their use, as well as on the non-return basis.

The 1995 federal budget law set that the budget loans were to be extended for the noted purpose for the term up to 18 months, with the interest rate for the use of them of 1/3 of the current refinancing rate of the Central Bank of RF. In the event of an untimely return of the federal funds and delay with the payment of interest for their use, the fine equal to the double refinancing rate of the CBR was provided.

The funds received from enterprises and organizations that carried out the centralized supply of produce (goods), as well as the funds received as the return of the earlier issued federal budget loans and the respective interest payments, were to be accumulated in the federal budget for the purpose of the consequent funding of centralized supplies of food stuffs and other goods required

for the provision of the population and entities of the social sphere in the Far North areas and areas equaled to those.

The funds were to be trusted by the RF Government to executive authorities of the Subjects. The latter held responsible for ensuring the targeted use of the federal funds trusted to secure the timely supply of produce (goods) to the Far North areas and areas equaled to those.

In the Subjects, the funds were to be accumulated in specialized regional funds created specifically for this purpose. At the expense of the funds, food stuffs (except excised goods), medicines, material and technical produce and non-food essential consumer goods were to be supplied to the regions.

There is a procedure of the annual fixing of:

- the total amount of appropriations from the federal budget for the state support of supplies;
- volume of quotas across the Subjects;
- the deadline for the completion of the funding of measures on the supply of produce (goods).

Usually, due to an early end of the navigation period, it is envisaged to transfer the funds totaled 70% of the planned amount by 15 July, and to complete both the funding and the supplies themselves by November 1. However, actually, the schedule is always broken, and in the state of emergency the government has to use aircraft to supply the essential goods.

In addition, the annual federal budget law provides a mechanism to cover cash gaps that arise, due to the fact that the timing of the return of the funds, which were allocated from the Federal Fund for the State Financial Support of Supplies of Produce to the northern regions and forwarded to form the regional funds to secure social and household needs of residents of the areas with a limited supply time, does not coincide with the limited period of the supply.

Should enterprises and organizations that carry out supplies, storing and sales of produce (goods) accumulate any indebtedness on the centralized credits of the Central Bank, such an indebtedness is subject to restructuring by the RF Ministry of Finance and CBR, and it is included in the public domestic debt of RF with a 10-year redemption term, in equal proportions, under the interest rate of 10% annualized.

In 1995, the noted indebtedness on credits issued between 1993 through 1994 totaled Rb. 2.0 trln., and, upon the agreement with enterprises and organizations and under guarantees of the executive power bodies of the Subjects, it was restructured in the public domestic debt. That was done through the issuance by the RF Ministry of Finance of promissory notes to the Central Bank with the 10-year maturity, starting from 1998.

The respective provision was fixed in 1995 by the Law “ On restructuring of the debt on centralized credits and the respective interest of organizations in the agro-industrial sector and organizations that carry out supplies (storing and sales) of produce (goods) to the areas of the Far

North and areas equaled to them.

Since in 1995, instead of the planned allocation of the federal funds to finance measures on supplies of produce (goods) until mid-July 1995, the said funds were transferred only in September, while the executive power bodies failed to ensure the formation of the respective regional funds at a volume required, the serious difficulties arose with respect to supplies of oil, petroleum derivatives, food stuffs, etc. to the northern regions.

In order to ensure the acceleration of the said supplies to the areas of the Far North and areas equaled to them, the Government passed Resolution of October 25, 1995, # 1048 “On measures on acceleration of the supplies of oil, petroleum derivatives and fuel to the areas of the Far North and areas equaled to them in the IVth quarter 1995”.

The Resolution suggested as follows:

1. To employ an advanced targeted crediting, including the one in a form of issuing promissory notes, by commercial banks and bodies of executive power of the Subjects for the early supply of oil, petroleum derivatives and fuel to the areas of the Far North and areas equaled to them;
2. To recommend the bodies of executive power of the Subjects to issue short-term obligations guaranteed by commercial banks and to attract credits from commercial banks, including those in a form of promissory notes, to finance the supplies of oil, petroleum derivatives and fuel to the areas of the Far North and areas equaled to them under the guarantees of the RF Government and within the limits of funding. For this purpose, to allow the RF Ministry of Finance to enter in trust contracts with commercial banks to secure the obligations issued by the bodies of executive power of the Subjects.
3. To grant tax exemptions to enterprises in the oil and coal sectors, transport companies that carry out supplies and transportation of oil, petroleum derivatives and fuel to the areas of the Far North and areas equaled to them, within the amount of the balance of funds provided for the allocation to the bodies of executive power of the Subjects in 1995 from the Federal Fund of the State Financial Support of Supplies of Produce (Goods) to the areas of the Far North and areas equaled to them.
4. To provide for measures on securing the return by the bodies of executive power of the Subjects in a full volume of the federal budget loans issued by them to enterprises and organizations for the purpose of supplies of produce to the areas of the Far North and areas equaled to them in 1994, in order to use the said funds in compliance with the 1995 federal budget law.

In 1996, the decision was made that the state financial support of the supplies of produce (goods) at the expense of the federal budget funds should be carried out in a form of partial compensation to enterprises and organizations that are located in the areas of the Far North and areas equaled to them for their expenses on supplies of food stuffs, medicines, material and

technical products, oil, petroleum derivatives and fuel, and essential non- food consumer goods.

In order to improve the provision of the budgetary organizations located in the noted areas with material resources, the Government passed its Resolution of September 25, 1996 # 1152 “On additional measures on the provision of organizations financed at the expense of the federal budget funds and located in the areas of the Far North and areas equaled to them”.

In compliance with the Resolution, in 1996 through 1997 the Government was allowed to conduct an experimental off- set of appropriations from the federal budget for the amount of the arrears to the federal budget of the organizations that carried out supplies of products under the orders of the federal and regional authorities. It was a joint- stock company ‘Polarexcatalogue’ that , on behalf of the organizations- debtors, concluded the respective agreements with the RF Ministry of Finance

At the same time the noted measures did not result in a radical improvement of the situation with the implementation of the Northern Supply. Thus, in its Resolution of August 8, 1996 # 319-SF on the consideration of the progress in supplies of produce (goods) to the areas of the Far North and areas equaled to them, the Federation Council stated as follows:

“...To note the practical failure to ensure the supplies of produce (goods) to the areas of the Far North and areas equaled to them, due to an extremely unsatisfactory financial provision. A real peril of famine, stop of the objects of the housing and communal sector and social sphere is emerging, which may lead to a large-scale catastrophe”.

It was envisaged that the situation would be changed and the challenges accumulated in the North, particularly the problem with the Northern Supply, should be resolved with the adoption of the federal Law “On fundamentals of the state regulation of the socio-economic development of the North of the Russian Federation” in June 1996.

Thus, Article 7 of the Law- ‘The State Support of Supplies of Produce (Goods)’ read that:

- in order to ensure the steadiness of the functioning of the economy and provision of the population of the North, the federal authorities provide their support to supplies of produce (goods) to the areas with a limited period of supply of produce (goods).

The RF Government determines:

- the list of the northern regions with the limited period of supply of produce (goods), which may also comprise territories that have not been classified as northern ones;
- procedures of organization of supplies of produce (goods) to areas with a limited period of supply of produce (goods);
- conditions for the provision of financial resources and a mechanism of implementation of the scheme of the supplies of produce (goods).

The federal authorities also exercise control over the supplies of produce (goods) to the North,

over the timely earmarking of the funds, as well as over their targeted use and return.

The procedures of the classification of areas with a limited period of supply of produce (goods) are determined by the federal law.

As we can see, the Law is a mere framework, and legislative acts should have been adopted as a follow-up, that would specify the mechanism of implementation of the law. However, a substantial number of legislative acts have not been yet passed.

Annex 2.3. Regulation of relations between the federal authorities and the Subject in terms of organization of the Northern Supply.

The executive power have been seeking an optimal scheme of the funding of the Northern Supply and of the return of huge government resources that would be spent for this purpose. However, at that time the proposed measures ensured just the accumulation of financial resources rather than a long-term stabilization effect.

At the same time, along with the search for an optimal form of regulation of legal relations in the sphere of the Northern Supply to the Far North areas, for the purpose of a more strict division of power along the vertical of power, some governments in the Subjects would conclude agreements with the federal Government on the division of powers in terms of development of the Northern areas. The evaluation of the respective documents showed that such agreements often were declarative, and they were not aimed at solution of the problems facing the government as a result of pursuing the de-centralized governance policy.

Due to the absence of the methodological base at the stages of design of, and concluding the agreements, vagueness in identification of their objectives, the contents of the agreements on the division of powers between the said bodies of executive power did not fulfill their mission and did not solve the problems that arose (arising) in the process of managing the development of a northern region.

A typical example of the inefficient seizure of such opportunities provided by the noted documents is the Agreement between the RF Government and Administration of the Khabarovsk Krai on the division of powers with respect to the matters of development of northern areas of the Krai. The document does not stipulate functions of each Party under the Agreement, particularly those in the frame of the provision of state support to the Supply programs. The Articles of the Agreement merely fix a number of directions of the government's action in this area and state the need in collaboration between the federal center and the regions to have those directions implemented.

The Agreement also reads that the support of the supply of produce (goods) would be implemented via the local branch of the Federal Treasury in the Khabarovsk Krai, and that the funds that are allocated to repay the budget loans of 1994-95 are assigned to the Krai.

The RF Government undertakes an obligation to provide a state financial support of the supply, funding of various federal programs of socio-economic development of the northern areas, etc. The Krai Administration, in turn, ensures the targeted and efficient use of the state support funds and the annual submission of the required information on the use of the funds.

The Agreement duplicates the provisions of the federal law, the compliance with which is mandatory in the territory of the country, thus it does not require an additional fixing in a conciliatory document between the federation and its single region. In addition, the structure of the document is such that it requires the adoption of a subordinate act, which should contain a stricter division of powers. Such comments are attributable practically to all the agreements concluded between the regional administrations and the federal Government.

Upon the legitimization of the said agreements on division of powers by federal Law #119-FZ of June 24, 1999, “On principles and procedures of the division of powers and competence between the bodies of state power of the Russian Federation and the bodies of state power of the Subjects of the Russian Federation”, they may become a temporary and compulsory form of compromise and could fill in gaps in the federal law related to such a pressing problem as the Northern Supply. Such agreements may imply the application of the differentiated treatment of the Russian regions depending on their natural and climatic conditions, and their socio-economic development level.

In such a context, the agreements concluded by the RF Government with regional administrations or governments of the Republics may provide strict terms for procedures of the financing of the Northern Supply in the Subject’s territory, identify the mechanism of responsibility of the bodies of executive power at all the levels, as well as the procedures of control over the responsibilities on the part of all the participants in interbudgetary relations.

Annex 2.4. The Northern Sea Route.

The solution of the Northern Supply problems is directly related to addressing a whole range of inter-related tasks and directions of reforming the system of the state support to the northern areas that were set in the RF Government’s Resolution # 1664 of December 31, 1997.

The Resolution particularly states:

- improvement of the mechanism of seasonal supply of products for the guaranteed provision of the food and energy safety of the populated locations in the North;
- strengthening of the federal center’s influence on socio-economic processes in the Arctic Zone, maintenance of a stable and safe functioning of the Northern Sea Route.

There is the Northern Sea Route in the Arctic Zone of RF. It is a complex system of sea and river routes (with the total length of over 43 Thous. km.). The Northern Sea Route is the basis for the transportation provision for the North of Siberia and the Far East.

Between 1932 through 1964 the development of the Arctic Zone and the Far North was carried

out by the Head Department for the Northern Sea Route under the Council of People's Commissars ('Glavsevmorput'). The latter was responsible for all the economic enterprises of national importance. Glavsevmorput exercised control over exploration and development of natural resources in the Arctic Zone, organization of sea and air transportation, including the development of the Northern Sea Route, creation of the material and technical basis and coordination of operations of sea and river ports, airfields, objects of the social sphere, coordination of research in the field of geology, ice-breaker building, hydrometeorology, and control over operations of the national departments servicing the Far North areas, and for other kinds of activity.

Upon the liquidation of Glavsevmorput, in 1964 all the above functions were assigned to single ministries and departments that had their enterprises or interests in the Arctic Zone. However, without any strict program and coordination, the numerous federal ministries, departments and other organizations in an effort to solve the problems related to development of the Arctic Zone would only intensify the complexities facing the Arctic Zone.

All the above requires the adoption of urgent measures on the legislative provision of the state policy and single kinds of activities in this territory.

The measures have to be implemented in the following directions:

- development of the legal and legislative base for the Arctic Zone;
- bringing the current legislative base that regulates the economic, research, tourist operations and international cooperation in the region into line with the newly adopted legislation;
- intensification of the coordination of operations in the region between ministries, departments and bodies of executive power of the Subjects, and improvement of the information supply of the government authorities with respect to the matters related to the operations of the national and foreign organizations in the Arctic Zone.

The Committee on the Affairs of the North and Minor Peoples under the Federation Council has developed a draft federal law "On the Arctic Zone of the Russian Federation" which sets specifics of the legal regulation of the social, economic, and environmental operations in the Arctic Zone.

The enhancement of the reliability and efficiency of the Arctic transport system's operations is a crucial issue. A number of commissions in this respect were included in the sub-program "Development and Use of the Arctic Zone" under the federal targeted program "The Global Ocean". Following the commission of the RF Government, the ministries and departments carry out a complex of measures on securing a safe and steady functioning of the Northern Sea Route that include the justification of organization of transportation along the Northern Sea Route under new economic conditions and development of proposals on solving the problem of transcontinental cargo transportation in the Arctic Zone on the intergovernmental level.

The system of management of the Northern Sea Route requires the creation of a strict coordinating center, which is determined by the current critical situation in the sphere of provision of the northern regions and by the fact that the economic agents there are of different forms of ownership.

The federal property comprises (and should keep on comprising) the icebreaker and rescue and emergency fleet, the polar stations network, the means of navigation and hydrometeorological provision, communication.

The majority of the Arctic ports were assigned to the Subjects, while the transport fleet was incorporated. The local economic agents are joint-stock companies. Obviously, to enhance the efficiency of management of the Northern Sea Route, one needs to unite, in some form, interests of the federal executive authorities, the Subjects' executive authorities, and economic agents, since operations of enterprises in the Arctic areas are impossible without a normal functioning of the Arctic transport system.

To secure a stable and safe functioning of the Northern Sea Route, it appears necessary to undertake a number of urgent measures, including the establishment of a management structure of the Northern Sea Route that should meet the new economic conditions and ensure the integrity of the national transport communication in the Arctic area and the respective control on the part of the state (a Russian joint-stock company, concern, consortium, etc.).

It is operations of the Council of the Barents Sea/Euro-Arctic Area that constitutes an important element of international cooperation in the region. The Council was founded in 1993, and currently Russia, Norway, Finland, Sweden, DK, Island and the EU Commission hold membership in it.

In the meantime, within the Euro-Arctic zone, the development of an integral transportation network (including the EU funds) is required rather than the existence of single transport corridors. This concept was fixed in a Memorandum of Understanding on the development of the Barents/Euro-Arctic Pan-European transportation zone signed by the Ministries of Transport and Communication of Russia, Finland, Norway, Sweden, and the representative of the EU Commission in May 1998.

The international cooperation in the area of using the Northern Sea Route appears very promising, however, the prerequisite for that should be the identification of its legal regime. In the meantime, the physico-geographical conditions and risks of navigation along the route are under consideration.

Annex 2.5. Regulation of the northern transportation tariffs

It is the regulation of super-high tariffs for cargo and passenger transportation by main-line kinds of transport that appears another important matter among the challenges related to the

Northern Supply.

The problem of decreasing transportation costs for the consumers in the Russian northern regions mostly is not a tariff problem only, as the transport tariffs level is determined by certain, and quite high, costs. Hence, the said problem should be solved through application of efficient measures of the state financial policy of support of the supplies of necessary products.

The noted matters have been addressed, in particular, in the federal Law “On fundamentals of the state regulation of socio-economic development of the North of RF” and Resolution of the government of April 23, 1999, # 460 “On the state support of the supplies of produce (goods) to the areas of the Far North and areas equaled to them in 1999”.

At present, in compliance with the current legislative acts of RF, the state price regulation of economic agents’ operations is exercised with respect to natural monopolies, providing that in the transport sphere those are railway transportation, port and airport services. In addition, the state regulation is applied to the tariffs for services provide by the icebreaker fleet.

The cargo transportation by the means of sea, river, air and automobile transport is carried out using free tariffs. At the same time the executive authorities of the Subjects are granted with a right to regulate tariffs for cargo and passenger transportation by the means of sea, river, and air transport in the areas of the Far North and areas equaled to them.

As concerns the railway transport, the tariffs are regulated by the ministry of Anti-Monopoly Policy in collaboration with the Ministry of Railway Transportation. The tariffs for railway transportation are based upon production costs averaged across the whole network, without regard to territorial differences in the costs, i.e. the consumers in the northern regions do not bear higher actual costs.

Since July 1997 until mid-2000 the tariffs for domestic railway cargo transportation have remained stable, while the price rise in the industrial sector over the period in question made up over 50%.

The current tariff system provides targeted privileges in the course of transportation of single kinds of cargo to the Far North areas. Thus, for instance, between February 15, 1995 the tariffs for transportation of oil, petroleum derivatives, meat and meat products, grain, milled products, potato, Soya, salt, sugar and vegetable oil designated for the said regions were cut down by 50% for the transportation distances over 3,000 km. As of June 1, 1996, a 50% tariff privilege became effective with respect to the shipment to domestic consumers of coal delivered from the coal-loading units at the Northern Railway. The same effect is implied for the numerous tariff privileges of general nature that have been introduced for various kinds of cargo and transportation technologies.

The regulation of tariffs for the services provided by ports and airports is exercised by the Ministry for Anti-Monopoly Policy in collaboration with the Ministry of Transport and the Federal

Air Transport Service. Such a regulation is aimed at stabilization and decrease of the share of these services in the overall costs of steamships and air companies for cargo and passenger transportation.

The regulation of fares for icebreaker lead of vessels along the Northern Sea Route is exercised by the Ministry of Economic Development upon the respective presentation of the Ministry of Transport and upon the consent of the Ministry of Finance. In June 1999, the said fares for the coasting vessels were raised at 20%, providing that they had not been raised since 1996, and the noted increase was minimally necessary to fund the urgent costs for the icebreaker fleet maintenance. It should be noted that the icebreaker fare does not cover the current costs for repair and maintenance of icebreakers, and the respective deficit is covered from the state budget, as well as thanks to a non-targeted allocation of funds by the steamships - icebreaker operators.

In compliance with the decision of the RF Government, the Ministry for Anti-Monopoly Policy considers the matter of introduction of the state tariff regulation for the sea transportation of cargo to the Far North areas. Apart from the organizational and legislative aspects, this problem is related to the need in solving the matters of financial provision of the regulation mechanism.

The tasks of improvement the port collections system will be related to the expansion of the range of regulated fares, procedures of their collection, improvement of the system of funding of sea administrations, strengthening of the control over the general level of payments collected from owners of vessels, etc.

The analogous problems face the sphere of airports operations. In this area, it is also necessary to expand the state regulation sphere through the introduction to the list of regulated operations of air-navigation services, meteorological services, refuelling, etc.

In the meantime the design of a new system of charges for the icebreaker lead of vessels along the Northern Sea Route is underway. The system would be more objective in considering consignors' credibility, and, along with the budget funding measures, it should ensure compensation for the costs needed to maintain icebreakers.

The uniformity of the fundamentals of pricing is secured by the federal Laws "On natural monopolies", "On state price regulation for electric and heating power in the Russian Federation", "On gas supplies in the Russian Federation".

At the same time the bodies of executive power of the Subjects have a right to regulate a wider circle of services (supply and sales, and trade surplus on produce and goods sold in the areas of Far North and areas equaled to them), in compliance with Government Resolution of March 7, 1995, # 239.

It is most likely that along with measures on the structural reforming of the Northern regions' economies, the solution of this problem requires the state regulation of tariffs for cargo and passenger transportation with the use of decreasing coefficients.

Annex 2.6. The legislative regulation of the Northern Supply between 1997 to 1998.

The 1997 federal budget law provides the decision on the trusting to the Subjects of the funds that were received in the course of the Subjects paying off the loans issued from the federal budget between 1994 to 1995 for the purpose of an early supply of products to the areas of Far North and areas equaled to them, as well as the respective interest payments. Such funds should have been used to form regional funds for the state financial support of an early supply of oil, petroleum derivatives, fuel, food stuffs, medicines, material and technical produce, and non-food consumer goods to the areas concerned.

The resources for the regional funds were allocated on the return basis, with interest payments totaled one-third of the current refinancing rate of CBR. The control over the use of the funds was assigned to the government authorities of the Subjects.

In addition, in 1997 the state financial support of the Northern Supply at the expense of the federal budget was carried out through a partial reimbursement to enterprises and organizations located in the respective territories of the transportation component of their expenditure on supplies of oil, petroleum derivatives, and fuel.

The basis for the Northern Supply still is the state financial support to the supplies of fuel and energy resources, and food stuffs. At the same time the northern regions are increasingly facing the challenge of a gradual transition to the maximum possible self-sufficiency at the expense of the use of local energy resources.

In 1998, the formation of the Northern Supply was carried out according to the same scheme as in 1997 (at the expense of the regional funds for the state financial support of the early supply of products, along with a partial compensation to organizations for the transportation component of the supplies).

To regulate the Northern Supply and make it fully legitimate, Art. 61 of the 1998 federal budget Law commissioned the RF Government to develop and submit to the State Duma within three months a draft federal law on the state financial support of the supplies of oil, petroleum derivatives, fuel, and food stuffs to the areas of Far North and areas equaled to them, with a limited duration of supplies. The law, however, has not been ever passed.

Annex 2.6.1. On possibilities of the provision of the Northern regions with fuel and energy resources at the expense of local sources.

The areas in the North have a substantial capacity in terms of local fuel and power sources in a form of non- traditional energy sources (windmills, geothermal, hydraulic, etc.), small deposits of liquid fuel (coal, turf) and hydrocarbon minerals, as well as the potential use of timber waste, and other energy sources.

The research conducted in this respect revealed a possibility of substitution in 961 location in

the North for a. 2 mln. t. of transported conditional fuel (a. 25% of all the amount necessary) with local energy resources. That may become possible through the construction in the said locations of wind-operated power plants with a total capacity of 102 megawatt, small-size hydroelectric plants with a total capacity of 134 megawatt, heat and electric power plants consuming timber waste and turf with an overall capacity of 190 megawatt, geothermal heat electric power plants with a total capacity of 26 megawatt, units processing hydrocarbon minerals from the local deposits with the annual capacity of 350 Thos. t., and a number of other power-generating units (heat pumps, photoelectric plants).

Due to the above, the RF Government commissioned and, consequently, approved with its Resolution of August 28, 1997, # 1093 the program “Provision of power of the areas of Far North and areas equaled to them, and the locations populated with aboriginal small peoples of the North, Siberia, and Far East through using of non- traditional reproduced power sources and local kinds of fuel for the period 1997 to 2000”. The program provided an implementation of the aforementioned measures. It was the RF Ministry for Fuel and Energy that was appointed the Principal Customer-Coordinator of the Program, while the state customers became the RF State Committee for Northern Affairs and the RF Ministry for Agricultural Produce.

It was intended to have the Program implemented mostly at the expense of regions’ and economic agents’ resources, and contributions from the federal budget funds. In all, to implement the Program, the costs worth a total of Rb. 7.2 bln. were envisaged, of which the federal funds would have made up Rb. 3.2 bln. (in prices of 1997).

Meanwhile one can argue that the Program has failed, and mostly because of the lack of necessary financial resources (the average annual funding from all the noted sources accounted for just 2% of the planned amount).

Annex 2.7. Design of bills on the Northern Supply

In 1997, the President declined the federal law passed by the State Duma and approved by the Federation Council ‘On the delay of the repayment of the debt on the restructured as the domestic public debt of the Russian Federation centralized credits and the respective interest issued to single organizations of the agro-food complex, as well as organizations carrying on the supply (storing and sales of) produce (goods) to the areas of Far North and areas equaled to them, and interest payments for the servicing of the domestic public debt of the Russian Federation on the noted debt’ (below referred to as the ‘Federal Law’), because of its inconsistency with other federal legislative acts.

In addition to exemption of enterprises and organizations from the repayment on their debts to the federal budget on the restructured centralized credits and interest on them, the Federal Law in question also provided their exemption since January 1, 1997 from the 10% interest on the servicing of the domestic public debt of RF on the said centralized credits and interest on them.

The said provision has proved to be inconsistent with single provisions of the 1997 federal budget law. Thus, in compliance with Article 82 of the Federal Law, the legislative acts that reduced revenue base of the federal budget should be implemented only in if there were the respective sources for additional revenue to the federal budget, and (or) if there were cuts in concrete outlays of the 1997 federal budget, as well as upon introduction of amendments to the 1997 federal budget law.

In addition, the exemption of the agrarian producers and organizations of the processing sector (except the consumer cooperation organizations) from repayment of interest on the credits was inconsistent with the provisions of Article 20 of the 1997 federal budget law. The latter stipulated that delays (restructuring), the provision of which was renewed since 1997, in terms of payment of taxes and other mandatory payments in the part due to be collected to the federal budget, should become subject to repayment in a form of interest payment.

Article 2 of the Federal Law provided the abolition of Article 2 of the federal Law ‘On restructuring of the debt on centralized credits and the respective interest to organizations of the agro-industrial sector, as well as organizations that carried out the supplies (storing and sales) of produce (goods) to the areas of Far North and areas equaled to them’ and part II of Article 44 of the 1995 federal Law budget law in the part of the timing of return of the indebtedness on the restructured in the domestic public debt of the Russian Federation centralized credits and the respective interest by agrarian producers and organizations of the processing sector (except the consumer cooperation organizations).

At the same time the said proposal should have been arranged in a in a form of draft federal bills amending the 1995 federal budget law and the Law “On restructuring of the debt on centralized credits and the respective interest to organizations of the agro-industrial sector, as well as organizations that carried out the supplies (storing and sales) of produce (goods) to the areas of Far North and areas equaled to them”, as Article 2 of the latter contains a reference to Article 1 which does not provide any limitations for the consumer cooperation organizations and, furthermore, even expands the list of organizations whose debt on the centralized credits and the respective interest repayment should be restructured in the domestic public debt of RF.

Declined by President on the aforementioned grounds and upon the respective conclusion by the conciliatory commission, the Law then was withdrawn from the State Duma’s agenda.

There was an attempt to promote a draft federal law “On supplies of produce to the locations in the North of Russia with special conditions for cargo supply”, in an effort to regulate goods supplies to the locations in the North of Russia with special conditions for cargo (goods) supplies, providing a simultaneous absence of the budget sufficiency of the respective Subject. In connection with that, it is proposed to provide such supplies with a status of supplies of goods for public needs.

In addition to general provisions aimed at the support of the noted locations, the bill proposes a number of financial and economic measures for the purpose of optimization of public spending. Thus, in particular, as far as organizations- operators of the Northern Supply are concerned, compensation payments and the possibility of off-sets of their financial obligations towards the federal budget and the Subjects' budgets, and granting them tax benefits, budget credits, etc. are provided.

However, the noted bill requires a serious development from the legal viewpoint.

Annex 2.8. Regulation of the Northern Supply between 1999 through 2001

In 1999, the mechanism of the financial support to the Northern Supply experienced some changes. Since 1999, the composition of the federal budget expenditure has comprised the Fund for Targeted Subventions. It was envisaged that the Fund's resources should be allocated, particularly, for supplying the population, enterprises and organizations in the social sphere in the areas with a limited period of supply. The resources from the Fund should also be allocated to executive authorities of the Subjects for the provision of a free financial support (a partial compensation for transportation costs) in the course of organization of the Northern Supply to the areas with a limited length of navigation period. The procedures and order of allocation of the funds for the said purpose were to be set by the RF Government. At the same time the RF Government maintained its right to issue to the noted executive authorities interest-free budget loans to cover cash gaps that might arise due to the lack of inconsistencies between the timing of return of the financial resources to the regional funds for support of an early supply of produce (goods) by the earlier provided loans and the timing of cargo procurement and delivery.

It has happened for the first time ever that the regional funds' resources should be shown in the regional budgets. The procedures of the use of the regional funds' resources should be subject to approval by the region's legislature. However the problem is that the northern Subjects do not provide in their budgets any funds to secure the provision of energy sources and food- stuffs, though that is the problem of joint competence.

In 1999, it was provided that the control over the targeted use of the resources trusted to the Subjects should be exercised by the RF Government jointly with the territorial authorities.

Nonetheless, despite of all the measures undertaken, it was noted that as of June 1, 1999, the volume of food and coal supplies slid by 20% compared with their respective period of 1998. By August 1999 the situation with the supplies of petroleum derivatives and fuel to single areas to the Far North and areas equaled to them became critical, and a whole range of decisions on additional funding of the supply were made. As much as a. Rb. 1 bln. over the planned appropriations from the Fund for Targeted Subventions was allocated from additional sources of the federal budget for the purpose of supporting the supplies to the Far North areas.

In 2000, the state support of the Northern Supply was accumulated in FFFSR. The respective funds were channeled to their recipients through the Federal Treasury bodies. In order to have the funds transferred from FFFSR, one needed to ensure the existence of a contract with organizations-suppliers and with transport companies that carried out the cargo delivery, along with documents proving the actual shipment of cargo, its delivery, and the respective costs of its transportation to the Far North regions. At that time, the number of the regions that became subject to the federal budget support totaled 27. In May 2000, with its Resolution # 402, the RF Government approved a new list of the Far North areas and areas equaled to them with a limited length of cargo (produce) delivery.

The RF Government kept a right, if necessary, to issue interest-free budget loans to cover cash gaps. The 2000 federal budget law provided as much as Rb. 3 bln. for this kind of support. In addition, the Subjects were holding the non-returned loans and credits issued between 1994 through 1995 worth a total of a. Rb. 8.8 bln. The mechanism of support, therefore, was similar to that of the prior year, however, some innovations appeared there.

Since 2000, the RF Government has started to use vigorously tender mechanisms to ensure procurement and delivery of produce (goods) to the Far North areas. With the adoption of the Civil Code, the tenders for procurement of goods for public needs have been recognized as the preferable way of placing the respective orders. The relations with respect to goods supplies for the said purpose are regulated by the federal laws on the government material reserve, procurement and deliveries of agrarian produce, raw materials and food stuffs for public needs, as well as by Resolution of the RF Government of March 13, 1995, # 241 “On measures on implementation of the Federal Law “ On procurement and deliveries of agrarian produce, raw materials and food stuffs for public needs”, and by a number of other legislative acts. Presidential Decree of April 8, 1997 # 305 “On priority measures on prevention of corruption and contraction of budget expenditure in the course of organization of procurement of produce for public needs” was also very important in that respect. The tender mechanism allows a maximal possible reduction in the number of intermediaries, i.e. those operators that do not have their own resources, in the course of organization of the Northern Supply.

In 2000, 6 Subjects were singled out for a very limited period of navigation there: Irkutsk Oblast, Evenk Autonomous Okrug, a number of ‘*rayons*’ of Khabarovsk Krai, Yakutia, Nenetsky Okrug, Arkhangel’sk Oblast,- across which the plan of organizational and financial measures on the noted regions was implemented in full in a priority order. By May 15, 2000, they were fully provided with financial resources from the federal budget. As concerns the remaining 21 regions, the RF Government has managed to allocate a bigger amount of planned funds in advance (over 50% instead of 35%) compared to the schedule fixed in the 2000 federal budget law. The capacity

of the State Reserve was employed to a greater extent. The legal relations in terms of output of material values from the State Reserve were stipulated in federal law of December 29, 1994, # 79 "On the State Material Reserve". In compliance with the Law, the borrowing of material values with their consequent return may take place on the basis of agreement to be concluded between the body managing the State Reserve (The Russian Agency for Reserve) with its recipients. Such an output of material values is carried out on the basis of a decision of the RF Government, in which recipients, terms and conditions of the output, and the date of its return are specified. The borrowing of material values from the State Reserves implies payment.

As an exception, in order to ensure the supply of petroleum derivatives to the destination points, Irkutsk Oblast and Evenk Autonomous Okrug received this kind of produce under the terms of their consequent compensation for the said petroleum derivatives in natural form and in an equal volume. For the first time over many years the oil storage facility of Irkutsknefteproduct has accumulated a sufficient volume of petroleum derivatives.

However, according to the Federation Council, the volume of funds provided by the federal budget in 2000 for the state support of the Northern Supply remained at the level of 1996, despite a 4-fold price rise for black oil, and 2.5-fold price rise for diesel fuel and coal. A significant part of the funds allocated was consumed during the completion of the heating season during the first half 2000. Because the Evenk authorities have failed to provide the local population with energy sources during the winter 1999-2000, by the end of the winter the authorities had to employ aircraft to deliver the necessary fuel. The emergency situation that was created artificially, because of inefficient actions of the local authorities, was liquidated at the expense of the federal budget. As a result, the situation with the provision of heat and power facilities with fuel became especially sharp during the fall and winter 2000-2001.

In 2001, the subsidies for the state financial support of the Northern Supply will also be allocated through FFFSR, while the early Northern Supply will be carried out at the expense of regional Funds for financial support and subsidies allocated form FFFSR.

The resources from the regional Funds for Financial Dupport of an early supply of produce should be included in the Subjects' budgets and used to procure and deliver oil, petroleum derivatives, fuel, food stuffs, etc., according to the list that is subject to the RF Government's approval. The resources of the said Funds may not be used to procure and deliver beer, alcoholic drinks, and tobacco.

The conditions for securing the life and operations in the northern regions (particularly supplies of produce and goods there) require further elaboration and improvement of the respective legislative base, for the current one does not fully take into account the ongoing changes in the economic sphere and capacity of the federal and regional budgets, which necessitates an inventory

and the work on elimination of existing gaps there.

One of the grave defects that the current legislative base has is the absence of mechanisms to prevent non-targeted use of the allocated funds.

Annex 2.9 Responsibility of the executive authorities, enterprises and organizations in the course of carrying out the measures on the Northern Supply.

The arbitration and solution of disputes that may arise between different parties on the federal level can be ruled in several ways.

First, in compliance with Federal Law of June 24, 1999, # 119-FZ “On principles and procedures of the division of competence and powers between the bodies of executive power of the Russian Federation and the bodies of executive power of the Subjects of the Russian Federation”, it is provided that the regulation of disputes should be exercised by the parties concerned with the use of various conciliatory procedures (holding negotiations, creation of conciliatory commissions, involvement of the President).

Secondly, the Supreme Arbitration Court deals with economic disputes arising between the Federation and its Subjects, between the Subjects (p.1 Art.10 of the Federal Constitution Law “On arbitration courts in the Russian Federation”), while any disputes related to division of powers, delegation by the executive bodies to each other the right of a partial exercising of their functions fall under the competence of the Constitutional Court of the Russian Federation, or such matters may be brought to the general jurisdiction court.

According to the Budget Code, the violation of the set state procurement procedures entails the blocking of the respective expenditure, imposition of fines on the respective authorities, local self-governance bodies and budgetary institutions, in compliance with the Code on Administrative Offence, as well as the issuance of the notification on the unduly budget execution.

The heads of the federal executive bodies and the executive bodies of the Subjects, enterprises and organizations that carry out the supply of produce hold personal responsibility for the targeted use and timely return of the funds from the Federal Fund for the State Support of produce Supply to the regions in question. Should any facts of a deliberate price increase (decrease) in the course of the noted procurement be revealed, the heads of government agencies and budgetary institutions are called to account. In the event of non-targeted use of the Federal Fund resources, the disbursement of the latter should be suspended and the funds should be surcharged in indisputable order. The respective procedure is exercised by tax agencies of the Russian Federation and the funds are subject to collection to the federal budget. The individual responsibility of heads of administrations and budget institutions was also set in the 1999 federal budget law.

The participants in the budgetary process submit reports on the use of funds allocated from the federal budget on measures on supplies of produce to the areas of the Far North and areas equaled

to them. An untimely submission of the said documents is the reason for applying enforcement measures for the violation of the budget law. In the event of the failure to submit the reports, the RF Ministry of Finance upon coordination with the RF Ministry for Economic Development and the RF Ministry for Federative Affairs has a right to suspend the allocation of funds to the noted agencies.

Hence, there are a minimal number of legal norms that regulate legal relations between different tiers of government.

Annex to Section 3.

In the first variant (of taxation of the northern guarantees with personal income tax and social tax) the draft federal law “On introducing amendments to the Law of the Russian Federation ‘On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them’ is given in terms of the first variant of imposition of personal income and social taxes on the northern guarantees, which is considered in the body of this research paper, as well as the text of the law “ On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them” with regard to proposed amendments.

Two drafts are envisaged:

- Draft federal law ‘On introducing amendments to the law of the Russian Federation ‘On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them’ (ФЕДЕРАЛЬНЫЙ ЗАКОН О ВНЕСЕНИИ ИЗМЕНЕНИЙ И ДОПОЛНЕНИЙ В ЗАКОН РОССИЙСКОЙ ФЕДЕРАЦИИ «О ГОСУДАРСТВЕННЫХ ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ»

- The text of the Law “ On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them” with regard to amendments proposed (ЗАКОН О ГОСУДАРСТВЕННЫХ ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ (в ред. Закона РФ от 02.06.93 N 5082-1; Указа Президента РФ от 24.12.93 N 2288; Федерального закона от 08.01.98 N 4-ФЗ).

In the second variant (of taxation of the northern guarantees with personal income tax and social tax) the draft federal law “On introducing amendments to the Law of the Russian Federation ‘On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them and on amending Art. 217 and 218 of Section II of the tax Code of the Russian Federation” is given in terms of the second variant of imposition of personal income and social taxes on the northern guarantees, which is considered in the body of this research paper, as well as the text of the law “ On state guarantees to, and compensations for individuals working and residing in the areas of the Far North and areas equaled to them” and excerpts from the text of the aforementioned Articles of Section II of the Tax Code with regard to proposed amendments (the pieces to be excluded are crossed out, while those to be inserted are underlined).

Three drafts are envisaged:

- Draft federal law ‘On introducing amendments to the law of the Russian Federation ‘On state guarantees to, and compensations for individuals working and residing in the areas of the Far North

and areas equaled to them' (ФЕДЕРАЛЬНЫЙ ЗАКОН О ВНЕСЕНИИ ИЗМЕНЕНИЙ И ДОПОЛНЕНИЙ В ЗАКОН РОССИЙСКОЙ ФЕДЕРАЦИИ «О ГОСУДАРСТВЕННЫХ ГАРАНТИЯХ И КОМПЕНСАЦИЯХ ДЛЯ ЛИЦ, РАБОТАЮЩИХ И ПРОЖИВАЮЩИХ В РАЙОНАХ КРАЙНЕГО СЕВЕРА И ПРИРАВНЕННЫХ К НИМ МЕСТНОСТЯХ»

- Excerpts from the text of Article 217 of the Chapter on personal income tax, with regard to amendments proposed.

- Excerpts from the text of Article 238 of the Chapter on social tax, with regard to amendments proposed.

In order to make the calculations provided in Section 3 correct both for Magadan Oblast and other northern regions, in addition to attribution of the results to the average monthly wages, it is necessary to conduct calculations for other variants of the correlation between the costs of travel to resort (the one-way ticket for 1 person to the central regions of Russia) and the average monthly wage. The respective correlation for Magadan Oblast makes up 2.05. To estimate financial consequences, let us consider model regions and three variants, according to which the respective correlation makes up 1.5; 1.0; and 0.5, respectively. The last value corresponds to the northern regions of the European part of Russia that are located just slightly far from the central regions.

The calculation was made for the following variants:

- The basic variant in the conditions of the present law;
- The variant that implies that the employer's net income remains unchanged;
- The variant in which the enterprise's costs remain unchanged;
- The variant implying the category of individuals that already work in the Northern regions²⁵.

Annex to Section 4. Results of calculations of the annual saving and profitability term for some variants of migration

This Annex contains results of the calculation of annual saving of budget expenditure and profitability term of the following four variants of migration (the variant of costs that implies the covering of travel, cargo transportation, and housing payments at a minimal rate per person):

In the case of migration, it is only personal payments that are subject to change, while both the northern and receiving regions experience no change in the local budgets' expenditure (on the housing and communal sector, healthcare, education, etc.). This variant corresponds to the 'spot' migration, when a small number of individuals (families) migrate from a northern region, which does not entail any infrastructure consolidation.

²⁵ Whereas the payments of benefits to individuals attracted to work in the northern regions mostly constitute his family's travel costs and cargo transportation, with the relative travel costs decreasing, the respective costs should decline almost proportionally. See Russian version and IET web-site.

The migration is accompanied by a partial (50%) infrastructure consolidation, while the receiving regions experience no raise in their expenditure. Such a situation becomes possible only in the case of migration of a significant part of the urban population, which gives a chance to contract the existing infrastructure.

Should migration be accompanied with a 100% consolidation of infrastructure (cuts in the expenditure on the housing and communal sector, transport, education, healthcare, social policy, law enforcement, and the state and local governance in proportion to the quantity of the migrants), there is no growth in expenditure in the receiving regions. This variant corresponds to the migration that is accompanied by a shutdown of whole settlements and towns, providing, however, that the migration is not centralized, i.e. there is no house building for migrants in any receiving region, and each migrating family chooses its place of residence.

Migration is accompanied by a proportional contraction in all the budget expenditure in the northern region and a proportional increase in budget expenditure in the receiving region. Such a variant corresponds to the migration program in the frame of which a centralized assistance to the migration of a significant number of individuals (families) is rendered, and infrastructure expansion for migrants in the receiving regions is carried out (perhaps, without the increase, for instance, of the number of hospitals and schools, but with the growth in their staff).

The first three variants do not take into account expenditure of the receiving regions, and, therefore, the amount of annual saving of budget expenditure for pensioners and non-working population does not depend on the place of their migration. That is why the results of the amount of annual saving of budget funds are given without breakdown across the receiving regions. Children allowances depend on the place to where the family migrates, as the actual children allowances may vary greatly across the regions. The profitability term depends on migration costs- that is why they are different for different receiving regions for all the social categories of migrants.

TABLE P. 4-1. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF MIGRATION OF PENSIONERS AND EMPLOYED POPULATION PER PERSON FOR THE FIRST THREE VARIANTS OF IMPLEMENTATION OF THE MIGRATION SUPPORT PROGRAM (AS USD)

	Экономия на одного пенсионера для первого типа миграции	Экономия на одного пенсионера для второго типа миграции	Экономия на одного пенсионера для третьего типа миграции	экономия на одного работающего для первого типа миграции	экономия на одного работающего для второго типа миграции	экономия на одного работающего для третьего типа миграции
Republic of Karelia	26.49	68.29	110.10	0.00	41.80	83.61
Republic of Komi	29.10	96.70	164.30	0.00	67.60	135.20
Arkhangel'sk Oblast	27.32	58.47	89.62	0.00	31.15	62.30
Nenetsky AO	30.09	131.88	233.67	0.00	101.79	203.58
Republic of Tyva	24.88	61.80	98.72	0.00	36.92	73.84
Kransoyarsk Krai	26.39	75.25	124.10	0.00	48.85	97.71
Taymyr AO	35.34	247.59	459.83	0.00	212.24	424.49
Evenk AO	28.31	266.92	505.54	0.00	238.62	477.23
Irkutsk Oblast	26.59	64.59	102.60	0.00	38.01	76.01

	Экономия на одного пенсионера для первого типа миграции	Экономия на одного пенсионера для второго типа миграции	Экономия на одного пенсионера для третьего типа миграции	экономия на одного работающего для первого типа миграции	экономия на одного работающего для второго типа миграции	экономия на одного работающего для третьего типа миграции
Republic of Sakha (Yakutia)	41.86	156.41	270.95	0.00	114.54	229.09
Chukotka AO	41.28	239.70	438.13	0.00	198.43	396.85
Khabarovsk Krai	28.43	85.91	143.39	0.00	57.48	114.97
Kamchatka Oblast	37.18	115.50	193.82	0.00	78.32	156.64
Koryaksky AO	34.83	190.93	347.04	0.00	156.10	312.21
Magadan Oblast	35.72	165.51	295.30	0.00	129.79	259.59
Sakhalin Oblast	32.67	110.16	187.65	0.00	77.49	154.97
Yamal-Nenetsky AO	34.74	344.02	653.30	0.00	309.28	618.55
Murmansk Oblast	30.66	111.60	192.54	0.00	80.94	161.88

TABLE P.4-2. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A CHILD FOR THE FIRST VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	185.01	246.32	138.63	603.73	128.23	156.06
Republic of Komi	195.65	256.95	149.27	614.37	138.87	166.70
Arkhangel'sk Oblast	183.32	244.63	136.95	602.04	126.55	154.38
Nenetsky AO	146.91	208.21	100.53	565.63	90.13	117.96
Vologda Oblast	206.78	268.09	160.41	625.50	150.01	177.84
Murmansk Oblast	181.68	242.98	135.30	600.40	124.90	152.73
S-Petersburg	178.77	240.07	132.39	597.48	121.99	149.82
Leningrad Oblast	199.32	260.62	152.94	618.04	142.54	170.37
Novgorod Oblast	186.89	248.19	140.51	605.61	130.11	157.94
Pskov Oblast	205.96	267.26	159.58	624.68	149.18	177.01
Bryansk Oblast	196.42	257.73	150.05	615.14	139.65	167.48
Vladimir Oblast	208.38	269.69	162.01	627.10	151.61	179.44
Ivanovo Oblast	207.94	269.24	161.56	626.66	151.16	178.99
Kaluga Oblast	194.41	255.72	148.04	613.13	137.64	165.47
Kostroma Oblast	198.69	259.99	152.31	617.41	141.91	169.74
City of Moscow	184.09	245.40	137.72	602.81	127.32	155.14
Moscow Oblast	194.48	255.78	148.10	613.19	137.70	165.53
Orel Oblast	197.90	259.20	151.52	616.62	141.12	168.95
Ryazan Oblast	209.31	270.62	162.94	628.03	152.54	180.37
Smolensk Oblast	197.74	259.05	151.37	616.46	140.97	168.80
Tver Oblast	192.45	253.76	146.08	611.17	135.68	163.51
Tula Oblast	194.72	256.02	148.34	613.44	137.94	165.77
Yaroslavl Oblast	212.08	273.38	165.70	630.80	155.30	183.13
Republic of Mary-El	189.99	251.30	143.62	608.71	133.22	161.04
Republic of Mordovia	191.41	252.71	145.03	610.13	134.63	162.46
Chuvash Republic	190.46	251.76	144.08	609.18	133.68	161.51
Kirov Oblast	185.56	246.87	139.19	604.28	128.79	156.62
Nizhny Novgorod	193.86	255.17	147.49	612.58	137.09	164.92
Belgorod Oblast	164.34	225.65	117.97	583.06	107.57	135.39
Voronezh Oblast	208.51	269.81	162.13	627.22	151.73	179.56
Kursk Oblast	201.77	263.08	155.39	620.49	144.99	172.82
Lipetsk Oblast	196.93	258.23	150.55	615.64	140.15	167.98
Tambov Oblast	196.05	257.35	149.67	614.77	139.27	167.10
Republic of Kalmykia	196.27	257.57	149.89	614.99	139.49	167.32
Republic of Tatarstan	188.14	249.45	141.77	606.86	131.37	159.19
Astrakhan Oblast	210.14	271.44	163.76	628.86	153.36	181.19
Volgograd Oblast	197.15	258.45	150.77	615.87	140.37	168.20
Penza Oblast	199.28	260.58	152.90	617.99	142.50	170.33
Samara Oblast	177.21	238.52	130.84	595.93	120.44	148.27

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Saratov Oblast	192.19	253.50	145.82	610.91	135.42	163.25
Ulyanovsk Oblast	206.52	267.83	160.15	625.24	149.75	177.58
Republic of Adygea	198.98	260.29	152.60	617.70	142.20	170.03
Republic of Dagestan	181.69	242.99	135.31	600.41	124.91	152.74
Republic of Ingushetia	199.00	260.30	152.62	617.72	142.22	170.05
Kabardino-Balkarskaya AO	164.98	226.29	118.61	583.70	108.21	136.04
Karachaevo-Cherkessia	189.47	250.77	143.09	608.19	132.69	160.52
Republic of North-Ossetia-Alania	213.25	274.55	166.87	631.97	156.47	184.30
Chechen Republic	220.45	281.75	174.07	639.17	163.67	191.50
Krasnodar Krai	205.49	266.80	159.11	624.21	148.71	176.54
Stavropol Krai	201.14	262.45	154.76	619.86	144.36	172.19
Rostov Oblast	201.13	262.44	154.76	619.85	144.36	172.19
Republic of Bashkortostan	179.20	240.50	132.82	597.92	122.42	150.25
Udmurt Republic	203.35	264.66	156.98	622.07	146.58	174.40
Kurgan Oblast	205.06	266.37	158.69	623.78	148.29	176.12
Orenburg Oblast	199.20	260.50	152.82	617.91	142.42	170.25
Perm Oblast	190.89	252.20	144.51	609.61	134.11	161.94
Komi-Permyatsky AO	193.56	254.86	147.18	612.28	136.78	164.61
Sverdlovsk Oblast	205.44	266.74	159.06	624.16	148.66	176.49
Chelyabinsk Oblast	203.87	265.17	157.49	622.59	147.09	174.92
Altay Republic	177.27	238.58	130.89	595.99	120.49	148.32
Altay Krai	200.26	261.56	153.88	618.98	143.48	171.31
Kemerovo Oblast	199.12	260.42	152.74	617.84	142.34	170.17
Novosibirsk Oblast	204.97	266.28	158.59	623.69	148.19	176.02
Omsk Oblast	198.10	259.40	151.72	616.82	141.32	169.15
Tomsk Oblast	206.72	268.02	160.34	625.44	149.94	177.77
Tymen Oblast	213.93	275.24	167.56	632.65	157.16	184.99
Khanty-Mansy AO	166.57	227.88	120.19	585.29	109.79	137.62
Yamal-Nenetsk AO	137.96	199.26	91.58	556.68	81.18	109.01
Republic of Buryatia	204.98	266.28	158.60	623.70	148.20	176.03
Republic of Tyva	211.66	272.97	165.29	630.38	154.89	182.72
Republic of Khakassia	194.48	255.78	148.10	613.20	137.70	165.53
Kransoyarsk Krai	204.92	266.22	158.54	623.64	148.14	175.97
Taymyr AO	78.71	140.02	32.34	497.43	21.93	49.76
Evenk AO	165.14	226.45	118.77	583.86	108.37	136.20
Irkutsk Oblast	195.01	256.32	148.64	613.73	138.24	166.07
Ust-Ordynsky Buryatsky AO	180.30	241.60	133.92	599.02	123.52	151.35
Chita Oblast	210.66	271.96	164.28	629.38	153.88	181.71
Ahinsky Buryatsky AO	207.33	268.64	160.95	626.05	150.55	178.38
Republic of Sakha (Yakutia)	136.12	197.43	89.75	554.84	79.35	107.18
Jewish AO	214.24	275.55	167.87	632.96	157.47	185.30
Chukotka AO	154.38	215.69	108.01	573.10	97.61	125.44
Primorsky Krai	211.99	273.30	165.62	630.71	155.22	183.05
Khabarovsk Krai	200.64	261.95	154.27	619.36	143.87	171.70
Amur Oblast	192.20	253.51	145.83	610.92	135.43	163.26
Kamchatka Oblast	201.94	263.25	155.57	620.66	145.17	173.00
Koryaksky AO	112.45	173.75	66.07	531.17	55.67	83.50
Magadan Oblast	209.01	270.31	162.63	627.73	152.23	180.06
Sakhalin Oblast	207.65	268.96	161.28	626.37	150.88	178.71
Kaliningrad Oblast	195.16	256.47	148.79	613.88	138.39	166.22

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	849.13	518.24	133.62	590.53	812.40	194.06
Republic of Komi	859.77	528.88	144.25	601.17	823.04	204.69
Arkhangel'sk Oblast	847.44	516.55	131.93	588.85	810.71	192.37

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Nenetsky AO	811.03	480.14	95.51	552.43	774.29	155.95
Vologda Oblast	870.91	540.02	155.39	612.31	834.17	215.83
Murmansk Oblast	845.80	514.91	130.28	587.20	809.06	190.72
S-Petersburg	842.89	512.00	127.37	584.29	806.15	187.81
Leningrad Oblast	863.44	532.55	147.92	604.84	826.70	208.36
Novgorod Oblast	851.01	520.12	135.49	592.41	814.28	195.94
Pskov Oblast	870.08	539.19	154.56	611.48	833.35	215.01
Bryansk Oblast	860.55	529.66	145.03	601.95	823.81	205.47
Vladimir Oblast	872.50	541.62	156.99	613.91	835.77	217.43
Ivanovo Oblast	872.06	541.17	156.54	613.46	835.33	216.99
Kaluga Oblast	858.54	527.65	143.02	599.94	821.80	203.46
Kostroma Oblast	862.81	531.92	147.29	604.21	826.07	207.73
City of Moscow	848.21	517.32	132.70	589.61	811.48	193.14
Moscow Oblast	858.60	527.71	143.08	600.00	821.86	203.52
Orel Oblast	862.02	531.13	146.50	603.42	825.28	206.94
Ryazan Oblast	873.44	542.55	157.92	614.84	836.70	218.36
Smolensk Oblast	861.86	530.98	146.35	603.27	825.13	206.79
Tver Oblast	856.57	525.69	141.06	597.98	819.84	201.50
Tula Oblast	858.84	527.95	143.32	600.24	822.11	203.76
Yaroslavl Oblast	876.20	545.31	160.68	617.60	839.46	221.12
Republic of Mary-El	854.11	523.22	138.60	595.51	817.38	199.04
Republic of Mordovia	855.53	524.64	140.01	596.93	818.79	200.45
Chuvash Republic	854.58	523.69	139.06	595.98	817.85	199.51
Kirov Oblast	849.68	518.80	134.17	591.09	812.95	194.61
Nizhny Novgorod	857.99	527.10	142.47	599.39	821.25	202.91
Belgorod Oblast	828.46	497.57	112.95	569.87	791.73	173.39
Voronezh Oblast	872.63	541.74	157.11	614.03	835.89	217.55
Kursk Oblast	865.89	535.00	150.38	607.29	829.16	210.82
Lipetsk Oblast	861.05	530.16	145.53	602.45	824.31	205.97
Tambov Oblast	860.17	529.28	144.65	601.57	823.44	205.10
Republic of Kalmykia	860.39	529.50	144.87	601.79	823.65	205.31
Republic of Tatarstan	852.26	521.37	136.75	593.66	815.53	197.19
Astrakhan Oblast	874.26	543.37	158.74	615.66	837.53	219.18
Volgograd Oblast	861.27	530.38	145.75	602.67	824.54	206.20
Penza Oblast	863.40	532.51	147.88	604.80	826.66	208.32
Samara Oblast	841.33	510.45	125.82	582.74	804.60	186.26
Saratov Oblast	856.31	525.43	140.80	597.72	819.58	201.24
Ulyanovsk Oblast	870.65	539.76	155.13	612.05	833.91	215.57
Republic of Adygea	863.10	532.21	147.59	604.50	826.37	208.03
Republic of Dagestan	845.81	514.92	130.29	587.21	809.07	190.73
Republic of Ingushetia	863.12	532.23	147.60	604.52	826.38	208.04
Kabardino-Balkarskaya AO	829.10	498.22	113.59	570.51	792.37	174.03
Karachaevo-Cherkessia	853.59	522.70	138.07	594.99	816.86	198.52
Republic of North-Ossetia-Alania	877.37	546.48	161.86	618.77	840.64	222.30
Chechen Republic	884.57	553.68	169.05	625.97	847.83	229.49
Krasnodar Krai	869.61	538.72	154.10	611.01	832.88	214.54
Stavropol Krai	865.26	534.37	149.75	606.66	828.53	210.19
Rostov Oblast	865.26	534.37	149.74	606.66	828.52	210.18
Republic of Bashkortostan	843.32	512.43	127.80	584.72	806.59	188.25
Undmurt Republic	867.47	536.58	151.96	608.88	830.74	212.40
Kurgan Oblast	869.19	538.30	153.67	610.59	832.45	214.11
Orenburg Oblast	863.32	532.43	147.80	604.72	826.58	208.24
Perm Oblast	855.01	524.12	139.50	596.41	818.28	199.94
Komi-Permyatsky AO	857.68	526.79	142.16	599.08	820.95	202.61
Sverdlovsk Oblast	869.56	538.67	154.04	610.96	832.82	214.48
Chelyabinsk Oblast	867.99	537.10	152.47	609.39	831.26	212.91

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Altay Republic	841.39	510.50	125.88	582.79	804.66	186.32
Altay Krai	864.38	533.49	148.86	605.78	827.64	209.30
Kemerovo Oblast	863.24	532.35	147.72	604.64	826.51	208.17
Novosibirsk Oblast	869.09	538.20	153.58	610.49	832.36	214.02
Omsk Oblast	862.22	531.33	146.70	603.62	825.49	207.15
Tomsk Oblast	870.84	539.95	155.32	612.24	834.10	215.76
Tymen Oblast	878.05	547.17	162.54	619.46	841.32	222.98
Khanty-Mansy AO	830.69	499.80	115.18	572.09	793.96	175.62
Yamal-Nenetsk AO	802.08	471.19	86.56	543.48	765.35	147.01
Republic of Buryatia	869.10	538.21	153.58	610.50	832.37	214.03
Republic of Tyva	875.78	544.90	160.27	617.19	839.05	220.71
Republic of Khakassia	858.60	527.71	143.08	600.00	821.86	203.52
Kransoyarsk Krai	869.04	538.15	153.53	610.44	832.31	213.97
Taymyr AO	742.83	411.94	27.32	484.23	706.10	87.76
Evenk AO	829.27	498.38	113.75	570.67	792.53	174.19
Irkutsk Oblast	859.13	528.25	143.62	600.54	822.40	204.06
Ust-Ordynsky Buryatsky AO	844.42	513.53	128.90	585.82	807.69	189.35
Chita Oblast	874.78	543.89	159.26	616.18	838.04	219.70
Ahinsky Buryatsky AO	871.45	540.56	155.94	612.85	834.72	216.38
Republic of Sakha (Yakutia)	800.25	469.36	84.73	541.65	763.51	145.17
Jewish AO	878.36	547.48	162.85	619.77	841.63	223.29
Chukotka AO	818.51	487.62	102.99	559.91	781.77	163.43
Primorsky Krai	876.11	545.22	160.60	617.52	839.38	221.04
Khabarovsk Krai	864.77	533.88	149.25	606.17	828.03	209.69
Amur Oblast	856.33	525.44	140.81	597.73	819.59	201.25
Kamchatka Oblast	866.07	535.18	150.55	607.47	829.33	210.99
Koryaksky AO	776.57	445.68	61.05	517.97	739.84	121.50
Magadan Oblast	873.13	542.24	157.61	614.53	836.39	218.05
Sakhalin Oblast	871.77	540.89	156.26	613.18	835.04	216.70
Kaliningrad Oblast	859.28	528.40	143.77	600.69	822.55	204.21

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	317.25	745.74	293.14	212.75	673.86	288.99
Republic of Komi	327.88	756.38	303.78	223.39	684.50	299.63
Arkhangel'sk Oblast	315.56	744.05	291.45	211.06	672.17	287.30
Nenetsky AO	279.14	707.64	255.04	174.65	635.76	250.89
Vologda Oblast	339.02	767.52	314.91	234.52	695.64	310.77
Murmansk Oblast	313.91	742.41	289.81	209.41	670.53	285.66
S-Petersburg	311.00	739.50	286.90	206.50	667.62	282.75
Leningrad Oblast	331.55	760.05	307.45	227.05	688.17	303.30
Novgorod Oblast	319.13	747.62	295.02	214.63	675.74	290.87
Pskov Oblast	338.20	766.69	314.09	233.70	694.81	309.94
Bryansk Oblast	328.66	757.16	304.56	224.16	685.28	300.41
Vladimir Oblast	340.62	769.12	316.51	236.12	697.23	312.36
Ivanovo Oblast	340.18	768.67	316.07	235.68	696.79	311.92
Kaluga Oblast	326.65	755.15	302.54	222.15	683.27	298.40
Kostroma Oblast	330.92	759.42	306.82	226.42	687.54	302.67
City of Moscow	316.33	744.82	292.22	211.83	672.94	288.07
Moscow Oblast	326.71	755.21	302.61	222.21	683.33	298.46
Orel Oblast	330.13	758.63	306.03	225.63	686.75	301.88
Ryazan Oblast	341.55	770.05	317.45	237.05	698.17	313.30
Smolensk Oblast	329.98	758.48	305.87	225.48	686.59	301.72
Tver Oblast	324.69	753.19	300.58	220.19	681.30	296.43
Tula Oblast	326.95	755.45	302.85	222.46	683.57	298.70
Yaroslavl Oblast	344.31	772.81	320.21	239.81	700.93	316.06

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Republic of Mary-El	322.23	750.72	298.12	217.73	678.84	293.97
Republic of Mordovia	323.64	752.14	299.54	219.14	680.26	295.39
Chuvash Republic	322.70	751.19	298.59	218.20	679.31	294.44
Kirov Oblast	317.80	746.30	293.69	213.30	674.41	289.54
Nizhny Novgorod	326.10	754.60	302.00	221.60	682.72	297.85
Belgorod Oblast	296.58	725.07	272.47	192.08	653.19	268.32
Voronezh Oblast	340.74	769.24	316.64	236.24	697.36	312.49
Kursk Oblast	334.01	762.50	309.90	229.51	690.62	305.75
Lipetsk Oblast	329.16	757.66	305.06	224.66	685.78	300.91
Tambov Oblast	328.29	756.78	304.18	223.79	684.90	300.03
Republic of Kalmykia	328.50	757.00	304.40	224.00	685.12	300.25
Republic of Tatarstan	320.38	748.87	296.27	215.88	676.99	292.12
Astrakhan Oblast	342.37	770.87	318.27	237.88	698.99	314.12
Volgograd Oblast	329.39	757.88	305.28	224.89	686.00	301.13
Penza Oblast	331.51	760.01	307.41	227.01	688.13	303.26
Samara Oblast	309.45	737.95	285.34	204.95	666.06	281.20
Saratov Oblast	324.43	752.93	300.32	219.93	681.04	296.17
Ulyanovsk Oblast	338.76	767.26	314.65	234.26	695.38	310.51
Republic of Adygea	331.22	759.71	307.11	226.72	687.83	302.96
Republic of Dagestan	313.92	742.42	289.82	209.42	670.54	285.67
Republic of Ingushetia	331.23	759.73	307.13	226.73	687.85	302.98
Kabardino-Balkarskaya AO	297.22	725.72	273.11	192.72	653.83	268.96
Karachaevo-Cherkessia	321.71	750.20	297.60	217.21	678.32	293.45
Republic of North-Ossetia-Alania	345.49	773.98	321.38	240.99	702.10	317.23
Chechen Republic	352.68	781.18	328.58	248.18	709.30	324.43
Krasnodar Krai	337.73	766.22	313.62	233.23	694.34	309.47
Stavropol Krai	333.38	761.87	309.27	228.88	689.99	305.12
Rostov Oblast	333.37	761.87	309.27	228.87	689.99	305.12
Republic of Bashkortostan	311.44	739.93	287.33	206.94	668.05	283.18
Udmurt Republic	335.59	764.08	311.48	231.09	692.20	307.33
Kurgan Oblast	337.30	765.80	313.19	232.80	693.92	309.05
Orenburg Oblast	331.43	759.93	307.33	226.93	688.05	303.18
Perm Oblast	323.13	751.62	299.02	218.63	679.74	294.87
Komi-Permyatsky AO	325.80	754.29	301.69	221.30	682.41	297.54
Sverdlovsk Oblast	337.67	766.17	313.57	233.17	694.29	309.42
Chelyabinsk Oblast	336.10	764.60	312.00	231.61	692.72	307.85
Altay Republic	309.51	738.00	285.40	205.01	666.12	281.25
Altay Krai	332.49	760.99	308.39	227.99	689.11	304.24
Kemerovo Oblast	331.36	759.85	307.25	226.86	687.97	303.10
Novosibirsk Oblast	337.21	765.70	313.10	232.71	693.82	308.95
Omsk Oblast	330.34	758.83	306.23	225.84	686.95	302.08
Tomsk Oblast	338.95	767.45	314.85	234.45	695.57	310.70
Tymen Oblast	346.17	774.67	322.06	241.67	702.78	317.92
Khanty-Mansy AO	298.81	727.30	274.70	194.31	655.42	270.55
Yamal-Nenetsk AO	270.20	698.69	246.09	165.70	626.81	241.94
Republic of Buryatia	337.22	765.71	313.11	232.72	693.83	308.96
Republic of Tyva	343.90	772.40	319.79	239.40	700.51	315.64
Republic of Khakassia	326.71	755.21	302.61	222.21	683.33	298.46
Kransoyarsk Krai	337.16	765.65	313.05	232.66	693.77	308.90
Taymyr AO	210.95	639.44	186.84	106.45	567.56	182.69
Evenk AO	297.38	725.88	273.27	192.88	654.00	269.13
Irkutsk Oblast	327.25	755.75	303.14	222.75	683.86	298.99
Ust-Ordynsky Buryatsky AO	312.54	741.03	288.43	208.04	669.15	284.28
Chita Oblast	342.89	771.39	318.79	238.39	699.51	314.64
Ahinsky Buryatsky AO	339.57	768.06	315.46	235.07	696.18	311.31
Republic of Sakha (Yakutia)	268.36	696.86	244.25	163.86	624.98	240.11

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Jewish AO	346.48	774.98	322.37	241.98	703.09	318.23
Chukotka AO	286.62	715.12	262.52	182.12	643.24	258.37
Primorsky Krai	344.23	772.72	320.12	239.73	700.84	315.97
Khabarovsk Krai	332.88	761.38	308.77	228.38	689.50	304.63
Amur Oblast	324.44	752.94	300.33	219.94	681.06	296.19
Kamchatka Oblast	334.18	762.68	310.07	229.68	690.80	305.93
Koryaksky AO	244.69	673.18	220.58	140.19	601.30	216.43
Magadan Oblast	341.24	769.74	317.14	236.74	697.86	312.99
Sakhalin Oblast	339.89	768.39	315.78	235.39	696.50	311.63
Kaliningrad Oblast	327.40	755.90	303.29	222.90	684.01	299.14

TABLE P.4-3. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A CHILD FOR THE SECOND VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	134.31	221.41	77.28	613.02	72.65	112.41
Republic of Komi	108.97	196.08	51.95	587.68	47.31	87.08
Arkhangel'sk Oblast	156.65	243.76	99.62	635.36	94.99	134.76
Nenetsky AO	-94.10	-7.00	-151.13	384.61	-155.76	-116.00
Vologda Oblast	155.42	242.53	98.40	634.13	93.76	133.53
Murmansk Oblast	80.65	167.75	23.62	559.36	18.99	58.75
S-Petersburg	102.14	189.24	45.11	580.85	40.48	80.24
Leningrad Oblast	169.77	256.87	112.74	648.48	108.11	147.87
Novgorod Oblast	148.84	235.94	91.81	627.55	87.18	126.94
Pskov Oblast	189.97	277.07	132.94	668.68	128.31	168.07
Bryansk Oblast	191.99	279.09	134.96	670.70	130.33	170.10
Vladimir Oblast	185.95	273.06	128.92	664.66	124.29	164.06
Ivanovo Oblast	199.70	286.80	142.67	678.41	138.04	177.80
Kaluga Oblast	172.15	259.26	115.12	650.86	110.49	150.26
Kostroma Oblast	163.18	250.28	106.15	641.89	101.52	141.28
City of Moscow	87.84	174.94	30.81	566.55	26.18	65.94
Moscow Oblast	157.22	244.33	100.20	635.93	95.56	135.33
Orel Oblast	150.69	237.79	93.66	629.40	89.03	128.79
Ryazan Oblast	192.46	279.56	135.43	671.17	130.80	170.56
Smolensk Oblast	183.03	270.13	126.00	661.74	121.37	161.13
Tver Oblast	170.94	258.04	113.91	649.65	109.28	149.04
Tula Oblast	182.52	269.62	125.49	661.23	120.86	160.62
Yaroslavl Oblast	167.65	254.75	110.62	646.36	105.99	145.75
Republic of Mary-El	182.70	269.80	125.67	661.40	121.04	160.80
Republic of Mordovia	183.32	270.42	126.29	662.03	121.66	161.42
Chuvash Republic	181.73	268.83	124.70	660.44	120.07	159.83
Kirov Oblast	170.88	257.99	113.86	649.59	109.22	148.99
Nizhny Novgorod	158.98	246.08	101.95	637.69	97.32	137.08
Belgorod Oblast	133.01	220.12	75.98	611.72	71.35	111.12
Voronezh Oblast	196.81	283.91	139.78	675.51	135.15	174.91
Kursk Oblast	193.23	280.33	136.20	671.94	131.57	171.33
Lipetsk Oblast	169.11	256.21	112.08	647.82	107.45	147.21
Tambov Oblast	187.20	274.30	130.17	665.91	125.54	165.30
Republic of Kalmykia	195.57	282.67	138.54	674.28	133.91	173.68
Republic of Tatarstan	138.97	226.08	81.95	617.68	77.32	117.08
Astrakhan Oblast	196.58	283.68	139.55	675.29	134.92	174.68
Volgograd Oblast	184.17	271.27	127.14	662.88	122.51	162.27
Penza Oblast	198.22	285.33	141.19	676.93	136.56	176.33
Samara Oblast	122.80	209.91	65.77	601.51	61.14	100.91
Saratov Oblast	176.36	263.47	119.33	655.07	114.70	154.47
Ulyanovsk Oblast	193.63	280.73	136.60	672.34	131.97	171.74

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Adygea	169.42	256.53	112.40	648.13	107.77	147.53
Republic of Dagestan	189.19	276.29	132.16	667.90	127.53	167.29
Republic of Ingushetia	214.03	301.14	157.00	692.74	152.37	192.14
Kabardino-Balkarskaya AO	148.77	235.87	91.74	627.48	87.11	126.88
Karachaevo-Cherkessia	187.31	274.41	130.28	666.02	125.65	165.41
Republic of North-Ossetia-Alania	209.21	296.31	152.18	687.92	147.55	187.31
Chechen Republic	262.25	349.35	205.22	740.96	200.59	240.35
Krasnodar Krai	191.73	278.83	134.70	670.44	130.07	169.83
Stavropol Krai	197.05	284.15	140.02	675.76	135.39	175.16
Rostov Oblast	198.13	285.23	141.10	676.84	136.47	176.23
Republic of Bashkortostan	131.67	218.77	74.64	610.38	70.01	109.77
Undmurt Republic	167.65	254.75	110.62	646.36	105.99	145.75
Kurgan Oblast	187.23	274.33	130.20	665.93	125.57	165.33
Orenburg Oblast	182.62	269.72	125.59	661.33	120.96	160.72
Perm Oblast	147.29	234.39	90.26	625.99	85.63	125.39
Komi-Permyatsky AO	170.63	257.74	113.61	649.34	108.98	148.74
Sverdlovsk Oblast	155.09	242.19	98.06	633.80	93.43	133.19
Chelyabinsk Oblast	179.03	266.13	122.00	657.74	117.37	157.13
Altay Republic	149.11	236.21	92.08	627.82	87.45	127.21
Altay Krai	182.69	269.80	125.66	661.40	121.03	160.80
Kemerovo Oblast	149.65	236.75	92.62	628.36	87.99	127.75
Novosibirsk Oblast	182.61	269.72	125.58	661.32	120.95	160.72
Omsk Oblast	183.32	270.42	126.29	662.03	121.66	161.42
Tomsk Oblast	155.81	242.91	98.78	634.52	94.15	133.91
Tymen Oblast	217.59	304.70	160.56	696.30	155.93	195.70
Khanty-Mansy AO	-94.97	-7.87	-152.00	383.74	-156.63	-116.86
Yamal-Nenetsk AO	-133.64	-46.54	-190.67	345.07	-195.30	-155.54
Republic of Buryatia	193.10	280.20	136.07	671.81	131.44	171.20
Republic of Tyva	176.02	263.13	118.99	654.73	114.36	154.13
Republic of Khakassia	163.71	250.82	106.69	642.42	102.05	141.82
Kransoyarsk Krai	158.74	245.84	101.71	637.44	97.08	136.84
Taymyr AO	-250.90	-163.80	-307.93	227.81	-312.56	-272.80
Evenk AO	-42.24	44.86	-99.27	436.47	-103.90	-64.14
Irkutsk Oblast	165.01	252.11	107.98	643.72	103.35	143.11
Ust-Ordynsky Buryatsky AO	169.49	256.59	112.46	648.19	107.83	147.59
Chita Oblast	197.70	284.80	140.67	676.41	136.04	175.80
Ahinsky Buryatsky AO	192.27	279.37	135.24	670.97	130.61	170.37
Republic of Sakha (Yakutia)	-92.90	-5.79	-149.92	385.81	-154.56	-114.79
Jewish AO	186.45	273.55	129.42	665.16	124.79	164.55
Chukotka AO	-194.70	-107.60	-251.73	284.01	-256.36	-216.59
Primorsky Krai	174.64	261.74	117.61	653.35	112.98	152.74
Khabarovsk Krai	137.60	224.70	80.57	616.31	75.94	115.71
Amur Oblast	158.14	245.24	101.11	636.85	96.48	136.24
Kamchatka Oblast	76.66	163.76	19.63	555.37	15.00	54.76
Koryaksky AO	-182.34	-95.24	-239.37	296.37	-244.00	-204.24
Magadan Oblast	92.24	179.34	35.21	570.95	30.58	70.35
Sakhalin Oblast	131.76	218.86	74.73	610.47	70.10	109.86
Kaliningrad Oblast	177.74	264.84	120.71	656.45	116.08	155.84

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	968.87	664.36	79.12	612.57	918.32	159.04
Republic of Komi	943.54	639.02	53.78	587.24	892.99	133.70
Arkhangel'sk Oblast	991.21	686.70	101.46	634.92	940.66	181.38
Nenetsky AO	740.46	435.94	-149.29	384.16	689.91	-69.38
Vologda Oblast	989.99	685.47	100.23	633.69	939.43	180.15

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Murmansk Oblast	915.21	610.70	25.46	558.91	864.66	105.38
S-Petersburg	936.70	632.19	46.95	580.40	886.15	126.87
Leningrad Oblast	1004.33	699.82	114.58	648.03	953.78	194.50
Novgorod Oblast	983.40	678.89	93.65	627.10	932.85	173.57
Pskov Oblast	1024.53	720.02	134.78	668.23	973.98	214.70
Bryansk Oblast	1026.55	722.04	136.80	670.25	976.00	216.72
Vladimir Oblast	1020.52	716.00	130.76	664.22	969.96	210.68
Ivanovo Oblast	1034.26	729.75	144.51	677.96	983.71	224.43
Kaluga Oblast	1006.72	702.20	116.96	650.42	956.16	196.88
Kostroma Oblast	997.74	693.23	107.99	641.44	947.19	187.91
City of Moscow	922.40	617.88	32.65	566.10	871.85	112.56
Moscow Oblast	991.79	687.27	102.03	635.49	941.23	181.95
Orel Oblast	985.25	680.73	95.49	628.95	934.70	175.41
Ryazan Oblast	1027.02	722.51	137.27	670.72	976.47	217.19
Smolensk Oblast	1017.59	713.08	127.84	661.29	967.04	207.76
Tver Oblast	1005.50	700.99	115.75	649.20	954.95	195.67
Tula Oblast	1017.08	712.56	127.32	660.78	966.53	207.24
Yaroslavl Oblast	1002.21	697.70	112.46	645.91	951.66	192.38
Republic of Mary-El	1017.26	712.74	127.50	660.96	966.71	207.42
Republic of Mordovia	1017.88	713.36	128.13	661.58	967.33	208.04
Chuvash Republic	1016.29	711.78	126.54	659.99	965.74	206.46
Kirov Oblast	1005.45	700.93	115.69	649.15	954.89	195.61
Nizhny Novgorod	993.54	689.02	103.78	637.24	942.99	183.70
Belgorod Oblast	967.57	663.06	77.82	611.28	917.02	157.74
Voronezh Oblast	1031.37	726.85	141.61	675.07	980.82	221.53
Kursk Oblast	1027.79	723.27	138.04	671.49	977.24	217.95
Lipetsk Oblast	1003.67	699.16	113.92	647.37	953.12	193.84
Tambov Oblast	1021.76	717.25	132.01	665.46	971.21	211.93
Republic of Kalmykia	1030.13	725.62	140.38	673.83	979.58	220.30
Republic of Tatarstan	973.54	669.02	83.78	617.24	922.99	163.70
Astrakhan Oblast	1031.14	726.63	141.39	674.84	980.59	221.31
Volgograd Oblast	1018.73	714.22	128.98	662.43	968.18	208.90
Penza Oblast	1032.79	728.27	143.03	676.49	982.23	222.95
Samara Oblast	957.37	652.85	67.61	601.07	906.81	147.53
Saratov Oblast	1010.93	706.41	121.17	654.63	960.37	201.09
Ulyanovsk Oblast	1028.19	723.68	138.44	671.89	977.64	218.36
Republic of Adygea	1003.99	699.47	114.23	647.69	953.44	194.15
Republic of Dagestan	1023.75	719.23	134.00	667.45	973.20	213.91
Republic of Ingushetia	1048.60	744.08	158.84	692.30	998.04	238.76
Kabardino-Balkarskaya AO	983.33	678.82	93.58	627.03	932.78	173.50
Karachaevo-Cherkessia	1021.87	717.36	132.12	665.57	971.32	212.04
Republic of North-Ossetia-Alania	1043.77	739.26	154.02	687.47	993.22	233.94
Chechen Republic	1096.81	792.30	207.06	740.51	1046.26	286.98
Krasnodar Krai	1026.29	721.78	136.54	669.99	975.74	216.46
Stavropol Krai	1031.61	727.10	141.86	675.31	981.06	221.78
Rostov Oblast	1032.69	728.18	142.94	676.39	982.14	222.86
Republic of Bashkortostan	966.23	661.72	76.48	609.93	915.68	156.40
Udmurt Republic	1002.21	697.69	112.46	645.91	951.66	192.37
Kurgan Oblast	1021.79	717.27	132.03	665.49	971.24	211.95
Orenburg Oblast	1017.18	712.66	127.42	660.88	966.63	207.34
Perm Oblast	981.85	677.33	92.09	625.55	931.30	172.01
Komi-Permyatsky AO	1005.20	700.68	115.44	648.90	954.65	195.36
Sverdlovsk Oblast	989.65	685.14	99.90	633.35	939.10	179.82
Chelyabinsk Oblast	1013.59	709.08	123.84	657.29	963.04	203.76
Altay Republic	983.67	679.16	93.92	627.37	933.12	173.84
Altay Krai	1017.26	712.74	127.50	660.96	966.70	207.42

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Kemerovo Oblast	984.21	679.70	94.46	627.91	933.66	174.38
Novosibirsk Oblast	1017.17	712.66	127.42	660.88	966.62	207.34
Omsk Oblast	1017.88	713.37	128.13	661.58	967.33	208.05
Tomsk Oblast	990.37	685.85	100.61	634.07	939.82	180.53
Tymen Oblast	1052.15	747.64	162.40	695.86	1001.60	242.32
Khanty-Mansy AO	739.59	435.08	-150.16	383.29	689.04	-70.24
Yamal-Nenetsk AO	700.92	396.40	-188.83	344.62	650.37	-108.92
Republic of Buryatia	1027.66	723.15	137.91	671.36	977.11	217.83
Republic of Tyva	1010.58	706.07	120.83	654.29	960.03	200.75
Republic of Khakassia	998.28	693.76	108.52	641.98	947.72	188.44
Kransoyarsk Krai	993.30	688.78	103.54	637.00	942.75	183.46
Taymyr AO	583.66	279.15	-306.09	227.36	533.11	-226.18
Evenk AO	792.32	487.81	-97.43	436.02	741.77	-17.51
Irkutsk Oblast	999.57	695.05	109.81	643.27	949.02	189.73
Ust-Ordynsky Buryatsky AO	1004.05	699.53	114.29	647.75	953.50	194.21
Chita Oblast	1032.26	727.75	142.51	675.96	981.71	222.43
Ahinsky Buryatsky AO	1026.83	722.31	137.07	670.53	976.28	216.99
Republic of Sakha (Yakutia)	741.67	437.15	-148.09	385.37	691.11	-68.17
Jewish AO	1021.01	716.49	131.26	664.71	970.46	211.17
Chukotka AO	639.86	335.35	-249.89	283.56	589.31	-169.97
Primorsky Krai	1009.20	704.69	119.45	652.90	958.65	199.37
Khabarovsk Krai	972.16	667.65	82.41	615.86	921.61	162.33
Amur Oblast	992.70	688.18	102.95	636.40	942.15	182.86
Kamchatka Oblast	911.22	606.70	21.47	554.92	860.67	101.38
Koryaksky AO	652.22	347.71	-237.53	295.92	601.67	-157.61
Magadan Oblast	926.80	622.29	37.05	570.50	876.25	116.97
Sakhalin Oblast	966.32	661.81	76.57	610.02	915.77	156.49
Kaliningrad Oblast	1012.30	707.78	122.55	656.00	961.75	202.46

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	303.06	809.34	330.43	197.73	890.63	277.43
Republic of Komi	277.73	784.01	305.09	172.40	865.30	252.10
Arkhangel'sk Oblast	325.41	831.69	352.77	220.07	912.98	299.77
Nenetsky AO	74.65	580.93	102.02	-30.68	662.22	49.02
Vologda Oblast	324.18	830.46	351.54	218.85	911.75	298.54
Murmansk Oblast	249.40	755.68	276.77	144.07	836.97	223.77
S-Petersburg	270.89	777.17	298.26	165.56	858.46	245.26
Leningrad Oblast	338.52	844.80	365.89	233.19	926.09	312.89
Novgorod Oblast	317.59	823.87	344.96	212.26	905.16	291.96
Pskov Oblast	358.72	865.00	386.09	253.39	946.29	333.09
Bryansk Oblast	360.74	867.03	388.11	255.41	948.32	335.11
Vladimir Oblast	354.71	860.99	382.07	249.37	942.28	329.07
Ivanovo Oblast	368.45	874.73	395.82	263.12	956.02	342.82
Kaluga Oblast	340.91	847.19	368.27	235.57	928.48	315.27
Kostroma Oblast	331.93	838.21	359.30	226.60	919.50	306.30
City of Moscow	256.59	762.87	283.96	151.26	844.16	230.96
Moscow Oblast	325.98	832.26	353.34	220.65	913.55	300.34
Orel Oblast	319.44	825.72	346.81	214.11	907.01	293.81
Ryazan Oblast	361.21	867.49	388.58	255.88	948.78	335.58
Smolensk Oblast	351.78	858.06	379.15	246.45	939.35	326.15
Tver Oblast	339.69	845.97	367.06	234.36	927.26	314.06
Tula Oblast	351.27	857.55	378.64	245.94	938.84	325.64
Yaroslavl Oblast	336.40	842.68	363.77	231.07	923.97	310.77
Republic of Mary-El	351.45	857.73	378.82	246.12	939.02	325.82
Republic of Mordovia	352.07	858.35	379.44	246.74	939.64	326.44

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Chuvash Republic	350.48	856.76	377.85	245.15	938.05	324.85
Kirov Oblast	339.64	845.92	367.00	234.30	927.21	314.00
Nizhny Novgorod	327.73	834.01	355.10	222.40	915.30	302.10
Belgorod Oblast	301.77	808.05	329.13	196.43	889.34	276.13
Voronezh Oblast	365.56	871.84	392.93	260.23	953.13	339.93
Kursk Oblast	361.98	868.26	389.35	256.65	949.55	336.35
Lipetsk Oblast	337.86	844.14	365.23	232.53	925.44	312.23
Tambov Oblast	355.95	862.23	383.32	250.62	943.52	330.32
Republic of Kalmykia	364.32	870.61	391.69	258.99	951.90	338.69
Republic of Tatarstan	307.73	814.01	335.10	202.40	895.30	282.10
Astrakhan Oblast	365.33	871.61	392.70	260.00	952.90	339.70
Volgograd Oblast	352.92	859.20	380.29	247.59	940.49	327.29
Penza Oblast	366.98	873.26	394.34	261.64	954.55	341.34
Samara Oblast	291.56	797.84	318.92	186.22	879.13	265.92
Saratov Oblast	345.12	851.40	372.48	239.78	932.69	319.48
Ulyanovsk Oblast	362.38	868.66	389.75	257.05	949.96	336.75
Republic of Adygea	338.18	844.46	365.54	232.85	925.75	312.55
Republic of Dagestan	357.94	864.22	385.31	252.61	945.51	332.31
Republic of Ingushetia	382.79	889.07	410.15	277.45	970.36	357.15
Kabardino-Balkarskaya AO	317.52	823.81	344.89	212.19	905.10	291.89
Karachaevo-Cherkessia	356.06	862.34	383.43	250.73	943.63	330.43
Republic of North-Ossetia-Alania	377.96	884.24	405.33	272.63	965.53	352.33
Chechen Republic	431.00	937.28	458.37	325.67	1018.57	405.37
Krasnodar Krai	360.48	866.76	387.85	255.15	948.05	334.85
Stavropol Krai	365.80	872.09	393.17	260.47	953.38	340.17
Rostov Oblast	366.88	873.16	394.25	261.55	954.45	341.25
Republic of Bashkortostan	300.42	806.70	327.79	195.09	887.99	274.79
Udmurt Republic	336.40	842.68	363.77	231.07	923.97	310.77
Kurgan Oblast	355.98	862.26	383.35	250.65	943.55	330.35
Orenburg Oblast	351.37	857.65	378.74	246.04	938.94	325.74
Perm Oblast	316.04	822.32	343.41	210.71	903.61	290.41
Komi-Permyatsky AO	339.39	845.67	366.76	234.06	926.96	313.76
Sverdlovsk Oblast	323.84	830.12	351.21	218.51	911.41	298.21
Chelyabinsk Oblast	347.78	854.06	375.15	242.45	935.35	322.15
Altay Republic	317.86	824.14	345.23	212.53	905.43	292.23
Altay Krai	351.45	857.73	378.81	246.11	939.02	325.81
Kemerovo Oblast	318.40	824.68	345.77	213.07	905.97	292.77
Novosibirsk Oblast	351.37	857.65	378.73	246.03	938.94	325.73
Omsk Oblast	352.07	858.35	379.44	246.74	939.64	326.44
Tomsk Oblast	324.56	830.84	351.93	219.23	912.13	298.93
Tymen Oblast	386.35	892.63	413.71	281.01	973.92	360.71
Khanty-Mansy AO	73.78	580.07	101.15	-31.55	661.36	48.15
Yamal-Nenetsk AO	35.11	541.39	62.48	-70.22	622.68	9.48
Republic of Buryatia	361.85	868.13	389.22	256.52	949.42	336.22
Republic of Tyva	344.78	851.06	372.14	239.44	932.35	319.14
Republic of Khakassia	332.47	838.75	359.83	227.13	920.04	306.83
Kransoyarsk Krai	327.49	833.77	354.86	222.16	915.06	301.86
Taymyr AO	-82.15	424.13	-54.78	-187.48	505.42	-107.78
Evenk AO	126.51	632.79	153.88	21.18	714.08	100.88
Irkutsk Oblast	333.76	840.04	361.13	228.43	921.33	308.13
Ust-Ordynsky Buryatsky AO	338.24	844.52	365.61	232.91	925.81	312.61
Chita Oblast	366.45	872.73	393.82	261.12	954.02	340.82
Ahinsky Buryatsky AO	361.02	867.30	388.39	255.69	948.59	335.39
Republic of Sakha (Yakutia)	75.86	582.14	103.22	-29.48	663.43	50.22
Jewish AO	355.20	861.48	382.57	249.87	942.77	329.57
Chukotka AO	-25.95	480.34	1.42	-131.28	561.63	-51.58

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Primorsky Krai	343.39	849.67	370.76	238.06	930.96	317.76
Khabarovsk Krai	306.35	812.64	333.72	201.02	893.93	280.72
Amur Oblast	326.89	833.17	354.26	221.56	914.46	301.26
Kamchatka Oblast	245.41	751.69	272.78	140.08	832.98	219.78
Koryaksky AO	-13.59	492.69	13.78	-118.92	573.99	-39.22
Magadan Oblast	260.99	767.27	288.36	155.66	848.57	235.36
Sakhalin Oblast	300.51	806.79	327.88	195.18	888.09	274.88
Kaliningrad Oblast	346.49	852.77	373.86	241.16	934.06	320.86

TABLE P.4-4. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A CHILD FOR THE THIRD VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	83.61	196.51	15.92	622.30	17.06	68.76
Republic of Komi	22.30	135.20	-45.38	561.00	-44.24	7.46
Arkhangel'sk Oblast	129.98	242.88	62.30	668.68	63.44	115.14
Nenetsky AO	-335.11	-222.21	-402.79	203.58	-401.66	-349.96
Vologda Oblast	104.06	216.97	36.38	642.76	37.52	89.22
Murmansk Oblast	-20.38	92.53	-88.06	518.32	-86.92	-35.22
S-Petersburg	25.51	138.42	-42.17	564.21	-41.03	10.67
Leningrad Oblast	140.22	253.12	72.54	678.92	73.68	125.38
Novgorod Oblast	110.79	223.69	43.11	649.48	44.24	95.94
Pskov Oblast	173.98	286.88	106.30	712.68	107.44	159.14
Bryansk Oblast	187.56	300.46	119.88	726.26	121.02	172.71
Vladimir Oblast	163.52	276.42	95.84	702.22	96.98	148.68
Ivanovo Oblast	191.46	304.36	123.78	730.15	124.91	176.61
Kaluga Oblast	149.89	262.79	82.21	688.59	83.35	135.05
Kostroma Oblast	127.67	240.57	59.99	666.37	61.13	112.83
City of Moscow	-8.42	104.49	-76.10	530.28	-74.96	-23.26
Moscow Oblast	119.97	232.87	52.29	658.67	53.43	105.13
Orel Oblast	103.48	216.38	35.80	642.17	36.93	88.63
Ryazan Oblast	175.60	288.50	107.92	714.30	109.06	160.76
Smolensk Oblast	168.32	281.22	100.63	707.01	101.77	153.47
Tver Oblast	149.42	262.33	81.74	688.12	82.88	134.58
Tula Oblast	170.31	283.22	102.63	709.01	103.77	155.47
Yaroslavl Oblast	123.22	236.13	55.54	661.92	56.68	108.38
Republic of Mary-El	175.40	288.30	107.72	714.10	108.86	160.56
Republic of Mordovia	175.23	288.13	107.55	713.93	108.69	160.38
Chuvash Republic	173.00	285.90	105.32	711.70	106.46	158.15
Kirov Oblast	156.20	269.11	88.52	694.90	89.66	141.36
Nizhny Novgorod	124.09	236.99	56.41	662.79	57.55	109.24
Belgorod Oblast	101.68	214.58	34.00	640.38	35.14	86.84
Voronezh Oblast	185.11	298.01	117.43	723.80	118.56	170.26
Kursk Oblast	184.68	297.58	117.00	723.38	118.14	169.84
Lipetsk Oblast	141.30	254.20	73.62	679.99	74.75	126.45
Tambov Oblast	178.35	291.25	110.67	717.05	111.81	163.51
Republic of Kalmykia	194.88	307.78	127.20	733.57	128.33	180.03
Republic of Tatarstan	89.81	202.71	22.13	628.51	23.27	74.96
Astrakhan Oblast	183.02	295.92	115.34	721.72	116.48	168.18
Volgograd Oblast	171.19	284.09	103.51	709.89	104.65	156.35
Penza Oblast	197.17	310.07	129.49	735.87	130.63	182.33
Samara Oblast	68.39	181.29	0.71	607.09	1.85	53.55
Saratov Oblast	160.53	273.43	92.85	699.23	93.99	145.69
Ulyanovsk Oblast	180.74	293.64	113.06	719.44	114.20	165.89
Republic of Adygea	139.87	252.77	72.19	678.57	73.33	125.02
Republic of Dagestan	196.69	309.59	129.01	735.39	130.15	181.84

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Ingushetia	229.07	341.97	161.39	767.77	162.53	214.22
Kabardino-Balkarskaya AO	132.56	245.46	64.88	671.26	66.02	117.72
Karachaevo-Cherkessia	185.15	298.05	117.47	723.85	118.61	170.31
Republic of North-Ossetia-Alania	205.17	318.07	137.49	743.87	138.63	190.32
Chechen Republic	304.05	416.95	236.37	842.75	237.51	289.21
Krasnodar Krai	177.97	290.87	110.29	716.67	111.43	163.13
Stavropol Krai	192.96	305.86	125.28	731.66	126.42	178.12
Rostov Oblast	195.12	308.02	127.44	733.82	128.58	180.28
Republic of Bashkortostan	84.14	197.04	16.46	622.84	17.60	69.30
Udmurt Republic	131.94	244.84	64.26	670.64	65.40	117.10
Kurgan Oblast	169.39	282.29	101.71	708.09	102.85	154.54
Orenburg Oblast	166.04	278.94	98.36	704.74	99.50	151.19
Perm Oblast	103.68	216.58	36.00	642.38	37.14	88.84
Komi-Permyatsky AO	147.71	260.61	80.03	686.41	81.17	132.87
Sverdlovsk Oblast	104.74	217.64	37.06	643.44	38.20	89.90
Chelyabinsk Oblast	154.19	267.09	86.51	692.89	87.65	139.34
Altay Republic	120.95	233.85	53.27	659.65	54.41	106.10
Altay Krai	165.13	278.03	97.45	703.83	98.59	150.29
Kemerovo Oblast	100.18	213.08	32.50	638.88	33.64	85.33
Novosibirsk Oblast	160.25	273.16	92.57	698.95	93.71	145.41
Omsk Oblast	168.54	281.44	100.86	707.24	102.00	153.70
Tomsk Oblast	104.90	217.80	37.22	643.59	38.35	90.05
Tymen Oblast	221.25	334.15	153.57	759.95	154.71	206.41
Khanty-Mansy AO	-356.51	-243.61	-424.19	182.19	-423.05	-371.35
Yamal-Nenetsk AO	-405.25	-292.34	-472.93	133.45	-471.79	-420.09
Republic of Buryatia	181.22	294.12	113.54	719.92	114.68	166.38
Republic of Tyva	140.38	253.28	72.70	679.08	73.84	125.54
Republic of Khakassia	132.95	245.85	65.27	671.65	66.41	118.11
Kransoyarsk Krai	112.55	225.45	44.87	651.25	46.01	97.71
Taymyr AO	-580.52	-467.61	-648.20	-41.82	-647.06	-595.36
Evenk AO	-249.63	-136.73	-317.31	289.07	-316.17	-264.47
Irkutsk Oblast	135.00	247.90	67.32	673.70	68.46	120.16
Ust-Ordynsky Buryatsky AO	158.67	271.57	90.99	697.37	92.13	143.83
Chita Oblast	184.74	297.64	117.06	723.44	118.20	169.90
Ahinsky Buryatsky AO	177.20	290.10	109.52	715.90	110.66	162.36
Republic of Sakha (Yakutia)	-321.92	-209.02	-389.60	216.78	-388.46	-336.76
Jewish AO	158.65	271.55	90.97	697.35	92.11	143.81
Chukotka AO	-543.78	-430.88	-611.46	-5.08	-610.32	-558.63
Primorsky Krai	137.29	250.19	69.60	675.98	70.74	122.44
Khabarovsk Krai	74.56	187.46	6.88	613.26	8.02	59.71
Amur Oblast	124.07	236.97	56.39	662.77	57.53	109.23
Kamchatka Oblast	-48.63	64.27	-116.31	490.07	-115.17	-63.48
Koryaksky AO	-477.13	-364.23	-544.81	61.57	-543.67	-491.97
Magadan Oblast	-24.52	88.38	-92.21	514.17	-91.07	-39.37
Sakhalin Oblast	55.87	168.77	-11.81	594.57	-10.67	41.02
Kaliningrad Oblast	160.31	273.21	92.63	699.01	93.77	145.47

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	1088.61	810.47	24.62	634.61	1024.24	124.01
Republic of Komi	1027.30	749.16	-36.69	573.30	962.93	62.71
Arkhangel'sk Oblast	1134.99	856.84	70.99	680.98	1070.62	170.39
Nenetsky AO	669.89	391.75	-394.10	215.89	605.52	-294.71
Vologda Oblast	1109.07	830.93	45.08	655.07	1044.70	144.47
Murmansk Oblast	984.63	706.49	-79.36	530.63	920.26	20.03
S-Petersburg	1030.52	752.38	-33.47	576.52	966.15	65.92

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Leningrad Oblast	1145.22	867.08	81.23	691.22	1080.85	180.63
Novgorod Oblast	1115.79	837.65	51.80	661.79	1051.42	151.19
Pskov Oblast	1178.98	900.84	114.99	724.98	1114.61	214.39
Bryansk Oblast	1192.56	914.42	128.57	738.56	1128.19	227.97
Vladimir Oblast	1168.53	890.38	104.53	714.53	1104.16	203.93
Ivanovo Oblast	1196.46	918.32	132.47	742.46	1132.09	231.86
Kaluga Oblast	1154.90	876.75	90.90	700.89	1090.53	190.30
Kostroma Oblast	1132.68	854.53	68.68	678.67	1068.31	168.08
City of Moscow	996.59	718.45	-67.40	542.59	932.22	31.99
Moscow Oblast	1124.98	846.83	60.98	670.98	1060.61	160.38
Orel Oblast	1108.48	830.34	44.49	654.48	1044.11	143.88
Ryazan Oblast	1180.61	902.46	116.61	726.61	1116.24	216.01
Smolensk Oblast	1173.32	895.18	109.33	719.32	1108.95	208.72
Tver Oblast	1154.43	876.29	90.44	700.43	1090.06	189.83
Tula Oblast	1175.32	897.18	111.33	721.32	1110.95	210.72
Yaroslavl Oblast	1128.23	850.09	64.24	674.23	1063.86	163.63
Republic of Mary-El	1180.41	902.26	116.41	726.40	1116.03	215.81
Republic of Mordovia	1180.23	902.09	116.24	726.23	1115.86	215.64
Chuvash Republic	1178.00	899.86	114.01	724.00	1113.63	213.41
Kirov Oblast	1161.21	883.07	97.22	707.21	1096.84	196.61
Nizhny Novgorod	1129.09	850.95	65.10	675.09	1064.72	164.50
Belgorod Oblast	1106.69	828.54	42.69	652.69	1042.32	142.09
Voronezh Oblast	1190.11	911.97	126.12	736.11	1125.74	225.51
Kursk Oblast	1189.69	911.54	125.69	735.69	1125.32	225.09
Lipetsk Oblast	1146.30	868.16	82.31	692.30	1081.93	181.70
Tambov Oblast	1183.35	905.21	119.36	729.35	1118.98	218.76
Republic of Kalmykia	1199.88	921.74	135.89	745.88	1135.51	235.28
Republic of Tatarstan	1094.81	816.67	30.82	640.81	1030.44	130.22
Astrakhan Oblast	1188.03	909.88	124.03	734.02	1123.66	223.43
Volgograd Oblast	1176.20	898.05	112.20	722.19	1111.83	211.60
Penza Oblast	1202.17	924.03	138.18	748.17	1137.80	237.58
Samara Oblast	1073.40	795.25	9.40	619.39	1009.03	108.80
Saratov Oblast	1165.54	887.39	101.54	711.54	1101.17	200.94
Ulyanovsk Oblast	1185.74	907.60	121.75	731.74	1121.37	221.15
Republic of Adygea	1144.87	866.73	80.88	690.87	1080.50	180.28
Republic of Dagestan	1201.69	923.55	137.70	747.69	1137.32	237.10
Republic of Ingushetia	1234.07	955.93	170.08	780.07	1169.70	269.48
Kabardino-Balkarskaya AO	1137.56	859.42	73.57	683.56	1073.19	172.97
Karachaevo-Cherkessia	1190.15	912.01	126.16	736.15	1125.78	225.56
Republic of North-Ossetia-Alania	1210.17	932.03	146.18	756.17	1145.80	245.58
Chechen Republic	1309.06	1030.91	245.06	855.06	1244.69	344.46
Krasnodar Krai	1182.97	904.83	118.98	728.97	1118.60	218.38
Stavropol Krai	1197.97	919.82	133.97	743.96	1133.60	233.37
Rostov Oblast	1200.13	921.99	136.13	746.13	1135.76	235.53
Republic of Bashkortostan	1089.14	811.00	25.15	635.14	1024.77	124.55
Undmurt Republic	1136.95	858.80	72.95	682.95	1072.58	172.35
Kurgan Oblast	1174.39	896.25	110.40	720.39	1110.02	209.79
Orenburg Oblast	1171.04	892.90	107.05	717.04	1106.67	206.45
Perm Oblast	1108.69	830.54	44.69	654.68	1044.32	144.09
Komi-Permyatsky AO	1152.72	874.57	88.72	698.71	1088.35	188.12
Sverdlovsk Oblast	1109.74	831.60	45.75	655.74	1045.37	145.15
Chelyabinsk Oblast	1159.19	881.05	95.20	705.19	1094.82	194.60
Altay Republic	1125.95	847.81	61.96	671.95	1061.58	161.36
Altay Krai	1170.13	891.99	106.14	716.13	1105.76	205.54
Kemerovo Oblast	1105.18	827.04	41.19	651.18	1040.81	140.59
Novosibirsk Oblast	1165.26	887.12	101.27	711.26	1100.89	200.66

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Omsk Oblast	1173.54	895.40	109.55	719.54	1109.17	208.95
Tomsk Oblast	1109.90	831.76	45.91	655.90	1045.53	145.30
Tymen Oblast	1226.25	948.11	162.26	772.25	1161.88	261.66
Khanty-Mansy AO	648.50	370.35	-415.50	194.50	584.13	-316.10
Yamal-Nenetsk AO	599.76	321.62	-464.23	145.76	535.39	-364.84
Republic of Buryatia	1186.22	908.08	122.23	732.22	1121.85	221.63
Republic of Tyva	1145.39	867.24	81.39	691.38	1081.02	180.79
Republic of Khakassia	1137.96	859.81	73.96	683.95	1073.59	173.36
Kransoyarsk Krai	1117.56	839.41	53.56	663.56	1053.19	152.96
Taymyr AO	424.49	146.35	-639.50	-29.51	360.12	-540.11
Evenk AO	755.38	477.23	-308.62	301.38	691.01	-209.22
Irkutsk Oblast	1140.00	861.86	76.01	686.00	1075.63	175.41
Ust-Ordynsky Buryatsky AO	1163.68	885.53	99.68	709.67	1099.31	199.08
Chita Oblast	1189.75	911.60	125.75	735.75	1125.38	225.15
Ahinsky Buryatsky AO	1182.21	904.06	118.21	728.20	1117.84	217.61
Republic of Sakha (Yakutia)	683.09	404.94	-380.91	229.09	618.72	-281.51
Jewish AO	1163.66	885.51	99.66	709.65	1099.29	199.06
Chukotka AO	461.22	183.08	-602.77	7.22	396.85	-503.37
Primorsky Krai	1142.29	864.15	78.30	688.29	1077.92	177.69
Khabarovsk Krai	1079.56	801.42	15.57	625.56	1015.19	114.97
Amur Oblast	1129.08	850.93	65.08	675.07	1064.71	164.48
Kamchatka Oblast	956.37	678.23	-107.62	502.37	892.00	-8.22
Koryaksky AO	527.88	249.73	-536.12	73.88	463.51	-436.72
Magadan Oblast	980.48	702.34	-83.51	526.48	916.11	15.88
Sakhalin Oblast	1060.87	782.73	-3.12	606.87	996.50	96.28
Kaliningrad Oblast	1165.32	887.17	101.32	711.32	1100.95	200.72

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	288.88	872.94	367.72	182.71	1107.40	265.87
Republic of Komi	227.57	811.64	306.41	121.40	1046.10	204.56
Arkhangel'sk Oblast	335.25	919.32	414.09	229.09	1153.78	312.24
Nenetsky AO	-129.84	454.22	-51.00	-236.01	688.68	-152.85
Vologda Oblast	309.33	893.40	388.17	203.17	1127.86	286.32
Murmansk Oblast	184.89	768.96	263.73	78.73	1003.42	161.88
S-Petersburg	230.78	814.85	309.62	124.62	1049.31	207.77
Leningrad Oblast	345.49	929.56	424.33	239.32	1164.02	322.48
Novgorod Oblast	316.06	900.12	394.90	209.89	1134.58	293.05
Pskov Oblast	379.25	963.31	458.09	273.08	1197.78	356.24
Bryansk Oblast	392.83	976.89	471.67	286.66	1211.36	369.82
Vladimir Oblast	368.79	952.86	447.63	262.63	1187.32	345.78
Ivanovo Oblast	396.73	980.79	475.57	290.56	1215.25	373.72
Kaluga Oblast	355.16	939.23	434.00	249.00	1173.69	332.15
Kostroma Oblast	332.94	917.01	411.78	226.78	1151.47	309.93
City of Moscow	196.85	780.92	275.69	90.69	1015.38	173.84
Moscow Oblast	325.24	909.31	404.08	219.08	1143.77	302.23
Orel Oblast	308.75	892.81	387.59	202.58	1127.27	285.74
Ryazan Oblast	380.87	964.94	459.71	274.71	1199.40	357.86
Smolensk Oblast	373.59	957.65	452.43	267.42	1192.11	350.58
Tver Oblast	354.69	938.76	433.53	248.53	1173.22	331.68
Tula Oblast	375.58	959.65	454.43	269.42	1194.11	352.57
Yaroslavl Oblast	328.49	912.56	407.33	222.33	1147.02	305.48
Republic of Mary-El	380.67	964.74	459.51	274.51	1199.20	357.66
Republic of Mordovia	380.50	964.56	459.34	274.33	1199.03	357.49
Chuvash Republic	378.27	962.33	457.11	272.10	1196.80	355.26
Kirov Oblast	361.47	945.54	440.31	255.31	1180.00	338.46

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Nizhny Novgorod	329.36	913.42	408.20	223.19	1147.89	306.35
Belgorod Oblast	306.95	891.02	385.79	200.79	1125.48	283.94
Voronezh Oblast	390.38	974.44	469.22	284.21	1208.90	367.37
Kursk Oblast	389.95	974.02	468.79	283.79	1208.48	366.94
Lipetsk Oblast	346.57	930.63	425.41	240.40	1165.09	323.56
Tambov Oblast	383.62	967.68	462.46	277.45	1202.15	360.61
Republic of Kalmykia	400.15	984.21	478.99	293.98	1218.67	377.14
Republic of Tatarstan	295.08	879.14	373.92	188.91	1113.61	272.07
Astrakhan Oblast	388.29	972.36	467.13	282.13	1206.82	365.28
Volgograd Oblast	376.46	960.53	455.30	270.30	1194.99	353.45
Penza Oblast	402.44	986.50	481.28	296.27	1220.97	379.43
Samara Oblast	273.66	857.73	352.50	167.50	1092.19	250.65
Saratov Oblast	365.80	949.87	444.64	259.64	1184.33	342.79
Ulyanovsk Oblast	386.01	970.07	464.85	279.84	1204.54	363.00
Republic of Adygea	345.14	929.20	423.98	238.97	1163.67	322.13
Republic of Dagestan	401.96	986.02	480.80	295.79	1220.49	378.95
Republic of Ingushetia	434.34	1018.40	513.18	328.17	1252.87	411.33
Kabardino-Balkarskaya AO	337.83	921.90	416.67	231.66	1156.36	314.82
Karachaevo-Cherkessia	390.42	974.48	469.26	284.25	1208.95	367.41
Republic of North-Ossetia-Alania	410.44	994.50	489.28	304.27	1228.97	387.43
Chechen Republic	509.32	1093.39	588.16	403.16	1327.85	486.31
Krasnodar Krai	383.24	967.30	462.08	277.07	1201.77	360.23
Stavropol Krai	398.23	982.30	477.07	292.07	1216.76	375.22
Rostov Oblast	400.39	984.46	479.23	294.23	1218.92	377.38
Republic of Bashkortostan	289.41	873.48	368.25	183.24	1107.94	266.40
Udmurt Republic	337.21	921.28	416.05	231.05	1155.74	314.20
Kurgan Oblast	374.66	958.72	453.50	268.49	1193.19	351.65
Orenburg Oblast	371.31	955.37	450.15	265.14	1189.84	348.30
Perm Oblast	308.95	893.02	387.79	202.79	1127.48	285.94
Komi-Permyatsky AO	352.98	937.05	431.82	246.82	1171.51	329.97
Sverdlovsk Oblast	310.01	894.08	388.85	203.84	1128.54	287.00
Chelyabinsk Oblast	359.46	943.52	438.30	253.29	1177.99	336.45
Altay Republic	326.22	910.28	405.06	220.05	1144.75	303.21
Altay Krai	370.40	954.46	449.24	264.23	1188.93	347.39
Kemerovo Oblast	305.45	889.51	384.29	199.28	1123.98	282.44
Novosibirsk Oblast	365.52	949.59	444.36	259.36	1184.05	342.51
Omsk Oblast	373.81	957.88	452.65	267.64	1192.34	350.80
Tomsk Oblast	310.17	894.23	389.01	204.00	1128.69	287.16
Tymen Oblast	426.52	1010.59	505.36	320.36	1245.05	403.51
Khanty-Mansy AO	-151.24	432.83	-72.40	-257.40	667.29	-174.25
Yamal-Nenetsk AO	-199.98	384.09	-121.14	-306.14	618.55	-222.99
Republic of Buryatia	386.49	970.55	465.33	280.32	1205.02	363.48
Republic of Tyva	345.65	929.72	424.49	239.49	1164.18	322.64
Republic of Khakassia	338.22	922.29	417.06	232.06	1156.75	315.21
Kransoyarsk Krai	317.82	901.89	396.66	211.66	1136.35	294.81
Taymyr AO	-375.25	208.82	-296.41	-481.41	443.28	-398.26
Evenk AO	-44.36	539.71	34.48	-150.52	774.17	-67.37
Irkutsk Oblast	340.27	924.34	419.11	234.10	1158.80	317.26
Ust-Ordynsky Buryatsky AO	363.94	948.01	442.78	257.78	1182.47	340.93
Chita Oblast	390.01	974.08	468.85	283.85	1208.54	367.00
Ahinsky Buryatsky AO	382.47	966.54	461.31	276.31	1201.00	359.46
Republic of Sakha (Yakutia)	-116.65	467.42	-37.81	-222.81	701.88	-139.66
Jewish AO	363.92	947.99	442.76	257.76	1182.45	340.91
Chukotka AO	-338.51	245.55	-259.67	-444.68	480.02	-361.52
Primorsky Krai	342.56	926.62	421.40	236.39	1161.08	319.55
Khabarovsk Krai	279.83	863.89	358.67	173.66	1098.36	256.82

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Amur Oblast	329.34	913.41	408.18	223.18	1147.87	306.33
Kamchatka Oblast	156.64	740.70	235.48	50.47	975.17	133.63
Koryaksky AO	-271.86	312.21	-193.02	-378.02	546.67	-294.87
Magadan Oblast	180.74	764.81	259.59	74.58	999.27	157.74
Sakhalin Oblast	261.14	845.20	339.98	154.97	1079.67	238.13
Kaliningrad Oblast	365.58	949.65	444.42	259.42	1184.11	342.57

TABLE P.4-5. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A CHILD FOR THE FOURTH VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	0.00	209.79	-86.90	615.01	-18.89	21.57
Republic of Komi	-209.79	0.00	-296.69	405.21	-228.68	-188.22
Arkhangel'sk Oblast	86.90	296.69	0.00	701.90	68.01	108.47
Nenetsky AO	-615.01	-405.21	-701.90	0.00	-633.90	-593.44
Vologda Oblast	13.23	223.02	-73.67	628.24	-5.66	34.80
Murmansk Oblast	-213.55	-3.75	-300.44	401.46	-232.43	-191.98
S-Petersburg	-78.45	131.34	-165.35	536.55	-97.34	-56.88
Leningrad Oblast	46.36	256.15	-40.54	661.36	27.47	67.93
Novgorod Oblast	22.27	232.06	-64.63	637.27	3.38	43.84
Pskov Oblast	135.08	344.87	48.18	750.08	116.19	156.65
Bryansk Oblast	179.87	389.67	92.98	794.88	160.99	201.44
Vladimir Oblast	98.87	308.66	11.97	713.87	79.98	120.44
Ivanovo Oblast	131.42	341.21	44.52	746.42	112.53	152.99
Kaluga Oblast	96.94	306.73	10.04	711.94	78.05	118.51
Kostroma Oblast	-3.83	205.97	-90.72	611.18	-22.72	17.74
City of Moscow	-253.79	-44.00	-340.69	361.22	-272.68	-232.22
Moscow Oblast	25.63	235.42	-61.27	640.63	6.74	47.20
Orel Oblast	42.97	252.77	-43.92	657.98	24.08	64.54
Ryazan Oblast	122.55	332.35	35.66	737.56	103.66	144.12
Smolensk Oblast	107.05	316.85	20.16	722.06	88.17	128.62
Tver Oblast	88.30	298.09	1.41	703.31	69.41	109.87
Tula Oblast	127.68	337.47	40.78	742.68	108.79	149.25
Yaroslavl Oblast	16.25	226.04	-70.65	631.25	-2.64	37.82
Republic of Mary-El	149.95	359.74	63.05	764.95	131.06	171.52
Republic of Mordovia	82.29	292.08	-4.61	697.29	63.40	103.86
Chuvash Republic	130.40	340.19	43.51	745.41	111.51	151.97
Kirov Oblast	94.10	303.89	7.21	709.11	75.21	115.67
Nizhny Novgorod	22.53	232.32	-64.37	637.54	3.64	44.10
Belgorod Oblast	59.07	268.86	-27.83	674.07	40.18	80.64
Voronezh Oblast	145.03	354.82	58.13	760.03	126.14	166.60
Kursk Oblast	97.48	307.27	10.58	712.49	78.59	119.05
Lipetsk Oblast	54.33	264.12	-32.57	669.34	35.44	75.90
Tambov Oblast	147.98	357.77	61.08	762.98	129.09	169.55
Republic of Kalmykia	83.60	293.39	-3.30	698.60	64.71	105.17
Republic of Tatarstan	-116.69	93.10	-203.59	498.31	-135.58	-95.12
Astrakhan Oblast	135.64	345.43	48.74	750.64	116.75	157.21
Volgograd Oblast	127.45	337.24	40.55	742.46	108.56	149.02
Penza Oblast	182.71	392.50	95.81	797.71	163.82	204.28
Samara Oblast	-23.68	186.11	-110.58	591.32	-42.57	-2.11
Saratov Oblast	99.13	308.93	12.24	714.14	80.24	120.70
Ulyanovsk Oblast	142.12	351.91	55.22	757.12	123.23	163.69
Republic of Adygea	53.20	262.99	-33.70	668.20	34.31	74.77
Republic of Dagestan	155.19	364.98	68.29	770.19	136.30	176.76
Republic of Ingushetia	155.54	365.34	68.65	770.55	136.66	177.11
Kabardino-Balkarskaya AO	40.84	250.63	-46.06	655.84	21.95	62.41

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Karachaevo-Cherkessia	141.96	351.75	55.06	756.96	123.07	163.53
Republic of North-Ossetia-Alania	146.20	355.99	59.30	761.21	127.31	167.77
Chechen Republic	354.12	563.92	267.23	969.13	335.23	375.69
Krasnodar Krai	147.80	357.60	60.91	762.81	128.91	169.37
Stavropol Krai	157.93	367.72	71.03	772.93	139.04	179.50
Rostov Oblast	162.80	372.59	75.90	777.81	143.91	184.37
Republic of Bashkortostan	-70.92	138.88	-157.81	544.09	-89.81	-49.35
Udmurt Republic	34.48	244.27	-52.41	649.49	15.59	56.05
Kurgan Oblast	131.59	341.38	44.69	746.59	112.70	153.16
Orenburg Oblast	61.06	270.85	-25.84	676.06	42.17	82.63
Perm Oblast	22.96	232.76	-63.93	637.97	4.07	44.53
Komi-Permyatsky AO	100.65	310.44	13.75	715.66	81.76	122.22
Sverdlovsk Oblast	6.63	216.42	-80.27	621.63	-12.26	28.20
Chelyabinsk Oblast	80.88	290.67	-6.02	695.89	61.99	102.45
Altay Republic	32.84	242.63	-54.06	647.84	13.95	54.41
Altay Krai	89.58	299.37	2.68	704.58	70.69	111.15
Kemerovo Oblast	-65.03	144.77	-151.92	549.98	-83.91	-43.46
Novosibirsk Oblast	101.75	311.55	14.86	716.76	82.87	123.33
Omsk Oblast	74.93	284.73	-11.96	689.94	56.05	96.50
Tomsk Oblast	-6.38	203.41	-93.28	608.62	-25.27	15.19
Tymen Oblast	172.73	382.52	85.83	787.73	153.84	194.30
Khanty-Mansy AO	-1262.99	-1053.19	-1349.88	-647.98	-1281.88	-1241.42
Yamal-Nenetsk AO	-2141.18	-1931.39	-2228.08	-1526.18	-2160.07	-2119.61
Republic of Buryatia	87.58	297.37	0.68	702.58	68.69	109.15
Republic of Tyva	18.89	228.68	-68.01	633.90	0.00	40.46
Republic of Khakassia	60.45	270.24	-26.44	675.46	41.56	82.02
Kransoyarsk Krai	-21.57	188.22	-108.47	593.44	-40.46	0.00
Taymyr AO	-1205.42	-995.62	-1292.31	-590.41	-1224.31	-1183.85
Evenk AO	-1179.98	-970.19	-1266.88	-564.97	-1198.87	-1158.41
Irkutsk Oblast	62.65	272.45	-24.24	677.66	43.76	84.22
Ust-Ordynsky Buryatsky AO	64.81	274.60	-22.09	679.81	45.92	86.38
Chita Oblast	130.79	340.58	43.89	745.79	111.90	152.36
Ahinsky Buryatsky AO	184.81	394.60	97.91	799.81	165.92	206.38
Republic of Sakha (Yakutia)	-814.33	-604.53	-901.22	-199.32	-833.22	-792.76
Jewish AO	69.35	279.15	-17.54	684.36	50.47	90.92
Chukotka AO	-1250.93	-1041.14	-1337.82	-635.92	-1269.82	-1229.36
Primorsky Krai	23.84	233.63	-63.06	638.84	4.95	45.41
Khabarovsk Krai	-177.31	32.48	-264.21	437.69	-196.20	-155.74
Amur Oblast	-0.33	209.46	-87.23	614.67	-19.22	21.24
Kamchatka Oblast	-281.06	-71.27	-367.96	333.94	-299.95	-259.49
Koryaksky AO	-1288.14	-1078.35	-1375.04	-673.14	-1307.03	-1266.57
Magadan Oblast	-409.57	-199.78	-496.47	205.44	-428.46	-388.00
Sakhalin Oblast	-125.07	84.72	-211.97	489.94	-143.96	-103.50
Kaliningrad Oblast	96.91	306.70	10.01	711.92	78.02	118.48

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	1205.42	1179.98	-62.65	814.33	1250.93	177.31
Republic of Komi	995.62	970.19	-272.45	604.53	1041.14	-32.48
Arkhangel'sk Oblast	1292.31	1266.88	24.24	901.22	1337.82	264.21
Nenetsky AO	590.41	564.97	-677.66	199.32	635.92	-437.69
Vologda Oblast	1218.65	1193.21	-49.42	827.56	1264.16	190.54
Murmansk Oblast	991.87	966.44	-276.20	600.78	1037.38	-36.23
S-Petersburg	1126.96	1101.53	-141.10	735.87	1172.48	98.86
Leningrad Oblast	1251.78	1226.34	-16.29	860.69	1297.29	223.67
Novgorod Oblast	1227.68	1202.25	-40.39	836.59	1273.19	199.58

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Pskov Oblast	1340.49	1315.06	72.42	949.40	1386.00	312.39
Bryansk Oblast	1385.29	1359.85	117.22	994.20	1430.80	357.19
Vladimir Oblast	1304.28	1278.85	36.21	913.19	1349.79	276.18
Ivanovo Oblast	1336.83	1311.40	68.76	945.74	1382.35	308.73
Kaluga Oblast	1302.35	1276.92	34.28	911.26	1347.86	274.25
Kostroma Oblast	1201.59	1176.15	-66.48	810.50	1247.10	173.49
City of Moscow	951.63	926.19	-316.44	560.54	997.14	-76.48
Moscow Oblast	1231.04	1205.61	-37.03	839.95	1276.56	202.94
Orel Oblast	1248.39	1222.95	-19.68	857.30	1293.90	220.29
Ryazan Oblast	1327.97	1302.53	59.90	936.88	1373.48	299.86
Smolensk Oblast	1312.47	1287.03	44.40	921.38	1357.98	284.37
Tver Oblast	1293.72	1268.28	25.65	902.63	1339.23	265.61
Tula Oblast	1333.09	1307.66	65.02	942.00	1378.61	304.99
Yaroslavl Oblast	1221.66	1196.23	-46.40	830.58	1267.18	193.56
Republic of Mary-El	1355.36	1329.93	87.30	964.28	1400.88	327.26
Republic of Mordovia	1287.70	1262.27	19.63	896.61	1333.22	259.60
Chuvash Republic	1335.82	1310.38	67.75	944.73	1381.33	307.71
Kirov Oblast	1299.52	1274.08	31.45	908.43	1345.03	271.41
Nizhny Novgorod	1227.95	1202.51	-40.12	836.86	1273.46	199.84
Belgorod Oblast	1264.48	1239.05	-3.58	873.40	1310.00	236.38
Voronezh Oblast	1350.45	1325.01	82.38	959.36	1395.96	322.34
Kursk Oblast	1302.90	1277.46	34.83	911.81	1348.41	274.79
Lipetsk Oblast	1259.75	1234.31	-8.32	868.66	1305.26	231.64
Tambov Oblast	1353.39	1327.96	85.32	962.30	1398.91	325.29
Republic of Kalmykia	1289.02	1263.58	20.95	897.93	1334.53	260.91
Republic of Tatarstan	1088.72	1063.29	-179.34	697.64	1134.24	60.62
Astrakhan Oblast	1341.05	1315.62	72.99	949.97	1386.57	312.95
Volgograd Oblast	1332.87	1307.43	64.80	941.78	1378.38	304.76
Penza Oblast	1388.12	1362.69	120.06	997.03	1433.64	360.02
Samara Oblast	1181.73	1156.30	-86.33	790.65	1227.25	153.63
Saratov Oblast	1304.55	1279.11	36.48	913.46	1350.06	276.45
Ulyanovsk Oblast	1347.53	1322.10	79.46	956.44	1393.05	319.43
Republic of Adygea	1258.61	1233.18	-9.45	867.52	1304.13	230.51
Republic of Dagestan	1360.60	1335.17	92.53	969.51	1406.12	332.50
Republic of Ingushetia	1360.96	1335.52	92.89	969.87	1406.47	332.86
Kabardino-Balkarskaya AO	1246.25	1220.82	-21.82	855.16	1291.76	218.15
Karachaevo-Cherkessia	1347.38	1321.94	79.31	956.29	1392.89	319.27
Republic of North-Ossetia-Alania	1351.62	1326.18	83.55	960.53	1397.13	323.51
Chechen Republic	1559.54	1534.10	291.47	1168.45	1605.05	531.44
Krasnodar Krai	1353.22	1327.78	85.15	962.13	1398.73	325.12
Stavropol Krai	1363.34	1337.91	95.28	972.26	1408.86	335.24
Rostov Oblast	1368.22	1342.78	100.15	977.13	1413.73	340.11
Republic of Bashkortostan	1134.50	1109.06	-133.57	743.41	1180.01	106.40
Undmurt Republic	1239.90	1214.46	-28.17	848.81	1285.41	211.79
Kurgan Oblast	1337.00	1311.57	68.94	945.92	1382.52	308.90
Orenburg Oblast	1266.47	1241.04	-1.59	875.39	1311.99	238.37
Perm Oblast	1228.38	1202.94	-39.69	837.29	1273.89	200.27
Komi-Permyatsky AO	1306.07	1280.63	38.00	914.98	1351.58	277.96
Sverdlovsk Oblast	1212.05	1186.61	-56.02	820.96	1257.56	183.94
Chelyabinsk Oblast	1286.30	1260.86	18.23	895.21	1331.81	258.19
Altay Republic	1238.25	1212.82	-29.81	847.17	1283.77	210.15
Altay Krai	1294.99	1269.56	26.92	903.90	1340.50	266.89
Kemerovo Oblast	1140.39	1114.96	-127.68	749.30	1185.90	112.29
Novosibirsk Oblast	1307.17	1281.74	39.10	916.08	1352.68	279.07
Omsk Oblast	1280.35	1254.92	12.28	889.26	1325.86	252.25
Tomsk Oblast	1199.03	1173.60	-69.03	807.94	1244.55	170.93

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Tymen Oblast	1378.14	1352.71	110.08	987.05	1423.66	350.04
Khanty-Mansy AO	-57.57	-83.01	-1325.64	-448.66	-12.06	-1085.67
Yamal-Nenetsk AO	-935.77	-961.20	-2203.84	-1326.86	-890.25	-1963.87
Republic of Buryatia	1292.99	1267.56	24.93	901.91	1338.51	264.89
Republic of Tyva	1224.31	1198.87	-43.76	833.22	1269.82	196.20
Republic of Khakassia	1265.87	1240.43	-2.20	874.78	1311.38	237.76
Kransoyarsk Krai	1183.85	1158.41	-84.22	792.76	1229.36	155.74
Taymyr AO	0.00	-25.44	-1268.07	-391.09	45.51	-1028.10
Evenk AO	25.44	0.00	-1242.63	-365.65	70.95	-1002.67
Irkutsk Oblast	1268.07	1242.63	0.00	876.98	1313.58	239.96
Ust-Ordynsky Buryatsky AO	1270.22	1244.79	2.15	879.13	1315.74	242.12
Chita Oblast	1336.21	1310.77	68.14	945.12	1381.72	308.10
Ahinsky Buryatsky AO	1390.22	1364.79	122.15	999.13	1435.74	362.12
Republic of Sakha (Yakutia)	391.09	365.65	-876.98	0.00	436.60	-637.02
Jewish AO	1274.77	1249.34	6.70	883.68	1320.28	246.67
Chukotka AO	-45.51	-70.95	-1313.58	-436.60	0.00	-1073.62
Primorsky Krai	1229.25	1203.82	-38.81	838.16	1274.77	201.15
Khabarovsk Krai	1028.10	1002.67	-239.96	637.02	1073.62	0.00
Amur Oblast	1205.08	1179.65	-62.99	813.99	1250.60	176.98
Kamchatka Oblast	924.35	898.92	-343.72	533.26	969.87	-103.75
Koryaksky AO	-82.73	-108.16	-1350.80	-473.82	-37.21	-1110.83
Magadan Oblast	795.85	770.41	-472.22	404.76	841.36	-232.26
Sakhalin Oblast	1080.35	1054.91	-187.72	689.26	1125.86	52.24
Kaliningrad Oblast	1302.33	1276.89	34.26	911.24	1347.84	274.22

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	281.06	1288.14	409.57	125.07	2141.18	213.55
Republic of Komi	71.27	1078.35	199.78	-84.72	1931.39	3.75
Arkhangel'sk Oblast	367.96	1375.04	496.47	211.97	2228.08	300.44
Nenetsky AO	-333.94	673.14	-205.44	-489.94	1526.18	-401.46
Vologda Oblast	294.29	1301.37	422.80	138.30	2154.41	226.78
Murmansk Oblast	67.52	1074.60	196.03	-88.48	1927.64	0.00
S-Petersburg	202.61	1209.69	331.12	46.62	2062.73	135.09
Leningrad Oblast	327.42	1334.50	455.93	171.43	2187.54	259.90
Novgorod Oblast	303.33	1310.41	431.84	147.34	2163.45	235.81
Pskov Oblast	416.14	1423.22	544.65	260.15	2276.26	348.62
Bryansk Oblast	460.94	1468.02	589.44	304.94	2321.06	393.42
Vladimir Oblast	379.93	1387.01	508.44	223.94	2240.05	312.41
Ivanovo Oblast	412.48	1419.56	540.99	256.49	2272.60	344.96
Kaluga Oblast	378.00	1385.08	506.51	222.01	2238.12	310.48
Kostroma Oblast	277.24	1284.32	405.74	121.24	2137.36	209.72
City of Moscow	27.27	1034.35	155.78	-128.72	1887.39	-40.25
Moscow Oblast	306.69	1313.77	435.20	150.70	2166.81	239.17
Orel Oblast	324.04	1331.12	452.54	168.04	2184.16	256.52
Ryazan Oblast	403.62	1410.70	532.12	247.62	2263.74	336.10
Smolensk Oblast	388.12	1395.20	516.62	232.12	2248.24	320.60
Tver Oblast	369.36	1376.44	497.87	213.37	2229.48	301.85
Tula Oblast	408.74	1415.82	537.25	252.75	2268.86	341.22
Yaroslavl Oblast	297.31	1304.39	425.82	141.32	2157.43	229.79
Republic of Mary-El	431.01	1438.09	559.52	275.02	2291.13	363.49
Republic of Mordovia	363.35	1370.43	491.86	207.36	2223.47	295.83
Chuvash Republic	411.47	1418.55	539.97	255.47	2271.59	343.95
Kirov Oblast	375.17	1382.25	503.67	219.17	2235.29	307.65
Nizhny Novgorod	303.59	1310.67	432.10	147.60	2163.71	236.07
Belgorod Oblast	340.13	1347.21	468.64	184.14	2200.25	272.61

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Voronezh Oblast	426.09	1433.17	554.60	270.10	2286.21	358.57
Kursk Oblast	378.54	1385.62	507.05	222.55	2238.66	311.02
Lipetsk Oblast	335.39	1342.47	463.90	179.40	2195.51	267.87
Tambov Oblast	429.04	1436.12	557.55	273.05	2289.16	361.52
Republic of Kalmykia	364.66	1371.74	493.17	208.67	2224.78	297.14
Republic of Tatarstan	164.37	1171.45	292.88	8.38	2024.49	96.85
Astrakhan Oblast	416.70	1423.78	545.21	260.71	2276.82	349.18
Volgograd Oblast	408.51	1415.59	537.02	252.52	2268.63	340.99
Penza Oblast	463.77	1470.85	592.28	307.78	2323.89	396.25
Samara Oblast	257.38	1264.46	385.89	101.39	2117.50	189.86
Saratov Oblast	380.20	1387.28	508.70	224.20	2240.32	312.68
Ulyanovsk Oblast	423.18	1430.26	551.69	267.19	2283.30	355.66
Republic of Adygea	334.26	1341.34	462.77	178.27	2194.38	266.74
Republic of Dagestan	436.25	1443.33	564.76	280.26	2296.37	368.73
Republic of Ingushetia	436.61	1443.69	565.11	280.61	2296.73	369.09
Kabardino-Balkarskaya AO	321.90	1328.98	450.41	165.91	2182.02	254.38
Karachaevo-Cherkessia	423.02	1430.10	551.53	267.03	2283.14	355.50
Republic of North-Ossetia-Alania	427.26	1434.34	555.77	271.27	2287.38	359.74
Chechen Republic	635.19	1642.27	763.69	479.19	2495.31	567.67
Krasnodar Krai	428.87	1435.95	557.37	272.87	2288.99	361.35
Stavropol Krai	438.99	1446.07	567.50	283.00	2299.11	371.47
Rostov Oblast	443.86	1450.94	572.37	287.87	2303.98	376.34
Republic of Bashkortostan	210.15	1217.23	338.65	54.15	2070.27	142.63
Undmurt Republic	315.55	1322.62	444.05	159.55	2175.67	248.03
Kurgan Oblast	412.65	1419.73	541.16	256.66	2272.77	345.13
Orenburg Oblast	342.12	1349.20	470.63	186.13	2202.24	274.60
Perm Oblast	304.03	1311.11	432.53	148.03	2164.15	236.51
Komi-Permyatsky AO	381.71	1388.79	510.22	225.72	2241.83	314.19
Sverdlovsk Oblast	287.69	1294.77	416.20	131.70	2147.81	220.17
Chelyabinsk Oblast	361.94	1369.02	490.45	205.95	2222.06	294.43
Altay Republic	313.90	1320.98	442.41	157.91	2174.02	246.38
Altay Krai	370.64	1377.72	499.15	214.65	2230.76	303.12
Kemerovo Oblast	216.04	1223.12	344.54	60.04	2076.16	148.52
Novosibirsk Oblast	382.82	1389.90	511.33	226.82	2242.94	315.30
Omsk Oblast	356.00	1363.08	484.51	200.00	2216.12	288.48
Tomsk Oblast	274.68	1281.76	403.19	118.69	2134.80	207.16
Tymen Oblast	453.79	1460.87	582.30	297.80	2313.91	386.27
Khanty-Mansy AO	-981.92	25.16	-853.42	-1137.92	878.20	-1049.44
Yamal-Nenetsk AO	-1860.12	-853.04	-1731.61	-2016.11	0.00	-1927.64
Republic of Buryatia	368.64	1375.72	497.15	212.65	2228.76	301.12
Republic of Tyva	299.95	1307.03	428.46	143.96	2160.07	232.43
Republic of Khakassia	341.52	1348.60	470.02	185.52	2201.64	274.00
Kransoyarsk Krai	259.49	1266.57	388.00	103.50	2119.61	191.98
Taymyr AO	-924.35	82.73	-795.85	-1080.35	935.77	-991.87
Evenk AO	-898.92	108.16	-770.41	-1054.91	961.20	-966.44
Irkutsk Oblast	343.72	1350.80	472.22	187.72	2203.84	276.20
Ust-Ordynsky Buryatsky AO	345.87	1352.95	474.38	189.88	2205.99	278.35
Chita Oblast	411.85	1418.93	540.36	255.86	2271.97	344.33
Ahinsky Buryatsky AO	465.87	1472.95	594.38	309.88	2325.99	398.35
Republic of Sakha (Yakutia)	-533.26	473.82	-404.76	-689.26	1326.86	-600.78
Jewish AO	350.42	1357.50	478.92	194.42	2210.54	282.90
Chukotka AO	-969.87	37.21	-841.36	-1125.86	890.25	-1037.38
Primorsky Krai	304.90	1311.98	433.41	148.91	2165.02	237.38
Khabarovsk Krai	103.75	1110.83	232.26	-52.24	1963.87	36.23
Amur Oblast	280.73	1287.81	409.24	124.74	2140.85	213.21
Kamchatka Oblast	0.00	1007.08	128.51	-155.99	1860.12	-67.52

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Koryaksky AO	-1007.08	0.00	-878.57	-1163.07	853.04	-1074.60
Magadan Oblast	-128.51	878.57	0.00	-284.50	1731.61	-196.03
Sakhalin Oblast	155.99	1163.07	284.50	0.00	2016.11	88.48
Kaliningrad Oblast	377.97	1385.05	506.48	221.98	2238.09	310.46

TABLE P. 4-6. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A PENSIONER FOR THE FOURTH VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	25.98	176.94	-13.64	225.84	62.06	76.46
Republic of Komi	-122.51	28.46	-162.13	77.36	-86.43	-72.02
Arkhangel'sk Oblast	66.50	217.46	26.88	266.36	102.58	116.98
Nenetsky AO	-170.30	-19.34	-209.93	29.56	-134.23	-119.82
Vologda Oblast	18.75	169.71	-20.87	218.61	54.83	69.24
Murmansk Oblast	-83.58	67.38	-123.20	116.28	-47.51	-33.10
S-Petersburg	5.62	156.58	-34.00	205.48	41.70	56.10
Leningrad Oblast	15.73	166.69	-23.90	215.59	51.80	66.21
Novgorod Oblast	21.07	172.03	-18.56	220.93	57.14	71.55
Pskov Oblast	70.68	221.64	31.06	270.54	106.76	121.16
Bryansk Oblast	101.90	252.87	62.28	301.77	137.98	152.39
Vladimir Oblast	44.93	195.89	5.31	244.79	81.01	95.41
Ivanovo Oblast	49.55	200.51	9.93	249.41	85.62	100.03
Kaluga Oblast	56.63	207.59	17.01	256.49	92.71	107.11
Kostroma Oblast	-21.91	129.05	-61.53	177.95	14.17	28.57
City of Moscow	-135.79	15.17	-175.41	64.08	-99.71	-85.30
Moscow Oblast	15.24	166.20	-24.38	215.10	51.32	65.72
Orel Oblast	49.09	200.05	9.46	248.95	85.16	99.57
Ryazan Oblast	56.54	207.50	16.91	256.40	92.61	107.02
Smolensk Oblast	48.33	199.29	8.70	248.19	84.40	98.81
Tver Oblast	48.46	199.42	8.84	248.33	84.54	98.95
Tula Oblast	66.95	217.91	27.33	266.81	103.03	117.43
Yaroslavl Oblast	2.61	153.57	-37.01	202.47	38.69	53.09
Republic of Mary-El	84.13	235.10	44.51	284.00	120.21	134.62
Republic of Mordovia	16.65	167.61	-22.98	216.51	52.72	67.13
Chuvash Republic	66.99	217.95	27.37	266.85	103.07	117.47
Kirov Oblast	47.49	198.45	7.86	247.35	83.56	97.97
Nizhny Novgorod	8.03	158.99	-31.59	207.89	44.10	58.51
Belgorod Oblast	66.97	217.93	27.35	266.83	103.05	117.45
Voronezh Oblast	69.51	220.47	29.89	269.37	105.59	119.99
Kursk Oblast	22.38	173.35	-17.24	222.25	58.46	72.87
Lipetsk Oblast	22.62	173.58	-17.00	222.48	58.70	73.10
Tambov Oblast	79.21	230.18	39.59	279.08	115.29	129.70
Republic of Kalmykia	-1.69	149.27	-41.31	198.17	34.39	48.79
Republic of Tatarstan	-96.91	54.05	-136.53	102.95	-60.84	-46.43
Astrakhan Oblast	62.20	213.17	22.58	262.07	98.28	112.69
Volgograd Oblast	65.85	216.81	26.22	265.71	101.92	116.33
Penza Oblast	95.13	246.09	55.50	294.99	131.20	145.61
Samara Oblast	17.51	168.47	-22.11	217.37	53.59	68.00
Saratov Oblast	48.19	199.15	8.57	248.05	84.26	98.67
Ulyanovsk Oblast	70.97	221.93	31.34	270.83	107.04	121.45
Republic of Adygea	22.92	173.88	-16.71	222.78	58.99	73.40
Republic of Dagestan	68.09	219.05	28.46	267.95	104.16	118.57
Republic of Ingushetia	36.06	187.02	-3.56	235.92	72.14	86.54
Kabardino-Balkarskaya AO	17.86	168.82	-21.76	217.72	53.94	68.34
Karachaevo-Cherkessia	66.40	217.36	26.77	266.26	102.47	116.88
Republic of North-Ossetia-Alania	50.62	201.58	11.00	250.48	86.69	101.10

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Chechen Republic	159.66	310.62	120.04	359.52	195.74	210.14
Krasnodar Krai	79.42	230.38	39.80	279.28	115.50	129.90
Stavropol Krai	74.55	225.51	34.93	274.41	110.63	125.03
Rostov Oblast	77.26	228.22	37.64	277.12	113.34	127.74
Republic of Bashkortostan	-45.47	105.49	-85.09	154.39	-9.39	5.01
Undmurt Republic	12.13	163.09	-27.49	211.99	48.20	62.61
Kurgan Oblast	71.79	222.75	32.17	271.65	107.86	122.27
Orenburg Oblast	4.61	155.57	-35.02	204.47	40.68	55.09
Perm Oblast	28.87	179.83	-10.75	228.73	64.94	79.35
Komi-Permyatsky AO	62.53	213.49	22.90	262.39	98.60	113.01
Sverdlovsk Oblast	11.48	162.44	-28.15	211.34	47.55	61.96
Chelyabinsk Oblast	36.28	187.24	-3.34	236.14	72.36	86.76
Altay Republic	21.48	172.44	-18.15	221.34	57.55	71.96
Altay Krai	34.03	184.99	-5.59	233.89	70.11	84.51
Kemerovo Oblast	-55.62	95.34	-95.24	144.24	-19.54	-5.14
Novosibirsk Oblast	51.09	202.05	11.47	250.95	87.17	101.57
Omsk Oblast	15.98	166.94	-23.64	215.84	52.06	66.46
Tomsk Oblast	-1.69	149.27	-41.31	198.17	34.38	48.79
Tymen Oblast	61.06	212.02	21.44	260.93	97.14	111.55
Khanty-Mansy AO	-796.89	-645.93	-836.51	-597.03	-760.82	-746.41
Yamal-Nenetsk AO	-1626.35	-1475.39	-1665.97	-1426.49	-1590.27	-1575.87
Republic of Buryatia	15.95	166.91	-23.68	215.81	52.02	66.43
Republic of Tyva	-11.90	139.06	-51.53	187.96	24.17	38.58
Republic of Khakassia	37.09	188.05	-2.53	236.95	73.16	87.57
Kransoyarsk Krai	-24.53	126.43	-64.16	175.33	11.54	25.95
Taymyr AO	-515.31	-364.35	-554.94	-315.45	-479.24	-464.83
Evenk AO	-820.77	-669.80	-860.39	-620.90	-784.69	-770.28
Irkutsk Oblast	37.24	188.20	-2.38	237.10	73.32	87.72
Ust-Ordynsky Buryatsky AO	15.72	166.68	-23.90	215.58	51.80	66.20
Chita Oblast	55.63	206.60	16.01	255.50	91.71	106.12
Ahinsky Buryatsky AO	117.19	268.15	77.57	317.05	153.27	167.67
Republic of Sakha (Yakutia)	-382.82	-231.86	-422.44	-182.96	-346.75	-332.34
Jewish AO	20.29	171.25	-19.33	220.15	56.37	70.77
Chukotka AO	-597.56	-446.60	-637.18	-397.70	-561.48	-547.08
Primorsky Krai	-3.86	147.10	-43.48	196.00	32.22	46.62
Khabarovsk Krai	-142.28	8.68	-181.91	57.58	-106.21	-91.80
Amur Oblast	-14.82	136.14	-54.44	185.04	21.26	35.66
Kamchatka Oblast	-122.84	28.12	-162.47	77.02	-86.77	-72.36
Koryaksky AO	-701.43	-550.47	-741.05	-501.57	-665.35	-650.95
Magadan Oblast	-275.46	-124.50	-315.08	-75.60	-239.38	-224.98
Sakhalin Oblast	-71.35	79.61	-110.97	128.51	-35.27	-20.87
Kaliningrad Oblast	46.19	197.15	6.56	246.05	82.26	96.67

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	575.87	874.31	14.89	449.55	663.86	196.15
Republic of Komi	427.38	725.82	-133.60	301.06	515.37	47.66
Arkhangel'sk Oblast	616.39	914.83	55.41	490.06	704.38	236.67
Nenetsky AO	379.58	678.02	-181.40	253.26	467.57	-0.14
Vologda Oblast	568.64	867.08	7.66	442.32	656.63	188.92
Murmansk Oblast	466.30	764.75	-94.67	339.98	554.29	86.59
S-Petersburg	555.50	853.95	-5.47	429.18	643.50	175.79
Leningrad Oblast	565.61	864.05	4.63	439.29	653.60	185.89
Novgorod Oblast	570.95	869.39	9.97	444.63	658.94	191.23
Pskov Oblast	620.57	919.01	59.59	494.25	708.56	240.85
Bryansk Oblast	651.79	950.23	90.81	525.47	739.78	272.07

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Vladimir Oblast	594.81	893.26	33.84	468.49	682.81	215.10
Ivanovo Oblast	599.43	897.87	38.46	473.11	687.42	219.72
Kaluga Oblast	606.52	904.96	45.54	480.20	694.51	226.80
Kostroma Oblast	527.97	826.42	-33.00	401.65	615.97	148.26
City of Moscow	414.10	712.54	-146.88	287.78	502.09	34.38
Moscow Oblast	565.12	863.57	4.15	438.80	653.12	185.41
Orel Oblast	598.97	897.41	37.99	472.65	686.96	219.25
Ryazan Oblast	606.42	904.86	45.44	480.10	694.41	226.70
Smolensk Oblast	598.21	896.65	37.23	471.89	686.20	218.49
Tver Oblast	598.35	896.79	37.37	472.03	686.34	218.63
Tula Oblast	616.83	915.28	55.86	490.51	704.82	237.12
Yaroslavl Oblast	552.50	850.94	-8.48	426.18	640.49	172.78
Republic of Mary-El	634.02	932.46	73.04	507.70	722.01	254.30
Republic of Mordovia	566.53	864.97	5.55	440.21	654.52	186.81
Chuvash Republic	616.87	915.32	55.90	490.55	704.87	237.16
Kirov Oblast	597.37	895.81	36.39	471.05	685.36	217.65
Nizhny Novgorod	557.91	856.36	-3.06	431.59	645.90	178.20
Belgorod Oblast	616.86	915.30	55.88	490.54	704.85	237.14
Voronezh Oblast	619.39	917.84	58.42	493.07	707.39	239.68
Kursk Oblast	572.27	870.71	11.29	445.95	660.26	192.55
Lipetsk Oblast	572.51	870.95	11.53	446.19	660.50	192.79
Tambov Oblast	629.10	927.54	68.12	502.78	717.09	249.38
Republic of Kalmykia	548.19	846.64	-12.78	421.87	636.19	168.48
Republic of Tatarstan	452.97	751.41	-108.00	326.65	540.96	73.26
Astrakhan Oblast	612.09	910.53	51.11	485.77	700.08	232.37
Volgograd Oblast	615.73	914.17	54.75	489.41	703.72	236.01
Penza Oblast	645.01	943.45	84.03	518.69	733.00	265.29
Samara Oblast	567.40	865.84	6.42	441.08	655.39	187.68
Saratov Oblast	598.07	896.52	37.10	471.75	686.06	218.36
Ulyanovsk Oblast	620.85	919.29	59.87	494.53	708.84	241.13
Republic of Adygea	572.80	871.24	11.82	446.48	660.79	193.08
Republic of Dagestan	617.97	916.41	56.99	491.65	705.96	238.25
Republic of Ingushetia	585.95	884.39	24.97	459.63	673.94	206.23
Kabardino-Balkarskaya AO	567.75	866.19	6.77	441.43	655.74	188.03
Karachaevo-Cherkessia	616.28	914.72	55.30	489.96	704.27	236.56
Republic of North-Ossetia-Alania	600.50	898.94	39.53	474.18	688.49	220.79
Chechen Republic	709.54	1007.99	148.57	583.22	797.53	329.83
Krasnodar Krai	629.31	927.75	68.33	502.99	717.30	249.59
Stavropol Krai	624.44	922.88	63.46	498.12	712.43	244.72
Rostov Oblast	627.15	925.59	66.17	500.83	715.14	247.43
Republic of Bashkortostan	504.42	802.86	-56.56	378.09	592.41	124.70
Undmurt Republic	562.01	860.45	1.03	435.69	650.00	182.29
Kurgan Oblast	621.67	920.11	60.70	495.35	709.66	241.96
Orenburg Oblast	554.49	852.93	-6.49	428.17	642.48	174.77
Perm Oblast	578.75	877.20	17.78	452.43	666.74	199.04
Komi-Permyatsky AO	612.41	910.85	51.43	486.09	700.40	232.69
Sverdlovsk Oblast	561.36	859.80	0.38	435.04	649.35	181.64
Chelyabinsk Oblast	586.16	884.61	25.19	459.84	674.15	206.45
Altay Republic	571.36	869.80	10.38	445.04	659.35	191.64
Altay Krai	583.92	882.36	22.94	457.60	671.91	204.20
Kemerovo Oblast	494.27	792.71	-66.71	367.95	582.26	114.55
Novosibirsk Oblast	600.97	899.42	40.00	474.65	688.96	221.26
Omsk Oblast	565.87	864.31	4.89	439.55	653.86	186.15
Tomsk Oblast	548.19	846.63	-12.78	421.87	636.18	168.48
Tymen Oblast	610.95	909.39	49.97	484.63	698.94	231.23
Khanty-Mansy AO	-247.01	51.44	-807.98	-373.33	-159.02	-626.72

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Yamal-Nenetsk AO	-1076.47	-778.02	-1637.44	-1202.79	-988.48	-1456.18
Republic of Buryatia	565.83	864.27	4.85	439.51	653.82	186.11
Republic of Tyva	537.98	836.42	-23.00	411.66	625.97	158.26
Republic of Khakassia	586.97	885.41	26.00	460.65	674.96	207.26
Kransoyarsk Krai	525.35	823.79	-35.63	399.03	613.34	145.63
Taymyr AO	34.57	333.01	-526.41	-91.75	122.56	-345.15
Evenk AO	-270.88	27.56	-831.86	-397.20	-182.89	-650.60
Irkutsk Oblast	587.12	885.57	26.15	460.80	675.11	207.41
Ust-Ordynsky Buryatsky AO	565.61	864.05	4.63	439.29	653.60	185.89
Chita Oblast	605.52	903.96	44.54	479.20	693.51	225.80
Ahinsky Buryatsky AO	667.08	965.52	106.10	540.76	755.07	287.36
Republic of Sakha (Yakutia)	167.06	465.50	-393.92	40.74	255.05	-212.65
Jewish AO	570.17	868.62	9.20	443.85	658.17	190.46
Chukotka AO	-47.68	250.77	-608.65	-174.00	40.32	-427.39
Primorsky Krai	546.02	844.47	-14.95	419.70	634.01	166.31
Khabarovsk Krai	407.60	706.04	-153.38	281.28	495.59	27.88
Amur Oblast	535.07	833.51	-25.91	408.75	623.06	155.35
Kamchatka Oblast	427.04	725.48	-133.94	300.72	515.03	47.32
Koryaksky AO	-151.54	146.90	-712.52	-277.86	-63.55	-531.26
Magadan Oblast	274.43	572.87	-286.55	148.11	362.42	-105.29
Sakhalin Oblast	478.53	776.98	-82.44	352.21	566.53	98.82
Kaliningrad Oblast	596.07	894.51	35.09	469.75	684.06	216.35

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	185.24	761.29	336.37	129.41	1685.96	139.60
Republic of Komi	36.75	612.80	187.88	-19.08	1537.47	-8.89
Arkhangel'sk Oblast	225.76	801.81	376.89	169.93	1726.48	180.12
Nenetsky AO	-11.05	565.00	140.08	-66.88	1489.67	-56.69
Vologda Oblast	178.01	754.06	329.14	122.18	1678.73	132.37
Murmansk Oblast	75.67	651.73	226.81	19.84	1576.40	30.03
S-Petersburg	164.87	740.93	316.01	109.05	1665.60	119.24
Leningrad Oblast	174.98	751.03	326.11	119.15	1675.70	129.34
Novgorod Oblast	180.32	756.38	331.45	124.49	1681.05	134.68
Pskov Oblast	229.94	805.99	381.07	174.11	1730.66	184.30
Bryansk Oblast	261.16	837.21	412.29	205.33	1761.88	215.52
Vladimir Oblast	204.18	780.24	355.32	148.36	1704.91	158.55
Ivanovo Oblast	208.80	784.86	359.94	152.97	1709.53	163.16
Kaluga Oblast	215.89	791.94	367.02	160.06	1716.61	170.25
Kostroma Oblast	137.34	713.40	288.48	81.52	1638.07	91.71
City of Moscow	23.47	599.52	174.60	-32.36	1524.19	-22.17
Moscow Oblast	174.49	750.55	325.63	118.67	1675.22	128.86
Orel Oblast	208.34	784.39	359.47	152.51	1709.06	162.70
Ryazan Oblast	215.79	791.84	366.92	159.96	1716.52	170.15
Smolensk Oblast	207.58	783.64	358.71	151.75	1708.31	161.94
Tver Oblast	207.72	783.77	358.85	151.89	1708.44	162.08
Tula Oblast	226.20	802.26	377.34	170.38	1726.93	180.56
Yaroslavl Oblast	161.87	737.92	313.00	106.04	1662.59	116.23
Republic of Mary-El	243.39	819.44	394.52	187.56	1744.11	197.75
Republic of Mordovia	175.90	751.96	327.03	120.07	1676.63	130.26
Chuvash Republic	226.24	802.30	377.38	170.42	1726.97	180.61
Kirov Oblast	206.74	782.79	357.87	150.91	1707.46	161.10
Nizhny Novgorod	167.28	743.34	318.42	111.45	1668.01	121.64
Belgorod Oblast	226.23	802.28	377.36	170.40	1726.95	180.59
Voronezh Oblast	228.76	804.82	379.90	172.94	1729.49	183.13
Kursk Oblast	181.64	757.69	332.77	125.81	1682.36	136.00

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Lipetsk Oblast	181.88	757.93	333.01	126.05	1682.60	136.24
Tambov Oblast	238.47	814.52	389.60	182.64	1739.19	192.83
Republic of Kalmykia	157.56	733.62	308.70	101.74	1658.29	111.93
Republic of Tatarstan	62.34	638.40	213.48	6.51	1563.07	16.70
Astrakhan Oblast	221.46	797.51	372.59	165.63	1722.18	175.82
Volgograd Oblast	225.10	801.15	376.23	169.27	1725.83	179.46
Penza Oblast	254.38	830.43	405.51	198.55	1755.10	208.74
Samara Oblast	176.77	752.82	327.90	120.94	1677.49	131.13
Saratov Oblast	207.44	783.50	358.58	151.61	1708.17	161.80
Ulyanovsk Oblast	230.22	806.28	381.35	174.39	1730.95	184.58
Republic of Adygea	182.17	758.22	333.30	126.34	1682.90	136.53
Republic of Dagestan	227.34	803.40	378.47	171.51	1728.07	181.70
Republic of Ingushetia	195.32	771.37	346.45	139.49	1696.04	149.68
Kabardino-Balkarskaya AO	177.12	753.17	328.25	121.29	1677.84	131.48
Karachaevo-Cherkessia	225.65	801.71	376.78	169.82	1726.38	180.01
Republic of North-Ossetia-Alania	209.87	785.93	361.01	154.04	1710.60	164.23
Chechen Republic	318.91	894.97	470.05	263.08	1819.64	273.27
Krasnodar Krai	238.68	814.73	389.81	182.85	1739.40	193.04
Stavropol Krai	233.81	809.86	384.94	177.98	1734.53	188.17
Rostov Oblast	236.52	812.57	387.65	180.69	1737.24	190.88
Republic of Bashkortostan	113.79	689.84	264.92	57.96	1614.51	68.15
Udmurt Republic	171.38	747.44	322.52	115.55	1672.11	125.74
Kurgan Oblast	231.04	807.10	382.18	175.21	1731.77	185.40
Orenburg Oblast	163.86	739.92	314.99	108.03	1664.59	118.22
Perm Oblast	188.12	764.18	339.26	132.29	1688.85	142.48
Komi-Permyatsky AO	221.78	797.84	372.91	165.95	1722.51	176.14
Sverdlovsk Oblast	170.73	746.78	321.86	114.90	1671.46	125.09
Chelyabinsk Oblast	195.53	771.59	346.67	139.70	1696.26	149.89
Altay Republic	180.73	756.78	331.86	124.90	1681.46	135.09
Altay Krai	193.29	769.34	344.42	137.46	1694.01	147.65
Kemerovo Oblast	103.64	679.69	254.77	47.81	1604.36	58.00
Novosibirsk Oblast	210.34	786.40	361.48	154.51	1711.07	164.70
Omsk Oblast	175.24	751.29	326.37	119.41	1675.96	129.60
Tomsk Oblast	157.56	733.62	308.70	101.73	1658.29	111.92
Tymen Oblast	220.32	796.37	371.45	164.49	1721.04	174.68
Khanty-Mansy AO	-637.64	-61.58	-486.50	-693.47	863.09	-683.28
Yamal-Nenetsk AO	-1467.10	-891.04	-1315.96	-1522.92	33.63	-1512.74
Republic of Buryatia	175.20	751.25	326.33	119.37	1675.92	129.56
Republic of Tyva	147.35	723.40	298.48	91.52	1648.07	101.71
Republic of Khakassia	196.34	772.40	347.48	140.51	1697.07	150.70
Kransoyarsk Krai	134.72	710.77	285.85	78.89	1635.44	89.08
Taymyr AO	-356.06	219.99	-204.93	-411.89	1144.67	-401.70
Evenk AO	-661.51	-85.46	-510.38	-717.34	839.21	-707.15
Irkutsk Oblast	196.49	772.55	347.63	140.67	1697.22	150.85
Ust-Ordynsky Buryatsky AO	174.98	751.03	326.11	119.15	1675.70	129.34
Chita Oblast	214.89	790.94	366.02	159.06	1715.61	169.25
Ahinsky Buryatsky AO	276.45	852.50	427.58	220.62	1777.17	230.81
Republic of Sakha (Yakutia)	-223.57	352.49	-72.43	-279.40	1277.16	-269.21
Jewish AO	179.54	755.60	330.68	123.72	1680.27	133.91
Chukotka AO	-438.31	137.75	-287.17	-494.13	1062.42	-483.94
Primorsky Krai	155.39	731.45	306.53	99.56	1656.12	109.75
Khabarovsk Krai	16.97	593.03	168.10	-38.86	1517.70	-28.67
Amur Oblast	144.44	720.49	295.57	88.61	1645.16	98.80
Kamchatka Oblast	36.41	612.46	187.54	-19.42	1537.13	-9.23
Koryaksky AO	-542.17	33.88	-391.04	-598.00	958.55	-587.81
Magadan Oblast	-116.20	459.85	34.93	-172.03	1384.52	-161.84

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Sakhalin Oblast	87.90	663.96	239.04	32.08	1588.63	42.27
Kaliningrad Oblast	205.44	781.49	356.57	149.61	1706.16	159.80

TABLE P.4-7. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF AN EMPLOYED PERSON FOR THE FOURTH VARIANT OF THE MIGRATION SUPPORT PROGRAM (AS USD).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	0.00	148.49	-40.52	196.29	37.89	50.52
Republic of Komi	-148.49	0.00	-189.01	47.80	-110.60	-97.97
Arkhangel'sk Oblast	40.52	189.01	0.00	236.81	78.41	91.04
Nenetsky AO	-196.29	-47.80	-236.81	0.00	-158.40	-145.77
Vologda Oblast	-7.23	141.26	-47.75	189.06	30.66	43.29
Murmansk Oblast	-109.56	38.92	-150.08	86.72	-71.68	-59.05
S-Petersburg	-20.36	128.13	-60.88	175.93	17.53	30.16
Leningrad Oblast	-10.26	138.23	-50.78	186.03	27.63	40.26
Novgorod Oblast	-4.92	143.57	-45.43	191.37	32.97	45.60
Pskov Oblast	44.70	193.19	4.18	240.99	82.59	95.22
Bryansk Oblast	75.92	224.41	35.40	272.21	113.81	126.44
Vladimir Oblast	18.95	167.44	-21.57	215.24	56.84	69.47
Ivanovo Oblast	23.57	172.05	-16.95	219.85	61.45	74.08
Kaluga Oblast	30.65	179.14	-9.87	226.94	68.54	81.17
Kostroma Oblast	-47.89	100.60	-88.41	148.39	-10.00	2.63
City of Moscow	-161.77	-13.28	-202.29	34.52	-123.88	-111.25
Moscow Oblast	-10.74	137.75	-51.26	185.55	27.15	39.78
Orel Oblast	23.10	171.59	-17.42	219.39	60.99	73.62
Ryazan Oblast	30.55	179.04	-9.96	226.84	68.44	81.07
Smolensk Oblast	22.34	170.83	-18.17	218.63	60.23	72.86
Tver Oblast	22.48	170.97	-18.04	218.77	60.37	73.00
Tula Oblast	40.97	189.46	0.45	237.25	78.85	91.48
Yaroslavl Oblast	-23.37	125.12	-63.89	172.92	14.52	27.15
Republic of Mary-El	58.15	206.64	17.63	254.44	96.04	108.67
Republic of Mordovia	-9.34	139.15	-49.85	186.95	28.55	41.18
Chuvash Republic	41.01	189.50	0.49	237.29	78.89	91.52
Kirov Oblast	21.50	169.99	-19.02	217.79	59.39	72.02
Nizhny Novgorod	-17.95	130.53	-58.47	178.33	19.93	32.56
Belgorod Oblast	40.99	189.48	0.47	237.28	78.88	91.51
Voronezh Oblast	43.53	192.02	3.01	239.81	81.41	94.04
Kursk Oblast	-3.60	144.89	-44.12	192.69	34.29	46.92
Lipetsk Oblast	-3.36	145.13	-43.88	192.93	34.53	47.16
Tambov Oblast	53.23	201.72	12.71	249.52	91.12	103.75
Republic of Kalmykia	-27.67	120.82	-68.19	168.61	10.21	22.85
Republic of Tatarstan	-122.89	25.59	-163.41	73.39	-85.01	-72.38
Astrakhan Oblast	36.22	184.71	-4.30	232.51	74.11	86.74
Volgograd Oblast	39.86	188.35	-0.66	236.15	77.75	90.38
Penza Oblast	69.14	217.63	28.62	265.43	107.03	119.66
Samara Oblast	-8.47	140.02	-48.99	187.82	29.42	42.05
Saratov Oblast	22.21	170.69	-18.31	218.49	60.09	72.72
Ulyanovsk Oblast	44.98	193.47	4.47	241.27	82.87	95.50
Republic of Adygea	-3.07	145.42	-43.59	193.22	34.82	47.45
Republic of Dagestan	42.10	190.59	1.59	238.39	79.99	92.62
Republic of Ingushetia	10.08	158.57	-30.44	206.37	47.97	60.60
Kabardino-Balkarskaya AO	-8.12	140.37	-48.64	188.17	29.77	42.40
Karachaevo-Cherkessia	40.41	188.90	-0.10	236.70	78.30	90.93
Republic of North-Ossetia-Alania	24.64	173.12	-15.88	220.92	62.52	75.15

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Chechen Republic	133.68	282.17	93.16	329.96	171.56	184.19
Krasnodar Krai	53.44	201.93	12.92	249.73	91.33	103.96
Stavropol Krai	48.57	197.06	8.05	244.86	86.46	99.09
Rostov Oblast	51.28	199.77	10.76	247.57	89.17	101.80
Republic of Bashkortostan	-71.45	77.04	-111.97	124.84	-33.56	-20.93
Undmurt Republic	-13.86	134.63	-54.37	182.43	24.03	36.66
Kurgan Oblast	45.81	194.29	5.29	242.09	83.69	96.32
Orenburg Oblast	-21.38	127.11	-61.89	174.91	16.51	29.14
Perm Oblast	2.89	151.37	-37.63	199.17	40.77	53.40
Komi-Permyatsky AO	36.54	185.03	-3.97	232.83	74.43	87.06
Sverdlovsk Oblast	-14.51	133.98	-55.03	181.78	23.38	36.01
Chelyabinsk Oblast	10.30	158.78	-30.22	206.58	48.18	60.81
Altay Republic	-4.51	143.98	-45.02	191.78	33.38	46.01
Altay Krai	8.05	156.54	-32.47	204.34	45.94	58.57
Kemerovo Oblast	-81.60	66.89	-122.12	114.69	-43.71	-31.08
Novosibirsk Oblast	25.11	173.60	-15.41	221.39	62.99	75.62
Omsk Oblast	-10.00	138.49	-50.52	186.29	27.89	40.52
Tomsk Oblast	-27.67	120.81	-68.19	168.61	10.21	22.84
Tymen Oblast	35.08	183.57	-5.44	231.37	72.97	85.60
Khanty-Mansy AO	-822.87	-674.39	-863.39	-626.59	-784.99	-772.36
Yamal-Nenetsk AO	-1652.33	-1503.84	-1692.85	-1456.05	-1614.45	-1601.82
Republic of Buryatia	-10.04	138.45	-50.56	186.25	27.85	40.48
Republic of Tyva	-37.89	110.60	-78.41	158.40	0.00	12.63
Republic of Khakassia	11.11	159.59	-29.41	207.39	48.99	61.62
Kransoyarsk Krai	-50.52	97.97	-91.04	145.77	-12.63	0.00
Taymyr AO	-541.30	-392.81	-581.82	-345.01	-503.41	-490.78
Evenk AO	-846.75	-698.26	-887.27	-650.46	-808.86	-796.23
Irkutsk Oblast	11.26	159.75	-29.26	207.54	49.14	61.77
Ust-Ordynsky Buryatsky AO	-10.26	138.23	-50.78	186.03	27.63	40.26
Chita Oblast	29.65	178.14	-10.87	225.94	67.54	80.17
Ahinsky Buryatsky AO	91.21	239.70	50.69	287.50	129.10	141.73
Republic of Sakha (Yakutia)	-408.81	-260.32	-449.32	-212.52	-370.92	-358.29
Jewish AO	-5.69	142.80	-46.21	190.60	32.20	44.83
Chukotka AO	-623.54	-475.05	-664.06	-427.25	-585.65	-573.02
Primorsky Krai	-29.84	118.65	-70.36	166.44	8.04	20.67
Khabarovsk Krai	-168.27	-19.78	-208.78	28.02	-130.38	-117.75
Amur Oblast	-40.80	107.69	-81.32	155.49	-2.91	9.72
Kamchatka Oblast	-148.83	-0.34	-189.35	47.46	-110.94	-98.31
Koryaksky AO	-727.41	-578.92	-767.93	-531.12	-689.52	-676.89
Magadan Oblast	-301.44	-152.95	-341.96	-105.15	-263.55	-250.92
Sakhalin Oblast	-97.33	51.16	-137.85	98.95	-59.45	-46.82
Kaliningrad Oblast	20.20	168.69	-20.32	216.49	58.09	70.72

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	541.30	846.75	-11.26	408.81	623.54	168.27
Republic of Komi	392.81	698.26	-159.75	260.32	475.05	19.78
Arkhangel'sk Oblast	581.82	887.27	29.26	449.32	664.06	208.78
Nenetsky AO	345.01	650.46	-207.54	212.52	427.25	-28.02
Vologda Oblast	534.07	839.52	-18.49	401.58	616.31	161.04
Murmansk Oblast	431.73	737.18	-120.82	299.24	513.98	58.70
S-Petersburg	520.93	826.39	-31.62	388.44	603.18	147.90
Leningrad Oblast	531.04	836.49	-21.51	398.55	613.28	158.01
Novgorod Oblast	536.38	841.83	-16.17	403.89	618.63	163.35

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Pskov Oblast	586.00	891.45	33.44	453.51	668.24	212.97
Bryansk Oblast	617.22	922.67	64.67	484.73	699.46	244.19
Vladimir Oblast	560.24	865.70	7.69	427.75	642.49	187.21
Ivanovo Oblast	564.86	870.31	12.31	432.37	647.11	191.83
Kaluga Oblast	571.95	877.40	19.39	439.46	654.19	198.92
Kostroma Oblast	493.40	798.86	-59.15	360.91	575.65	120.37
City of Moscow	379.53	684.98	-173.03	247.04	461.77	6.50
Moscow Oblast	530.55	836.01	-22.00	398.06	612.80	157.52
Orel Oblast	564.40	869.85	11.85	431.91	646.64	191.37
Ryazan Oblast	571.85	877.30	19.30	439.36	654.10	198.82
Smolensk Oblast	563.64	869.09	11.09	431.15	645.89	190.61
Tver Oblast	563.78	869.23	11.22	431.29	646.02	190.75
Tula Oblast	582.26	887.72	29.71	449.77	664.51	209.23
Yaroslavl Oblast	517.93	823.38	-34.63	385.43	600.17	144.89
Republic of Mary-El	599.45	904.90	46.89	466.96	681.69	226.42
Republic of Mordovia	531.96	837.41	-20.59	399.47	614.21	158.93
Chuvash Republic	582.30	887.76	29.75	449.81	664.55	209.27
Kirov Oblast	562.80	868.25	10.25	430.31	645.04	189.77
Nizhny Novgorod	523.34	828.79	-29.21	390.85	605.59	150.31
Belgorod Oblast	582.29	887.74	29.73	449.80	664.53	209.26
Voronezh Oblast	584.82	890.28	32.27	452.33	667.07	211.79
Kursk Oblast	537.70	843.15	-14.85	405.21	619.94	164.67
Lipetsk Oblast	537.94	843.39	-14.62	405.44	620.18	164.90
Tambov Oblast	594.53	899.98	41.98	462.04	676.77	221.50
Republic of Kalmykia	513.62	819.08	-38.93	381.13	595.87	140.59
Republic of Tatarstan	418.40	723.85	-134.15	285.91	500.65	45.37
Astrakhan Oblast	577.52	882.97	24.97	445.03	659.76	204.49
Volgograd Oblast	581.16	886.61	28.61	448.67	663.41	208.13
Penza Oblast	610.44	915.89	57.89	477.95	692.68	237.41
Samara Oblast	532.83	838.28	-19.73	400.34	615.07	159.80
Saratov Oblast	563.50	868.95	10.95	431.01	645.75	190.47
Ulyanovsk Oblast	586.28	891.73	33.73	453.79	668.53	213.25
Republic of Adygea	538.23	843.68	-14.32	405.74	620.48	165.20
Republic of Dagestan	583.40	888.85	30.85	450.91	665.65	210.37
Republic of Ingushetia	551.38	856.83	-1.18	418.89	633.62	178.35
Kabardino-Balkarskaya AO	533.18	838.63	-19.38	400.69	615.42	160.15
Karachaevo-Cherkessia	581.71	887.16	29.16	449.22	663.96	208.68
Republic of North-Ossetia-Alania	565.93	871.38	13.38	433.44	648.18	192.90
Chechen Republic	674.97	980.42	122.42	542.48	757.22	301.94
Krasnodar Krai	594.74	900.19	42.18	462.24	676.98	221.70
Stavropol Krai	589.87	895.32	37.31	457.38	672.11	216.84
Rostov Oblast	592.58	898.03	40.02	460.09	674.82	219.55
Republic of Bashkortostan	469.84	775.30	-82.71	337.35	552.09	96.81
Udmurt Republic	527.44	832.89	-25.11	394.95	609.69	154.41
Kurgan Oblast	587.10	892.55	34.55	454.61	669.35	214.07
Orenburg Oblast	519.92	825.37	-32.63	387.43	602.17	146.89
Perm Oblast	544.18	849.63	-8.37	411.69	626.43	171.15
Komi-Permyatsky AO	577.84	883.29	25.29	445.35	660.09	204.81
Sverdlovsk Oblast	526.79	832.24	-25.76	394.30	609.04	153.76
Chelyabinsk Oblast	551.59	857.04	-0.96	419.10	633.84	178.56
Altay Republic	536.79	842.24	-15.76	404.30	619.04	163.76
Altay Krai	549.35	854.80	-3.21	416.86	631.59	176.32
Kemerovo Oblast	459.70	765.15	-92.86	327.21	541.94	86.67
Novosibirsk Oblast	566.40	871.85	13.85	433.91	648.65	193.37

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Omsk Oblast	531.30	836.75	-21.26	398.81	613.54	158.27
Tomsk Oblast	513.62	819.07	-38.93	381.13	595.87	140.59
Tymen Oblast	576.38	881.83	23.82	443.89	658.62	203.35
Khanty-Mansy AO	-281.58	23.87	-834.13	-414.07	-199.33	-654.61
Yamal-Nenetsk AO	-1111.04	-805.58	-1663.59	-1243.53	-1028.79	-1484.07
Republic of Buryatia	531.26	836.71	-21.29	398.77	613.50	158.23
Republic of Tyva	503.41	808.86	-49.14	370.92	585.65	130.38
Republic of Khakassia	552.40	857.85	-0.15	419.91	634.65	179.37
Kransoyarsk Krai	490.78	796.23	-61.77	358.29	573.02	117.75
Taymyr AO	0.00	305.45	-552.55	-132.49	82.25	-373.03
Evenk AO	-305.45	0.00	-858.00	-437.94	-223.21	-678.48
Irkutsk Oblast	552.55	858.00	0.00	420.06	634.80	179.52
Ust-Ordynsky Buryatsky AO	531.04	836.49	-21.52	398.55	613.28	158.01
Chita Oblast	570.95	876.40	18.40	438.46	653.19	197.92
Ahinsky Buryatsky AO	632.51	937.96	79.95	500.02	714.75	259.48
Republic of Sakha (Yakutia)	132.49	437.94	-420.06	0.00	214.74	-240.54
Jewish AO	535.60	841.06	-16.95	403.11	617.85	162.57
Chukotka AO	-82.25	223.21	-634.80	-214.74	0.00	-455.28
Primorsky Krai	511.45	816.90	-41.10	378.96	593.70	138.42
Khabarovsk Krai	373.03	678.48	-179.52	240.54	455.28	0.00
Amur Oblast	500.50	805.95	-52.06	368.01	582.74	127.47
Kamchatka Oblast	392.47	697.92	-160.08	259.98	474.71	19.44
Koryaksky AO	-186.11	119.34	-738.67	-318.61	-103.87	-559.15
Magadan Oblast	239.86	545.31	-312.70	107.37	322.10	-133.17
Sakhalin Oblast	443.96	749.42	-108.59	311.47	526.21	70.93
Kaliningrad Oblast	561.50	866.95	8.95	429.01	643.74	188.47

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	148.83	727.41	301.44	97.33	1652.33	109.56
Republic of Komi	0.34	578.92	152.95	-51.16	1503.84	-38.92
Arkhangel'sk Oblast	189.35	767.93	341.96	137.85	1692.85	150.08
Nenetsky AO	-47.46	531.12	105.15	-98.95	1456.05	-86.72
Vologda Oblast	141.60	720.18	294.21	90.10	1645.10	102.34
Murmansk Oblast	39.26	617.85	191.88	-12.23	1542.77	0.00
S-Petersburg	128.47	707.05	281.08	76.97	1631.97	89.20
Leningrad Oblast	138.57	717.15	291.18	87.08	1642.08	99.31
Novgorod Oblast	143.91	722.50	296.52	92.42	1647.42	104.65
Pskov Oblast	193.53	772.11	346.14	142.03	1697.03	154.26
Bryansk Oblast	224.75	803.33	377.36	173.25	1728.25	185.49
Vladimir Oblast	167.78	746.36	320.39	116.28	1671.28	128.51
Ivanovo Oblast	172.39	750.98	325.01	120.90	1675.90	133.13
Kaluga Oblast	179.48	758.06	332.09	127.98	1682.98	140.21
Kostroma Oblast	100.94	679.52	253.55	49.44	1604.44	61.67
City of Moscow	-12.94	565.64	139.67	-64.44	1490.56	-52.20
Moscow Oblast	138.09	716.67	290.70	86.59	1641.59	98.82
Orel Oblast	171.93	750.51	324.54	120.44	1675.44	132.67
Ryazan Oblast	179.38	757.97	331.99	127.89	1682.89	140.12
Smolensk Oblast	171.17	749.76	323.78	119.68	1674.68	131.91
Tver Oblast	171.31	749.89	323.92	119.81	1674.81	132.05
Tula Oblast	189.79	768.38	342.41	138.30	1693.30	150.53
Yaroslavl Oblast	125.46	704.04	278.07	73.96	1628.96	86.19
Republic of Mary-El	206.98	785.56	359.59	155.48	1710.48	167.72
Republic of Mordovia	139.49	718.08	292.10	88.00	1643.00	100.23

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Chuvash Republic	189.83	768.42	342.45	138.34	1693.34	150.57
Kirov Oblast	170.33	748.91	322.94	118.84	1673.84	131.07
Nizhny Novgorod	130.87	709.46	283.49	79.38	1634.38	91.61
Belgorod Oblast	189.82	768.40	342.43	138.32	1693.32	150.55
Voronezh Oblast	192.35	770.94	344.97	140.86	1695.86	153.09
Kursk Oblast	145.23	723.81	297.84	93.73	1648.74	105.97
Lipetsk Oblast	145.47	724.05	298.08	93.97	1648.97	106.20
Tambov Oblast	202.06	780.64	354.67	150.56	1705.56	162.80
Republic of Kalmykia	121.16	699.74	273.77	69.66	1624.66	81.89
Republic of Tatarstan	25.93	604.52	178.54	-25.56	1529.44	-13.33
Astrakhan Oblast	185.05	763.63	337.66	133.55	1688.56	145.79
Volgograd Oblast	188.69	767.27	341.30	137.20	1692.20	149.43
Penza Oblast	217.97	796.55	370.58	166.48	1721.48	178.71
Samara Oblast	140.36	718.94	292.97	88.86	1643.86	101.10
Saratov Oblast	171.03	749.62	323.65	119.54	1674.54	131.77
Ulyanovsk Oblast	193.81	772.40	346.42	142.32	1697.32	154.55
Republic of Adygea	145.76	724.34	298.37	94.27	1649.27	106.50
Republic of Dagestan	190.93	769.52	343.54	139.44	1694.44	151.67
Republic of Ingushetia	158.91	737.49	311.52	107.41	1662.41	119.64
Kabardino-Balkarskaya AO	140.71	719.29	293.32	89.21	1644.21	101.44
Karachaevo-Cherkessia	189.24	767.83	341.85	137.75	1692.75	149.98
Republic of North-Ossetia-Alania	173.46	752.05	326.08	121.97	1676.97	134.20
Chechen Republic	282.50	861.09	435.12	231.01	1786.01	243.24
Krasnodar Krai	202.27	780.85	354.88	150.77	1705.77	163.00
Stavropol Krai	197.40	775.98	350.01	145.90	1700.90	158.13
Rostov Oblast	200.11	778.69	352.72	148.61	1703.61	160.84
Republic of Bashkortostan	77.38	655.96	229.99	25.88	1580.88	38.11
Udmurt Republic	134.97	713.56	287.58	83.48	1638.48	95.71
Kurgan Oblast	194.63	773.22	347.25	143.14	1698.14	155.37
Orenburg Oblast	127.45	706.04	280.06	75.96	1630.96	88.19
Perm Oblast	151.71	730.30	304.33	100.22	1655.22	112.45
Komi-Permyatsky AO	185.37	763.96	337.98	133.88	1688.88	146.11
Sverdlovsk Oblast	134.32	712.90	286.93	82.83	1637.83	95.06
Chelyabinsk Oblast	159.12	737.71	311.74	107.63	1662.63	119.86
Altay Republic	144.32	722.91	296.93	92.83	1647.83	105.06
Altay Krai	156.88	735.46	309.49	105.38	1660.38	117.61
Kemerovo Oblast	67.23	645.81	219.84	15.73	1570.73	27.96
Novosibirsk Oblast	173.93	752.52	326.55	122.44	1677.44	134.67
Omsk Oblast	138.83	717.41	291.44	87.33	1642.33	99.56
Tomsk Oblast	121.15	699.74	273.77	69.66	1624.66	81.89
Tymen Oblast	183.91	762.49	336.52	132.41	1687.41	144.65
Khanty-Mansy AO	-674.05	-95.46	-521.43	-725.54	829.46	-713.31
Yamal-Nenetsk AO	-1503.51	-924.92	-1350.89	-1555.00	0.00	-1542.77
Republic of Buryatia	138.79	717.37	291.40	87.30	1642.30	99.53
Republic of Tyva	110.94	689.52	263.55	59.45	1614.45	71.68
Republic of Khakassia	159.93	738.52	312.55	108.44	1663.44	120.67
Kransoyarsk Krai	98.31	676.89	250.92	46.82	1601.82	59.05
Taymyr AO	-392.47	186.11	-239.86	-443.96	1111.04	-431.73
Evenk AO	-697.92	-119.34	-545.31	-749.42	805.58	-737.18
Irkutsk Oblast	160.08	738.67	312.70	108.59	1663.59	120.82
Ust-Ordynsky Buryatsky AO	138.57	717.15	291.18	87.07	1642.07	99.30
Chita Oblast	178.48	757.06	331.09	126.98	1681.98	139.22
Ahinsky Buryatsky AO	240.04	818.62	392.65	188.54	1743.54	200.77
Republic of Sakha (Yakutia)	-259.98	318.61	-107.37	-311.47	1243.53	-299.24

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Jewish AO	143.14	721.72	295.75	91.64	1646.64	103.87
Chukotka AO	-474.71	103.87	-322.10	-526.21	1028.79	-513.98
Primorsky Krai	118.98	697.57	271.60	67.49	1622.49	79.72
Khabarovsk Krai	-19.44	559.15	133.17	-70.93	1484.07	-58.70
Amur Oblast	108.03	686.61	260.64	56.53	1611.53	68.76
Kamchatka Oblast	0.00	578.58	152.61	-51.49	1503.51	-39.26
Koryaksky AO	-578.58	0.00	-425.97	-630.08	924.92	-617.85
Magadan Oblast	-152.61	425.97	0.00	-204.11	1350.89	-191.88
Sakhalin Oblast	51.49	630.08	204.11	0.00	1555.00	12.23
Kaliningrad Oblast	169.03	747.61	321.64	117.54	1672.54	129.77

TABLE P.4-8. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A RESIDENT FOR THE FIRST VARIANT OF THE MIGRATION SUPPORT PROGRAM (YEARS).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Republic of Karelia	no	no	no	24.99	no	no
Republic of Komi	no	no	no	59.99	no	no
Arkhangel'sk Oblast	no	no	no	12.21	no	no
Nenetsky AO	no	no	no	20.25	no	no
Vologda Oblast	no	no	no	17.22	no	no
Murmansk Oblast	no	no	no	8.45	no	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	no	no	no	no	no	no
Novgorod Oblast	no	no	no	no	no	no
Pskov Oblast	no	no	no	24.09	no	no
Bryansk Oblast	no	no	no	45.54	no	no
Vladimir Oblast	no	no	no	30.16	no	no
Ivanovo Oblast	no	no	no	10.12	no	no
Kaluga Oblast	no	no	no	29.71	no	no
Kostroma Oblast	no	no	no	51.14	no	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	no	no	no	no	no	no
Orel Oblast	no	no	no	24.89	no	no
Ryazan Oblast	no	no	no	no	no	no
Smolensk Oblast	no	no	no	10.16	no	no
Tver Oblast	no	no	no	no	no	no
Tula Oblast	no	no	no	no	no	no
Yaroslavl Oblast	no	no	no	no	no	no
Republic of Mary-El	no	no	no	10.82	no	no
Republic of Mordovia	no	no	no	22.01	no	no
Chuvash Republic	no	no	no	17.77	no	no
Kirov Oblast	no	no	no	22.02	no	no
Nizhny Novgorod	no	no	no	no	no	no
Belgorod Oblast	no	no	no	15.55	no	no
Voronezh Oblast	no	no	no	no	no	no
Kursk Oblast	no	no	no	13.15	no	no
Lipetsk Oblast	no	no	no	no	no	no
Tambov Oblast	no	no	no	20.86	no	no
Republic of Kalmykia	no	no	no	no	no	no
Republic of Tatarstan	no	no	no	no	no	no
Astrakhan Oblast	no	no	no	no	no	no
Volgograd Oblast	no	no	no	no	no	no
Penza Oblast	no	no	no	17.01	no	no
Samara Oblast	no	no	no	no	no	no
Saratov Oblast	no	no	no	no	no	no

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Ulyanovsk Oblast	no	no	no	21.07	no	no
Republic of Adygea	no	no	no	15.43	no	no
Republic of Dagestan	no	no	no	no	no	no
Republic of Ingushetia	no	no	no	no	no	no
Kabardino-Balkarskaya AO	no	no	no	13.24	no	no
Karachaevo-Cherkessia	no	no	no	10.77	no	no
Republic of North-Ossetia-Alania	no	no	no	no	no	no
Chechen Republic	no	no	no	no	no	no
Krasnodar Krai	no	no	no	no	no	no
Stavropol Krai	no	no	no	14.37	no	no
Rostov Oblast	no	no	no	no	no	no
Republic of Bashkortostan	no	no	no	no	no	no
Udmurt Republic	no	no	no	22.87	no	no
Kurgan Oblast	no	no	no	16.22	no	no
Orenburg Oblast	no	no	no	21.44	no	no
Perm Oblast	no	no	no	no	no	no
Komi-Permyatsky AO	no	no	no	no	no	no
Sverdlovsk Oblast	no	no	no	no	no	no
Chelyabinsk Oblast	no	no	no	no	no	no
Altay Republic	no	no	no	19.70	no	no
Altay Krai	no	no	no	28.38	no	no
Kemerovo Oblast	no	no	no	37.41	no	no
Novosibirsk Oblast	no	no	no	no	no	no
Omsk Oblast	no	no	no	32.48	no	no
Tomsk Oblast	no	no	no	30.88	no	no
Tymen Oblast	no	no	no	no	no	no
Khanty-Mansy AO	no	no	no	no	no	no
Yamal-Nenetsk AO	no	no	no	no	no	no
Republic of Buryatia	no	no	no	9.09	no	no
Republic of Tyva	no	no	no	no	no	no
Republic of Khakassia	no	no	no	15.49	no	no
Krasnoyarsk Krai	no	no	no	no	no	no
Taymyr AO	no	no	no	no	no	no
Evenk AO	no	no	no	no	no	no
Irkutsk Oblast	no	no	no	no	no	no
Ust-Ordynsky Buryatsky AO	no	no	no	no	no	no
Chita Oblast	no	no	no	9.35	no	no
Ahinsky Buryatsky AO	no	no	no	no	no	no
Republic of Sakha (Yakutia)	no	no	no	no	no	no
Jewish AO	no	no	no	no	no	no
Chukotka AO	no	no	no	no	no	no
Primorsky Krai	no	no	no	no	no	no
Khabarovsk Krai	no	no	no	no	no	no
Amur Oblast	no	no	no	18.45	no	no
Kamchatka Oblast	no	no	no	7.99	no	no
Koryaksky AO	no	no	no	no	no	no
Magadan Oblast	no	no	no	6.36	no	no
Sakhalin Oblast	no	no	no	18.17	no	no
Kaliningrad Oblast	no	no	no	no	no	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	12.56	33.95	no	21.22	15.54	no
Republic of Komi	15.88	no	no	32.83	20.64	no
Arkhangel'sk Oblast	7.82	14.08	no	11.33	9.21	no
Nenetsky AO	11.73	32.19	no	20.13	14.42	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Vologda Oblast	10.22	20.23	no	15.44	12.28	no
Murmansk Oblast	5.78	9.61	no	8.04	6.70	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	26.53	no	no	no	no	no
Novgorod Oblast	22.34	no	no	no	36.03	no
Pskov Oblast	12.82	33.19	no	21.48	15.99	no
Bryansk Oblast	15.57	no	no	32.96	20.70	no
Vladimir Oblast	14.04	51.00	no	25.62	18.13	no
Ivanovo Oblast	6.89	11.54	no	9.85	8.23	no
Kaluga Oblast	13.80	52.08	no	25.45	17.80	no
Kostroma Oblast	15.85	no	no	34.40	21.18	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	27.38	no	no	no	no	no
Orel Oblast	12.77	33.91	no	22.12	16.21	no
Ryazan Oblast	21.47	no	no	no	34.15	no
Smolensk Oblast	6.87	11.65	no	9.90	8.21	no
Tver Oblast	21.16	no	no	no	33.36	no
Tula Oblast	27.39	no	no	no	no	no
Yaroslavl Oblast	20.06	no	no	no	29.97	no
Republic of Mary-El	7.20	12.49	no	10.51	8.64	no
Republic of Mordovia	11.90	28.42	no	19.99	14.95	no
Chuvash Republic	10.42	21.61	no	16.57	12.86	no
Kirov Oblast	11.85	28.66	no	20.02	14.89	no
Nizhny Novgorod	no	no	no	no	no	no
Belgorod Oblast	9.20	18.44	no	14.48	11.26	no
Voronezh Oblast	21.67	no	no	no	34.83	no
Kursk Oblast	8.33	14.94	no	12.34	10.06	no
Lipetsk Oblast	16.77	no	no	42.23	22.86	no
Tambov Oblast	11.41	25.46	no	18.67	14.23	no
Republic of Kalmykia	33.14	no	no	no	no	no
Republic of Tatarstan	no	no	no	no	no	no
Astrakhan Oblast	30.49	no	no	no	no	no
Volgograd Oblast	23.35	no	no	no	45.27	no
Penza Oblast	9.85	19.29	no	15.51	12.26	no
Samara Oblast	no	no	no	no	no	no
Saratov Oblast	22.21	no	no	no	38.83	no
Ulyanovsk Oblast	11.36	24.57	no	18.68	14.36	no
Republic of Adygea	9.20	17.33	no	14.21	11.37	no
Republic of Dagestan	15.82	no	no	34.48	20.77	no
Republic of Ingushetia	27.03	no	no	no	no	no
Kabardino-Balkarskaya AO	8.18	15.40	no	12.25	9.74	no
Karachaevo-Cherkessia	7.05	12.17	no	10.08	8.31	no
Republic of North-Ossetia-Alania	25.42	no	no	no	55.47	no
Chechen Republic	24.70	no	no	no	47.49	no
Krasnodar Krai	no	no	no	no	no	no
Stavropol Krai	8.89	16.43	no	13.13	10.63	no
Rostov Oblast	27.84	no	no	no	no	no
Republic of Bashkortostan	no	no	no	no	no	no
Undmurt Republic	11.86	27.23	no	20.46	15.37	no
Kurgan Oblast	9.56	18.20	no	15.13	12.05	no
Orenburg Oblast	11.40	25.22	no	19.38	14.69	no
Perm Oblast	24.49	no	no	no	no	no
Komi-Permyatsky AO	19.90	no	no	no	31.67	no
Sverdlovsk Oblast	20.36	no	no	no	32.98	no
Chelyabinsk Oblast	18.89	no	no	no	28.72	no
Altay Republic	10.19	21.35	no	17.34	13.21	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Altay Krai	12.59	32.11	no	23.13	16.78	no
Kemerovo Oblast	13.83	49.77	no	27.59	18.82	no
Novosibirsk Oblast	26.21	no	no	no	no	no
Omsk Oblast	13.24	38.76	no	25.38	17.84	no
Tomsk Oblast	13.09	35.53	no	24.50	17.57	no
Tymen Oblast	16.04	no	no	39.41	22.84	no
Khanty-Mansy AO	17.45	no	no	no	24.46	no
Yamal-Nenetsk AO	18.97	no	no	no	28.05	no
Republic of Buryatia	5.38	8.61	no	7.55	6.40	no
Republic of Tyva	15.55	no	no	31.81	20.69	no
Republic of Khakassia	8.31	15.05	no	12.43	10.07	no
Kransoyarsk Krai	24.53	no	no	no	52.49	no
Taymyr AO	22.51	no	no	no	49.49	no
Evenk AO	17.52	no	no	no	24.61	no
Irkutsk Oblast	21.47	no	no	no	34.57	no
Ust-Ordynsky Buryatsky AO	16.82	no	no	48.32	23.13	no
Chita Oblast	5.54	8.85	no	7.76	6.59	no
Ahinsky Buryatsky AO	16.44	no	no	33.04	20.99	no
Republic of Sakha (Yakutia)	21.85	no	no	no	32.58	no
Jewish AO	19.23	no	no	no	26.00	no
Chukotka AO	23.47	no	no	no	32.04	no
Primorsky Krai	no	no	no	no	no	no
Khabarovsk Krai	33.21	no	no	no	no	no
Amur Oblast	9.75	19.23	no	14.37	11.43	no
Kamchatka Oblast	5.02	7.96	no	6.60	5.63	no
Koryaksky AO	28.45	no	no	no	no	no
Magadan Oblast	4.08	6.26	no	5.25	4.53	no
Sakhalin Oblast	9.77	18.76	no	14.20	11.44	no
Kaliningrad Oblast	43.08	no	no	no	no	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	no	15.15	no	no	19.55	no
Republic of Komi	no	19.90	no	no	28.69	no
Arkhangel'sk Oblast	no	9.04	no	no	10.74	no
Nenetsky AO	no	14.19	no	no	18.27	no
Vologda Oblast	no	11.97	no	no	14.62	no
Murmansk Oblast	no	6.60	no	no	7.65	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	no	53.46	no	no	no	no
Novgorod Oblast	no	33.31	no	no	no	no
Pskov Oblast	no	15.51	no	no	19.08	no
Bryansk Oblast	no	19.96	no	no	26.91	no
Vladimir Oblast	no	17.51	no	no	22.28	no
Ivanovo Oblast	no	8.05	no	no	9.05	no
Kaluga Oblast	no	17.26	no	no	21.96	no
Kostroma Oblast	no	20.39	no	no	27.78	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	no	no	no	no	no	no
Orel Oblast	no	15.74	no	no	19.49	no
Ryazan Oblast	no	31.44	no	no	no	no
Smolensk Oblast	no	8.05	no	no	9.06	no
Tver Oblast	no	31.08	no	no	no	no
Tula Oblast	no	no	no	no	no	no
Yaroslavl Oblast	no	28.03	no	no	no	no
Republic of Mary-El	no	8.47	no	no	9.59	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Republic of Mordovia	no	14.56	no	no	17.74	no
Chuvash Republic	no	12.57	no	no	14.90	no
Kirov Oblast	no	14.52	no	no	17.71	no
Nizhny Novgorod	no	no	no	no	no	no
Belgorod Oblast	no	11.07	no	no	12.96	no
Voronezh Oblast	no	31.98	no	no	no	no
Kursk Oblast	no	9.84	no	no	11.28	no
Lipetsk Oblast	no	21.94	no	no	31.40	no
Tambov Oblast	no	13.86	no	no	16.70	no
Republic of Kalmykia	no	no	no	no	no	no
Republic of Tatarstan	no	no	no	no	no	no
Astrakhan Oblast	no	no	no	no	no	no
Volgograd Oblast	no	39.45	no	no	no	no
Penza Oblast	no	11.96	no	no	13.86	no
Samara Oblast	no	no	no	no	no	no
Saratov Oblast	no	35.31	no	no	no	no
Ulyanovsk Oblast	no	13.96	no	no	16.55	no
Republic of Adygea	no	11.11	no	no	12.75	no
Republic of Dagestan	no	20.10	no	no	28.48	no
Republic of Ingushetia	no	60.86	no	no	no	no
Kabardino-Balkarskaya AO	no	9.59	no	no	11.30	no
Karachaevo-Cherkessia	no	8.15	no	no	9.41	no
Republic of North-Ossetia-Alania	no	43.63	no	no	no	no
Chechen Republic	no	39.89	no	no	no	no
Krasnodar Krai	no	no	no	no	no	no
Stavropol Krai	no	10.39	no	no	12.25	no
Rostov Oblast	no	no	no	no	no	no
Republic of Bashkortostan	no	no	no	no	no	no
Udmurt Republic	no	14.93	no	no	17.61	no
Kurgan Oblast	no	11.76	no	no	13.33	no
Orenburg Oblast	no	14.30	no	no	16.74	no
Perm Oblast	no	50.98	no	no	no	no
Komi-Permyatsky AO	no	29.68	no	no	no	no
Sverdlovsk Oblast	no	30.58	no	no	no	no
Chelyabinsk Oblast	no	27.07	no	no	46.24	no
Altay Republic	no	12.93	no	no	14.95	no
Altay Krai	no	16.27	no	no	19.56	no
Kemerovo Oblast	no	18.20	no	no	22.57	no
Novosibirsk Oblast	no	no	no	no	no	no
Omsk Oblast	no	17.28	no	no	21.10	no
Tomsk Oblast	no	16.99	no	no	20.61	no
Tymen Oblast	no	21.81	no	no	29.03	no
Khanty-Mansy AO	no	23.63	no	no	no	no
Yamal-Nenetsk AO	no	27.24	no	no	66.28	no
Republic of Buryatia	no	6.28	no	no	7.81	no
Republic of Tyva	no	19.87	no	no	32.43	no
Republic of Khakassia	no	9.87	no	no	12.67	no
Krasnoyarsk Krai	no	42.85	no	no	no	no
Taymyr AO	no	49.95	no	no	no	no
Evenk AO	no	23.78	no	no	no	no
Irkutsk Oblast	no	32.01	no	no	no	no
Ust-Ordynsky Buryatsky AO	no	22.30	no	no	46.92	no
Chita Oblast	no	6.46	no	no	8.03	no
Ahinsky Buryatsky AO	no	20.17	no	no	34.61	no
Republic of Sakha (Yakutia)	no	31.41	no	no	no	no
Jewish AO	no	24.61	no	no	no	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Chukotka AO	no	35.33	no	no	no	no
Primorsky Krai	no	no	no	no	no	no
Khabarovsk Krai	no	no	no	no	no	no
Amur Oblast	no	11.18	no	no	14.81	no
Kamchatka Oblast	35.79	5.53	no	no	6.96	no
Koryaksky AO	no	48.85	no	no	no	no
Magadan Oblast	21.54	4.45	21.68	no	5.60	no
Sakhalin Oblast	no	11.16	no	no	14.69	no
Kaliningrad Oblast	no	no	no	no	no	no

TABLE P.4-9. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A RESIDENT FOR THE SECOND VARIANT OF THE MIGRATION SUPPORT PROGRAM (YEARS).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Republic of Karelia	no	no	no	10.56	no	no
Republic of Komi	no	no	no	14.10	no	no
Arkhangel'sk Oblast	no	30.36	no	6.49	no	no
Nenetsky AO	no	no	no	13.90	no	no
Vologda Oblast	no	no	no	8.74	no	no
Murmansk Oblast	no	23.50	no	5.35	no	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	no	no	no	18.20	no	no
Novgorod Oblast	no	no	no	16.43	no	no
Pskov Oblast	no	no	no	9.96	no	no
Bryansk Oblast	no	no	no	11.69	no	no
Vladimir Oblast	no	no	no	11.07	no	no
Ivanovo Oblast	no	18.25	no	5.56	no	no
Kaluga Oblast	no	no	no	10.87	no	no
Kostroma Oblast	no	no	no	12.58	no	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	no	no	no	19.22	no	no
Orel Oblast	no	no	no	10.59	no	no
Ryazan Oblast	no	no	no	15.51	no	no
Smolensk Oblast	no	19.07	no	5.59	no	no
Tver Oblast	no	no	no	15.44	no	no
Tula Oblast	no	no	no	18.01	no	no
Yaroslavl Oblast	no	no	no	15.65	no	no
Republic of Mary-El	no	20.50	no	5.78	no	no
Republic of Mordovia	no	no	no	9.29	no	no
Chuvash Republic	no	no	no	8.24	no	no
Kirov Oblast	no	no	no	9.35	no	no
Nizhny Novgorod	no	no	no	no	no	no
Belgorod Oblast	no	no	no	7.65	no	no
Voronezh Oblast	no	no	no	15.65	no	no
Kursk Oblast	no	30.29	no	6.78	no	no
Lipetsk Oblast	no	no	no	13.17	no	no
Tambov Oblast	no	no	no	9.08	no	no
Republic of Kalmykia	no	no	no	20.01	no	no
Republic of Tatarstan	no	no	no	no	no	no
Astrakhan Oblast	no	no	no	19.96	no	no
Volgograd Oblast	no	no	no	16.79	no	no
Penza Oblast	no	no	no	7.98	no	no
Samara Oblast	no	no	no	no	no	no
Saratov Oblast	no	no	no	16.28	no	no
Ulyanovsk Oblast	no	no	no	9.27	no	no
Republic of Adygea	no	no	no	7.81	no	no

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Republic of Dagestan	no	no	no	11.71	no	no
Republic of Ingushetia	no	no	no	17.01	no	no
Kabardino-Balkarskaya AO	no	36.25	no	6.69	no	no
Karachaevo-Cherkessia	no	19.74	no	5.72	no	no
Republic of North-Ossetia-Alania	no	no	no	17.20	no	no
Chechen Republic	no	no	no	15.35	no	no
Krasnodar Krai	no	no	no	no	no	no
Stavropol Krai	no	38.01	no	7.17	no	no
Rostov Oblast	no	no	no	18.08	no	no
Republic of Bashkortostan	no	no	no	28.80	no	no
Udmurt Republic	no	no	no	10.01	no	no
Kurgan Oblast	no	no	no	7.97	no	no
Orenburg Oblast	no	no	no	9.35	no	no
Perm Oblast	no	no	no	18.74	no	no
Komi-Permyatsky AO	no	no	no	15.24	no	no
Sverdlovsk Oblast	no	no	no	16.56	no	no
Chelyabinsk Oblast	no	no	no	14.71	no	no
Altay Republic	no	no	no	8.93	no	no
Altay Krai	no	no	no	10.66	no	no
Kemerovo Oblast	no	no	no	12.28	no	no
Novosibirsk Oblast	no	no	no	19.50	no	no
Omsk Oblast	no	no	no	11.09	no	no
Tomsk Oblast	no	no	no	11.73	no	no
Tymen Oblast	no	no	no	12.69	no	no
Khanty-Mansy AO	no	no	no	43.44	no	no
Yamal-Nenetsk AO	no	no	no	no	no	no
Republic of Buryatia	no	16.08	no	5.11	no	no
Republic of Tyva	no	no	no	13.95	no	no
Republic of Khakassia	no	no	no	7.81	no	no
Krasnoyarsk Krai	no	no	no	21.05	no	no
Taymyr AO	no	no	no	no	no	no
Evenk AO	no	no	no	27.50	no	no
Irkutsk Oblast	no	no	no	18.08	no	no
Ust-Ordynsky Buryatsky AO	no	no	no	14.14	no	no
Chita Oblast	no	16.75	no	5.26	no	no
Ahinsky Buryatsky AO	no	no	no	13.56	no	no
Republic of Sakha (Yakutia)	no	no	no	no	no	no
Jewish AO	no	no	no	15.87	no	no
Chukotka AO	no	no	no	no	no	no
Primorsky Krai	no	no	no	39.03	no	no
Khabarovsk Krai	no	no	no	26.54	no	no
Amur Oblast	no	no	no	8.78	no	no
Kamchatka Oblast	no	25.01	no	5.34	no	no
Koryaksky AO	no	no	no	no	no	no
Magadan Oblast	no	15.19	no	4.32	no	no
Sakhalin Oblast	no	no	no	9.42	no	no
Kaliningrad Oblast	no	no	no	22.40	no	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	5.13	5.92	no	9.49	5.76	no
Republic of Komi	6.20	7.27	no	12.37	7.01	no
Arkhangel'sk Oblast	3.50	3.98	no	6.00	3.90	no
Nenetsky AO	5.61	6.93	no	13.44	6.35	no
Vologda Oblast	4.47	5.12	no	7.94	5.01	no
Murmansk Oblast	2.86	3.29	no	5.03	3.18	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	7.64	8.93	no	15.80	8.74	no
Novgorod Oblast	7.11	8.31	no	14.49	8.11	no
Pskov Oblast	5.13	5.85	no	9.19	5.78	no
Bryansk Oblast	5.73	6.57	no	10.64	6.55	no
Vladimir Oblast	5.49	6.29	no	10.13	6.26	no
Ivanovo Oblast	3.16	3.55	no	5.33	3.58	no
Kaluga Oblast	5.38	6.17	no	9.97	6.13	no
Kostroma Oblast	5.95	6.87	no	11.40	6.81	no
City of Moscow	26.53	no	no	no	51.58	no
Moscow Oblast	7.75	9.09	no	16.57	8.96	no
Orel Oblast	5.22	6.00	no	9.75	5.95	no
Ryazan Oblast	6.97	8.05	no	13.73	8.00	no
Smolensk Oblast	3.15	3.55	no	5.36	3.57	no
Tver Oblast	6.86	7.96	no	13.69	7.88	no
Tula Oblast	7.59	8.83	no	15.65	8.75	no
Yaroslavl Oblast	6.91	8.03	no	13.86	7.94	no
Republic of Mary-El	3.24	3.66	no	5.54	3.68	no
Republic of Mordovia	4.80	5.47	no	8.62	5.45	no
Chuvash Republic	4.35	4.95	no	7.70	4.94	no
Kirov Oblast	4.79	5.47	no	8.67	5.45	no
Nizhny Novgorod	11.00	13.31	no	35.38	13.03	no
Belgorod Oblast	3.95	4.53	no	7.13	4.50	no
Voronezh Oblast	6.96	8.04	no	13.67	8.00	no
Kursk Oblast	3.68	4.16	no	6.33	4.17	no
Lipetsk Oblast	6.11	7.05	no	11.74	6.99	no
Tambov Oblast	4.67	5.31	no	8.33	5.31	no
Republic of Kalmykia	7.96	9.26	no	16.81	9.28	no
Republic of Tatarstan	10.37	12.54	no	31.24	12.33	no
Astrakhan Oblast	7.95	9.25	no	16.77	9.27	no
Volgograd Oblast	7.15	8.29	no	14.50	8.29	no
Penza Oblast	4.17	4.72	no	7.35	4.78	no
Samara Oblast	12.29	15.30	no	no	14.88	no
Saratov Oblast	6.98	8.10	no	14.13	8.10	no
Ulyanovsk Oblast	4.70	5.34	no	8.46	5.40	no
Republic of Adygea	4.04	4.59	no	7.21	4.64	no
Republic of Dagestan	5.68	6.50	no	10.41	6.42	no
Republic of Ingushetia	7.40	8.54	no	14.51	8.45	no
Kabardino-Balkarskaya AO	3.56	4.06	no	6.18	3.99	no
Karachaevo-Cherkessia	3.17	3.58	no	5.32	3.55	no
Republic of North-Ossetia-Alania	7.43	8.59	no	14.65	8.48	no
Chechen Republic	7.12	8.11	no	13.24	8.10	no
Krasnodar Krai	13.52	16.69	no	no	16.26	no
Stavropol Krai	3.87	4.37	no	6.58	4.33	no
Rostov Oblast	7.61	8.82	no	15.29	8.69	no
Republic of Bashkortostan	8.96	10.70	no	22.61	10.63	no
Undmurt Republic	4.92	5.64	no	9.21	5.73	no
Kurgan Oblast	4.14	4.70	no	7.44	4.81	no
Orenburg Oblast	4.70	5.36	no	8.64	5.46	no
Perm Oblast	7.45	8.74	no	16.18	8.75	no
Komi-Permyatsky AO	6.67	7.73	no	13.49	7.80	no
Sverdlovsk Oblast	6.96	8.12	no	14.53	8.16	no
Chelyabinsk Oblast	6.55	7.57	no	13.07	7.65	no
Altay Republic	4.30	4.93	no	8.08	5.06	no
Altay Krai	5.05	5.77	no	9.51	5.93	no
Kemerovo Oblast	5.52	6.37	no	10.85	6.49	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Novosibirsk Oblast	7.59	8.84	no	16.25	8.99	no
Omsk Oblast	5.21	5.96	no	9.87	6.12	no
Tomsk Oblast	5.35	6.16	no	10.40	6.29	no
Tymen Oblast	5.88	6.70	no	11.15	6.90	no
Khanty-Mansy AO	7.59	9.61	no	23.63	8.86	no
Yamal-Nenetsk AO	7.90	10.22	no	29.61	9.27	no
Republic of Buryatia	2.56	2.87	no	4.29	2.91	25.40
Republic of Tyva	5.94	6.83	no	11.27	6.80	no
Republic of Khakassia	3.72	4.22	no	6.53	4.23	no
Krasnoyarsk Krai	7.55	8.84	no	15.93	8.73	no
Taymyr AO	8.87	12.68	no	no	10.78	no
Evenk AO	7.20	8.71	no	19.08	8.36	no
Irkutsk Oblast	6.97	8.11	no	14.10	8.03	no
Ust-Ordynsky Buryatsky AO	5.97	6.88	no	11.41	6.84	no
Chita Oblast	2.63	2.96	no	4.41	3.00	27.20
Ahinsky Buryatsky AO	6.02	6.91	no	10.96	6.71	no
Republic of Sakha (Yakutia)	8.13	10.36	no	23.56	9.23	no
Jewish AO	6.68	7.71	no	12.60	7.47	no
Chukotka AO	9.78	13.45	no	no	10.82	no
Primorsky Krai	9.69	11.51	no	23.04	11.08	no
Khabarovsk Krai	8.45	10.03	no	18.75	9.58	no
Amur Oblast	4.22	4.82	no	7.28	4.65	no
Kamchatka Oblast	2.60	2.98	no	4.42	2.82	no
Koryaksky AO	9.63	13.12	no	no	11.10	no
Magadan Oblast	2.15	2.45	no	3.56	2.32	24.86
Sakhalin Oblast	4.41	5.06	no	7.79	4.86	no
Kaliningrad Oblast	8.49	9.97	no	18.75	9.85	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	no	6.74	20.45	no	4.38	no
Republic of Komi	no	8.35	43.05	no	5.25	no
Arkhangel'sk Oblast	18.57	4.49	10.55	37.99	3.02	17.44
Nenetsky AO	no	7.93	no	no	4.68	no
Vologda Oblast	45.61	5.80	15.32	no	3.84	39.70
Murmansk Oblast	15.07	3.69	8.65	26.82	2.46	13.03
S-Petersburg	no	no	no	no	39.45	no
Leningrad Oblast	no	10.43	no	no	6.35	no
Novgorod Oblast	no	9.66	no	no	5.91	no
Pskov Oblast	no	6.70	18.99	no	4.32	no
Bryansk Oblast	no	7.62	24.97	no	4.86	no
Vladimir Oblast	no	7.28	22.61	no	4.66	no
Ivanovo Oblast	14.47	4.08	9.06	21.89	2.71	13.99
Kaluga Oblast	no	7.15	22.06	no	4.56	no
Kostroma Oblast	no	7.99	29.93	no	5.03	no
City of Moscow	no	no	no	no	17.99	no
Moscow Oblast	no	10.74	no	no	6.48	no
Orel Oblast	no	6.95	21.34	no	4.42	no
Ryazan Oblast	no	9.44	no	no	5.87	no
Smolensk Oblast	14.83	4.07	9.15	23.05	2.69	14.30
Tver Oblast	no	9.33	no	no	5.77	no
Tula Oblast	no	10.41	no	no	6.36	no
Yaroslavl Oblast	no	9.41	no	no	5.81	no
Republic of Mary-El	15.63	4.20	9.51	25.11	2.77	15.47
Republic of Mordovia	no	6.31	17.17	no	4.08	no
Chuvash Republic	33.97	5.70	14.57	no	3.71	35.12

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Kirov Oblast	no	6.31	17.40	no	4.07	no
Nizhny Novgorod	no	16.42	no	no	8.97	no
Belgorod Oblast	29.16	5.21	13.24	no	3.37	29.19
Voronezh Oblast	no	9.42	no	no	5.87	no
Kursk Oblast	19.63	4.78	11.19	41.85	3.15	19.65
Lipetsk Oblast	no	8.21	32.55	no	5.16	no
Tambov Oblast	66.15	6.13	16.29	no	3.98	no
Republic of Kalmykia	no	11.06	no	no	6.67	no
Republic of Tatarstan	no	15.48	no	no	8.50	no
Astrakhan Oblast	no	11.04	no	no	6.67	no
Volgograd Oblast	no	9.82	no	no	6.02	no
Penza Oblast	27.71	5.49	13.60	no	3.57	29.93
Samara Oblast	no	19.61	no	no	9.89	no
Saratov Oblast	no	9.59	no	no	5.88	no
Ulyanovsk Oblast	no	6.23	16.64	no	4.02	no
Republic of Adygea	27.81	5.34	13.35	no	3.45	29.83
Republic of Dagestan	no	7.47	23.85	no	4.83	no
Republic of Ingushetia	no	9.95	no	no	6.24	no
Kabardino-Balkarskaya AO	19.89	4.60	10.96	54.22	3.05	20.35
Karachaevo-Cherkessia	14.58	4.05	9.05	22.36	2.73	14.77
Republic of North-Ossetia-Alania	no	10.01	no	no	6.26	no
Chechen Republic	no	9.42	59.05	no	6.03	no
Krasnodar Krai	no	21.40	no	no	10.84	no
Stavropol Krai	21.15	4.96	11.76	77.67	3.32	21.93
Rostov Oblast	no	10.30	no	no	6.40	no
Republic of Bashkortostan	no	13.08	no	no	7.42	no
Udmurt Republic	no	6.66	19.21	no	4.20	no
Kurgan Oblast	29.46	5.53	13.86	no	3.55	32.09
Orenburg Oblast	no	6.32	17.24	no	4.02	no
Perm Oblast	no	10.50	no	no	6.25	no
Komi-Permyatsky AO	no	9.22	no	no	5.63	no
Sverdlovsk Oblast	no	9.71	no	no	5.86	no
Chelyabinsk Oblast	no	9.02	65.29	no	5.54	no
Altay Republic	61.97	5.88	15.73	no	3.71	no
Altay Krai	no	6.89	20.20	no	4.35	no
Kemerovo Oblast	no	7.62	26.62	no	4.73	no
Novosibirsk Oblast	no	10.72	no	no	6.43	no
Omsk Oblast	no	7.11	21.56	no	4.48	no
Tomsk Oblast	no	7.37	24.16	no	4.59	no
Tymen Oblast	no	8.01	27.45	no	5.04	no
Khanty-Mansy AO	no	11.46	no	no	6.58	no
Yamal-Nenetsk AO	no	12.25	no	no	6.36	no
Republic of Buryatia	10.61	3.30	7.03	14.55	2.42	12.43
Republic of Tyva	no	7.96	28.84	no	5.32	no
Republic of Khakassia	21.82	4.87	11.72	no	3.43	28.92
Krasnoyarsk Krai	no	10.44	no	no	6.65	no
Taymyr AO	no	15.62	no	no	7.62	no
Evenk AO	no	10.54	no	no	6.29	no
Irkutsk Oblast	no	9.53	no	no	6.18	no
Ust-Ordynsky Buryatsky AO	no	8.02	29.87	no	5.34	no
Chita Oblast	10.99	3.40	7.26	15.16	2.49	12.89
Ahinsky Buryatsky AO	no	7.82	26.66	no	5.29	no
Republic of Sakha (Yakutia)	no	12.00	no	no	6.86	no
Jewish AO	no	8.77	43.09	no	5.83	no
Chukotka AO	no	16.03	no	no	8.04	no
Primorsky Krai	no	13.54	no	no	8.25	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Khabarovsk Krai	no	11.62	no	no	7.25	no
Amur Oblast	29.38	5.37	13.55	no	3.77	64.77
Kamchatka Oblast	11.18	3.27	7.46	19.63	2.37	15.04
Koryaksky AO	no	14.78	no	no	7.94	no
Magadan Oblast	9.07	2.67	5.30	12.82	1.98	10.79
Sakhalin Oblast	45.13	5.65	14.98	no	3.92	no
Kaliningrad Oblast	no	11.86	no	no	7.07	no

TABLE P.4-10. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A RESIDENT FOR THE THIRD VARIANT OF THE MIGRATION SUPPORT PROGRAM (YEARS).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Republic of Karelia	no	30.19	no	6.97	no	no
Republic of Komi	no	no	no	9.11	no	no
Arkhangel'sk Oblast	no	11.65	no	4.46	no	no
Nenetsky AO	no	no	no	10.77	no	no
Vologda Oblast	no	19.45	no	5.97	no	no
Murmansk Oblast	no	11.68	no	3.93	no	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	no	no	no	10.44	no	no
Novgorod Oblast	no	no	no	9.75	no	no
Pskov Oblast	no	20.91	no	6.52	no	no
Bryansk Oblast	no	27.48	no	7.36	no	no
Vladimir Oblast	no	26.71	no	7.15	no	no
Ivanovo Oblast	23.23	9.08	no	3.86	no	20.76
Kaluga Oblast	no	26.01	no	7.01	no	no
Kostroma Oblast	no	59.35	no	7.98	no	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	no	no	no	10.87	no	no
Orel Oblast	no	29.00	no	7.00	no	no
Ryazan Oblast	no	no	no	9.28	no	no
Smolensk Oblast	25.89	9.31	no	3.88	no	22.79
Tver Oblast	no	no	no	9.22	no	no
Tula Oblast	no	no	no	10.20	no	no
Yaroslavl Oblast	no	no	no	9.56	no	no
Republic of Mary-El	27.17	9.56	no	3.98	no	23.66
Republic of Mordovia	no	18.19	no	6.08	no	no
Chuvash Republic	no	15.21	no	5.47	no	no
Kirov Oblast	no	18.92	no	6.12	no	no
Nizhny Novgorod	no	no	no	16.84	no	no
Belgorod Oblast	no	15.04	no	5.16	no	no
Voronezh Oblast	no	no	no	9.30	no	no
Kursk Oblast	no	11.61	no	4.62	no	37.50
Lipetsk Oblast	no	no	no	8.23	no	no
Tambov Oblast	no	17.52	no	5.97	no	no
Republic of Kalmykia	no	no	no	10.82	no	no
Republic of Tatarstan	no	no	no	16.47	no	no
Astrakhan Oblast	no	no	no	10.99	no	no
Volgograd Oblast	no	no	no	9.74	no	no
Penza Oblast	no	14.12	no	5.31	no	no
Samara Oblast	no	no	no	21.61	no	no
Saratov Oblast	no	no	no	9.53	no	no
Ulyanovsk Oblast	no	18.24	no	6.11	no	no
Republic of Adygea	no	15.02	no	5.31	no	no
Republic of Dagestan	no	25.94	no	7.27	no	no
Republic of Ingushetia	no	no	no	9.63	no	no

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Kransoyarsk Krai
Kabardino-Balkarskaya AO	no	11.87	no	4.53	no	no
Karachaevo-Cherkessia	24.81	9.30	no	3.92	no	21.44
Republic of North-Ossetia-Alania	no	no	no	9.90	no	no
Chechen Republic	no	43.23	no	8.87	no	no
Krasnodar Krai	no	no	no	21.77	no	no
Stavropol Krai	no	12.33	no	4.84	no	53.97
Rostov Oblast	no	no	no	10.18	no	no
Republic of Bashkortostan	no	no	no	13.59	no	no
Udmurt Republic	no	23.36	no	6.63	no	no
Kurgan Oblast	no	14.83	no	5.37	no	no
Orenburg Oblast	no	18.90	no	6.16	no	no
Perm Oblast	no	no	no	10.74	no	no
Komi-Permyatsky AO	no	no	no	9.14	no	no
Sverdlovsk Oblast	no	no	no	9.98	no	no
Chelyabinsk Oblast	no	no	no	8.96	no	no
Altay Republic	no	18.64	no	5.92	no	no
Altay Krai	no	24.02	no	6.89	no	no
Kemerovo Oblast	no	no	no	7.92	no	no
Novosibirsk Oblast	no	no	no	10.88	no	no
Omsk Oblast	no	25.78	no	7.10	no	no
Tomsk Oblast	no	44.28	no	7.66	no	no
Tymen Oblast	no	31.37	no	7.86	no	no
Khanty-Mansy AO	no	no	no	23.52	no	no
Yamal-Nenetsk AO	no	no	no	30.37	no	no
Republic of Buryatia	20.51	8.37	no	3.57	33.24	14.86
Republic of Tyva	no	no	no	8.70	no	no
Republic of Khakassia	no	15.32	no	5.31	no	no
Krasnoyarsk Krai	no	no	no	11.66	no	no
Taymyr AO	no	no	no	no	no	no
Evenk AO	no	no	no	16.68	no	no
Irkutsk Oblast	no	no	no	10.38	no	no
Ust-Ordynsky Buryatsky AO	no	no	no	8.52	no	no
Chita Oblast	21.72	8.66	no	3.68	36.70	15.55
Ahinsky Buryatsky AO	no	no	no	8.37	no	no
Republic of Sakha (Yakutia)	no	no	no	22.51	no	no
Jewish AO	no	no	no	9.54	no	no
Chukotka AO	no	no	no	no	no	no
Primorsky Krai	no	no	no	15.15	no	no
Khabarovsk Krai	no	no	no	13.45	no	no
Amur Oblast	no	18.81	no	5.89	no	no
Kamchatka Oblast	no	13.01	no	4.02	no	no
Koryaksky AO	no	no	no	no	no	no
Magadan Oblast	no	9.34	no	3.27	no	57.67
Sakhalin Oblast	no	27.24	no	6.50	no	no
Kaliningrad Oblast	no	no	no	11.73	no	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	3.25	3.39	no	6.29	3.59	no
Republic of Komi	3.92	4.11	no	8.11	4.34	no
Arkhangel'sk Oblast	2.27	2.35	no	4.12	2.49	20.29
Nenetsky AO	3.72	4.07	no	10.29	4.13	no
Vologda Oblast	2.88	3.00	no	5.43	3.18	no
Murmansk Oblast	1.90	2.00	no	3.67	2.09	24.96
S-Petersburg	16.53	18.12	no	no	20.32	no
Leningrad Oblast	4.64	4.82	no	9.35	5.17	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Novgorod Oblast	4.35	4.53	no	8.79	4.84	no
Pskov Oblast	3.24	3.35	no	6.02	3.59	no
Bryansk Oblast	3.57	3.69	no	6.74	3.99	no
Vladimir Oblast	3.46	3.58	no	6.57	3.86	no
Ivanovo Oblast	2.06	2.12	no	3.68	2.30	14.55
Kaluga Oblast	3.38	3.50	no	6.45	3.78	no
Kostroma Oblast	3.73	3.87	no	7.29	4.17	no
City of Moscow	11.29	12.14	no	no	13.21	no
Moscow Oblast	4.71	4.90	no	9.71	5.28	no
Orel Oblast	3.31	3.44	no	6.45	3.70	no
Ryazan Oblast	4.28	4.43	no	8.38	4.79	no
Smolensk Oblast	2.05	2.11	no	3.70	2.29	15.24
Tver Oblast	4.21	4.36	no	8.33	4.71	no
Tula Oblast	4.59	4.75	no	9.14	5.14	no
Yaroslavl Oblast	4.28	4.45	no	8.62	4.79	no
Republic of Mary-El	2.10	2.16	no	3.79	2.35	15.69
Republic of Mordovia	3.03	3.13	no	5.64	3.39	no
Chuvash Republic	2.77	2.86	no	5.11	3.09	34.80
Kirov Oblast	3.03	3.13	no	5.68	3.38	no
Nizhny Novgorod	6.29	6.57	no	14.34	7.11	no
Belgorod Oblast	2.53	2.63	no	4.79	2.83	37.44
Voronezh Oblast	4.27	4.41	no	8.31	4.78	no
Kursk Oblast	2.37	2.45	no	4.30	2.65	19.81
Lipetsk Oblast	3.81	3.95	no	7.43	4.26	no
Tambov Oblast	2.96	3.06	no	5.49	3.31	no
Republic of Kalmykia	4.77	4.93	no	9.54	5.38	no
Republic of Tatarstan	6.02	6.30	no	13.92	6.84	no
Astrakhan Oblast	4.80	4.96	no	9.68	5.42	no
Volgograd Oblast	4.36	4.51	no	8.66	4.92	no
Penza Oblast	2.66	2.74	no	4.89	3.00	26.81
Samara Oblast	6.87	7.23	no	17.42	7.84	no
Saratov Oblast	4.27	4.42	no	8.49	4.81	no
Ulyanovsk Oblast	2.99	3.09	no	5.59	3.37	no
Republic of Adygea	2.60	2.69	no	4.90	2.94	33.48
Republic of Dagestan	3.52	3.63	no	6.53	3.89	no
Republic of Ingushetia	4.46	4.60	no	8.50	4.96	no
Kabardino-Balkarskaya AO	2.29	2.37	no	4.18	2.53	20.83
Karachaevo-Cherkessia	2.05	2.12	no	3.64	2.27	14.39
Republic of North-Ossetia-Alania	4.52	4.66	no	8.73	5.02	no
Chechen Republic	4.30	4.41	no	7.86	4.77	no
Krasnodar Krai	7.35	7.64	no	17.35	8.29	no
Stavropol Krai	2.48	2.56	no	4.44	2.74	20.94
Rostov Oblast	4.59	4.75	no	8.96	5.11	no
Republic of Bashkortostan	5.32	5.56	no	11.87	6.07	no
Udmurt Republic	3.14	3.25	no	6.11	3.57	no
Kurgan Oblast	2.66	2.75	no	5.01	3.03	32.22
Orenburg Oblast	2.99	3.09	no	5.70	3.40	no
Perm Oblast	4.55	4.74	no	9.58	5.18	no
Komi-Permyatsky AO	4.11	4.26	no	8.25	4.67	no
Sverdlovsk Oblast	4.31	4.49	no	8.96	4.91	no
Chelyabinsk Oblast	4.05	4.20	no	8.09	4.61	no
Altay Republic	2.75	2.85	no	5.37	3.17	no
Altay Krai	3.20	3.30	no	6.20	3.67	no
Kemerovo Oblast	3.49	3.63	no	7.08	4.01	no
Novosibirsk Oblast	4.61	4.78	no	9.51	5.29	no
Omsk Oblast	3.28	3.39	no	6.37	3.77	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Tomsk Oblast	3.40	3.54	no	6.86	3.91	no
Tymen Oblast	3.66	3.77	no	7.01	4.19	no
Khanty-Mansy AO	4.95	5.46	no	16.79	5.61	no
Yamal-Nenetsk AO	5.11	5.69	no	19.66	5.81	no
Republic of Buryatia	1.68	1.73	28.98	3.00	1.89	10.76
Republic of Tyva	3.73	3.87	no	7.26	4.18	no
Republic of Khakassia	2.40	2.49	no	4.47	2.69	24.84
Krasnoyarsk Krai	4.62	4.81	no	9.56	5.19	no
Taymyr AO	5.70	6.72	no	no	6.66	no
Evenk AO	4.62	4.93	no	12.93	5.23	no
Irkutsk Oblast	4.28	4.44	no	8.58	4.80	no
Ust-Ordynsky Buryatsky AO	3.69	3.82	no	7.12	4.14	no
Chita Oblast	1.73	1.78	31.92	3.09	1.95	11.18
Ahinsky Buryatsky AO	3.75	3.88	no	6.98	4.10	no
Republic of Sakha (Yakutia)	5.14	5.65	no	15.35	5.69	no
Jewish AO	4.14	4.28	no	7.91	4.53	no
Chukotka AO	6.39	7.37	no	no	6.90	no
Primorsky Krai	5.71	5.94	no	12.07	6.31	no
Khabarovsk Krai	5.11	5.35	no	10.84	5.63	no
Amur Oblast	2.71	2.81	no	4.94	2.94	38.66
Kamchatka Oblast	1.76	1.84	no	3.33	1.89	21.77
Koryaksky AO	6.08	6.89	no	43.52	6.77	no
Magadan Oblast	1.46	1.53	no	2.70	1.56	13.19
Sakhalin Oblast	2.86	2.99	no	5.43	3.11	no
Kaliningrad Oblast	5.06	5.25	no	10.40	5.68	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	17.30	4.40	8.32	25.22	2.51	15.49
Republic of Komi	35.09	5.42	11.00	no	2.99	28.75
Arkhangel'sk Oblast	9.13	3.00	5.29	11.19	1.77	8.39
Nenetsky AO	no	5.57	13.66	no	2.73	no
Vologda Oblast	13.49	3.87	7.10	17.76	2.24	12.41
Murmansk Oblast	8.56	2.57	4.63	10.86	1.47	7.29
S-Petersburg	no	51.83	no	no	10.64	no
Leningrad Oblast	no	6.39	13.17	no	3.51	46.62
Novgorod Oblast	42.59	5.99	12.19	no	3.29	34.20
Pskov Oblast	15.15	4.34	7.98	20.12	2.48	14.12
Bryansk Oblast	18.14	4.83	9.06	25.77	2.76	17.18
Vladimir Oblast	17.63	4.69	8.79	24.95	2.66	16.63
Ivanovo Oblast	7.75	2.74	4.72	9.24	1.60	7.26
Kaluga Oblast	17.24	4.60	8.60	24.27	2.60	16.22
Kostroma Oblast	22.16	5.11	9.85	39.98	2.86	20.60
City of Moscow	no	19.70	no	no	7.84	no
Moscow Oblast	no	6.56	13.77	no	3.57	no
Orel Oblast	17.82	4.53	8.57	26.12	2.54	16.61
Ryazan Oblast	30.12	5.86	11.59	no	3.28	27.72
Smolensk Oblast	7.87	2.74	4.74	9.44	1.59	7.36
Tver Oblast	30.67	5.79	11.49	no	3.22	27.94
Tula Oblast	47.16	6.32	12.86	no	3.50	39.27
Yaroslavl Oblast	36.94	5.92	11.94	no	3.26	32.29
Republic of Mary-El	8.07	2.80	4.86	9.69	1.63	7.69
Republic of Mordovia	13.70	4.09	7.43	17.70	2.35	13.16
Chuvash Republic	11.91	3.72	6.68	14.97	2.15	11.43
Kirov Oblast	13.99	4.09	7.48	18.28	2.34	13.41

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Nizhny Novgorod	no	9.03	23.63	no	4.71	no
Belgorod Oblast	11.31	3.44	6.20	14.37	1.95	10.73
Voronezh Oblast	29.06	5.84	11.50	no	3.27	27.61
Kursk Oblast	9.42	3.17	5.56	11.45	1.85	9.02
Lipetsk Oblast	22.75	5.21	10.06	42.66	2.92	21.63
Tambov Oblast	13.13	3.99	7.22	16.80	2.29	12.63
Republic of Kalmykia	no	6.61	13.58	no	3.65	no
Republic of Tatarstan	no	8.71	22.36	no	4.51	no
Astrakhan Oblast	no	6.67	13.79	no	3.67	no
Volgograd Oblast	34.26	6.03	12.05	no	3.34	33.49
Penza Oblast	11.10	3.60	6.39	13.72	2.07	10.90
Samara Oblast	no	10.18	34.59	no	5.09	no
Saratov Oblast	32.31	5.91	11.77	no	3.27	31.53
Ulyanovsk Oblast	13.50	4.06	7.37	17.36	2.32	13.26
Republic of Adygea	11.42	3.55	6.37	14.38	2.02	11.14
Republic of Dagestan	17.07	4.71	8.75	23.46	2.72	16.75
Republic of Ingushetia	29.55	6.03	11.85	no	3.44	29.17
Kabardino-Balkarskaya AO	9.29	3.04	5.37	11.40	1.78	8.98
Karachaevo-Cherkessia	7.65	2.70	4.66	9.13	1.60	7.42
Republic of North-Ossetia-Alania	33.44	6.13	12.20	no	3.47	32.75
Chechen Republic	22.64	5.73	10.88	36.08	3.34	22.62
Krasnodar Krai	no	10.59	35.59	no	5.47	no
Stavropol Krai	9.79	3.28	5.76	11.93	1.94	9.55
Rostov Oblast	38.24	6.25	12.57	no	3.52	37.13
Republic of Bashkortostan	no	7.66	17.73	no	4.01	no
Udmurt Republic	15.91	4.35	8.09	21.83	2.42	15.55
Kurgan Oblast	11.60	3.65	6.54	14.54	2.07	11.36
Orenburg Oblast	13.98	4.11	7.51	18.20	2.32	13.71
Perm Oblast	no	6.45	13.52	no	3.46	no
Komi-Permyatsky AO	29.77	5.73	11.36	no	3.15	29.01
Sverdlovsk Oblast	52.38	6.08	12.47	no	3.29	46.61
Chelyabinsk Oblast	27.86	5.65	11.12	no	3.11	27.23
Altay Republic	13.14	3.85	7.02	17.09	2.15	13.07
Altay Krai	15.95	4.45	8.24	21.61	2.50	15.99
Kemerovo Oblast	21.33	4.93	9.50	37.18	2.70	21.26
Novosibirsk Oblast	no	6.52	13.47	no	3.55	no
Omsk Oblast	16.68	4.57	8.50	22.96	2.56	16.73
Tomsk Oblast	19.92	4.79	9.17	31.76	2.64	19.85
Tymen Oblast	19.06	5.06	9.49	27.41	2.86	19.29
Khanty-Mansy AO	no	7.83	26.41	no	3.74	no
Yamal-Nenetsk AO	no	8.27	34.92	no	3.61	no
Republic of Buryatia	6.12	2.25	3.82	7.20	1.44	6.66
Republic of Tyva	21.72	5.11	9.81	37.32	3.01	24.43
Republic of Khakassia	10.15	3.25	5.78	12.59	2.00	10.99
Krasnoyarsk Krai	no	6.45	13.49	no	3.67	no
Taymyr AO	no	10.40	no	no	4.21	no
Evenk AO	no	7.02	18.62	no	3.56	no
Irkutsk Oblast	35.25	5.92	11.89	no	3.42	48.88
Ust-Ordynsky Buryatsky AO	20.54	5.04	9.61	32.44	2.99	22.96
Chita Oblast	6.32	2.31	3.94	7.45	1.48	6.88
Ahinsky Buryatsky AO	19.49	4.98	9.42	29.11	2.99	21.81
Republic of Sakha (Yakutia)	no	7.86	25.42	no	3.83	no
Jewish AO	26.02	5.54	10.83	no	3.27	30.59
Chukotka AO	no	11.13	no	no	4.53	no
Primorsky Krai	no	7.91	18.27	no	4.41	no
Khabarovsk Krai	no	7.09	15.71	no	3.96	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Amur Oblast	11.66	3.56	6.42	14.80	2.19	12.69
Kamchatka Oblast	7.09	2.32	4.18	9.79	1.43	8.44
Koryaksky AO	no	9.73	no	no	4.37	no
Magadan Oblast	5.92	1.91	3.09	7.27	1.20	6.52
Sakhalin Oblast	13.91	3.81	7.07	17.23	2.29	15.20
Kaliningrad Oblast	no	7.04	15.05	no	3.84	no

TABLE P.4-11. RESULTS OF CALCULATIONS OF ANNUAL SAVING IN THE CASE OF THE MIGRATION OF A RESIDENT FOR THE FOURTH VARIANT OF THE MIGRATION SUPPORT PROGRAM (YEARS).

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Republic of Karelia	no	22.17	no	7.19	no	no
Republic of Komi	no	no	no	no	no	no
Arkhangel'sk Oblast	no	7.52	no	3.97	no	no
Nenetsky AO	no	no	no	no	no	no
Vologda Oblast	no	17.72	no	6.34	no	no
Murmansk Oblast	no	no	no	7.63	no	no
S-Petersburg	no	no	no	no	no	no
Leningrad Oblast	no	no	no	11.43	no	no
Novgorod Oblast	no	no	no	10.36	no	no
Pskov Oblast	no	11.42	no	5.68	no	no
Bryansk Oblast	no	10.71	no	5.76	no	no
Vladimir Oblast	no	16.45	no	6.83	no	no
Ivanovo Oblast	no	6.93	no	3.66	no	no
Kaluga Oblast	no	14.32	no	6.40	no	no
Kostroma Oblast	no	no	no	10.57	no	no
City of Moscow	no	no	no	no	no	no
Moscow Oblast	no	no	no	11.98	no	no
Orel Oblast	no	15.89	no	6.56	no	no
Ryazan Oblast	no	22.45	no	8.41	no	no
Smolensk Oblast	no	7.09	no	3.68	no	no
Tver Oblast	no	25.84	no	8.62	no	no
Tula Oblast	no	23.57	no	8.81	no	no
Yaroslavl Oblast	no	no	no	11.20	no	no
Republic of Mary-El	no	5.89	no	3.38	28.96	18.39
Republic of Mordovia	no	17.25	no	6.49	no	no
Chuvash Republic	no	9.43	no	4.86	no	no
Kirov Oblast	no	12.78	no	5.80	no	no
Nizhny Novgorod	no	no	no	20.54	no	no
Belgorod Oblast	no	9.01	no	4.56	no	no
Voronezh Oblast	no	19.06	no	8.01	no	no
Kursk Oblast	no	10.61	no	4.80	no	no
Lipetsk Oblast	no	34.66	no	8.63	no	no
Tambov Oblast	no	9.64	no	5.08	no	no
Republic of Kalmykia	no	no	no	13.03	no	no
Republic of Tatarstan	no	no	no	no	no	no
Astrakhan Oblast	no	30.14	no	9.64	no	no
Volgograd Oblast	no	21.81	no	8.48	no	no
Penza Oblast	no	7.64	no	4.34	51.03	25.36
Samara Oblast	no	no	no	25.56	no	no
Saratov Oblast	no	27.89	no	8.92	no	no
Ulyanovsk Oblast	no	10.49	no	5.34	no	no
Republic of Adygea	no	13.36	no	5.53	no	no
Republic of Dagestan	no	13.30	no	6.38	no	no

	Republic of Karelia	Republic of Komi	Arkhangel'sk Oblast	Nenetsky AO	Republic of Tyva	Krasnoyarsk Krai
Republic of Ingushetia	no	34.19	no	9.51	no	no
Kabardino-Balkarskaya AO	no	11.26	no	4.80	no	no
Karachaevo-Cherkessia	no	6.38	no	3.52	no	25.97
Republic of North-Ossetia-Alania	no	27.72	no	9.18	no	no
Chechen Republic	no	9.72	no	5.92	24.22	23.42
Krasnodar Krai	no	no	no	15.91	no	no
Stavropol Krai	no	7.72	no	4.22	no	44.96
Rostov Oblast	no	20.26	no	8.47	no	no
Republic of Bashkortostan	no	no	no	29.00	no	no
Udmurt Republic	no	23.63	no	7.26	no	no
Kurgan Oblast	no	8.95	no	4.70	no	no
Orenburg Oblast	no	21.52	no	6.94	no	no
Perm Oblast	no	no	no	10.99	no	no
Komi-Permyatsky AO	no	20.61	no	8.07	no	no
Sverdlovsk Oblast	no	no	no	11.19	no	no
Chelyabinsk Oblast	no	30.76	no	8.84	no	no
Altay Republic	no	16.47	no	6.21	no	no
Altay Krai	no	17.43	no	6.87	no	no
Kemerovo Oblast	no	no	no	13.37	no	no
Novosibirsk Oblast	no	42.60	no	10.01	no	no
Omsk Oblast	no	24.12	no	7.64	no	no
Tomsk Oblast	no	no	no	9.06	no	no
Tymen Oblast	no	15.61	no	7.07	no	no
Khanty-Mansy AO	no	no	no	no	no	no
Yamal-Nenetsk AO	no	no	no	no	no	no
Republic of Buryatia	no	8.15	no	3.80	no	no
Republic of Tyva	no	no	no	10.95	no	no
Republic of Khakassia	no	11.80	no	5.23	no	no
Krasnoyarsk Krai	no	no	no	17.12	no	no
Taymyr AO	no	no	no	no	no	no
Evenk AO	no	no	no	no	no	no
Irkutsk Oblast	no	no	no	10.18	no	no
Ust-Ordynsky Buryatsky AO	no	no	no	9.23	no	no
Chita Oblast	no	6.38	no	3.42	no	23.34
Ahinsky Buryatsky AO	no	11.49	no	6.17	no	no
Republic of Sakha (Yakutia)	no	no	no	no	no	no
Jewish AO	no	no	no	10.15	no	no
Chukotka AO	no	no	no	no	no	no
Primorsky Krai	no	no	no	19.97	no	no
Khabarovsk Krai	no	no	no	no	no	no
Amur Oblast	no	39.19	no	7.29	no	no
Kamchatka Oblast	no	no	no	12.37	no	no
Koryaksky AO	no	no	no	no	no	no
Magadan Oblast	no	no	no	no	no	no
Sakhalin Oblast	no	no	no	12.09	no	no
Kaliningrad Oblast	no	no	no	11.01	no	no

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Republic of Karelia	2.66	1.95	no	3.76	2.42	21.26
Republic of Komi	4.19	2.79	no	7.14	3.69	no
Arkhangel'sk Oblast	1.76	1.33	no	2.39	1.63	7.63
Nenetsky AO	4.60	2.80	no	11.65	3.82	no
Vologda Oblast	2.39	1.76	no	3.37	2.19	17.29

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Murmansk Oblast	1.88	1.32	no	2.92	1.68	no
S-Petersburg	12.24	7.74	no	26.76	10.55	no
Leningrad Oblast	3.83	2.76	no	5.52	3.49	no
Novgorod Oblast	3.56	2.58	no	5.12	3.25	no
Pskov Oblast	2.50	1.87	no	3.39	2.31	11.76
Bryansk Oblast	2.63	1.98	no	3.55	2.46	11.01
Vladimir Oblast	2.75	2.04	no	3.85	2.56	16.79
Ivanovo Oblast	1.65	1.24	no	2.27	1.55	7.31
Kaluga Oblast	2.65	1.97	no	3.68	2.46	14.65
Kostroma Oblast	3.29	2.35	no	4.86	3.02	no
City of Moscow	13.03	7.39	no	no	10.79	no
Moscow Oblast	3.87	2.79	no	5.66	3.55	no
Orel Oblast	2.61	1.93	no	3.68	2.42	16.17
Ryazan Oblast	3.33	2.46	no	4.65	3.08	22.77
Smolensk Oblast	1.64	1.23	no	2.27	1.55	7.47
Tver Oblast	3.31	2.43	no	4.66	3.06	26.05
Tula Oblast	3.50	2.59	no	4.88	3.24	23.86
Yaroslavl Oblast	3.61	2.60	no	5.29	3.31	no
Republic of Mary-El	1.60	1.22	no	2.17	1.51	6.22
Republic of Mordovia	2.53	1.86	no	3.57	2.35	17.67
Chuvash Republic	2.15	1.62	no	2.95	2.02	9.78
Kirov Oblast	2.41	1.79	no	3.35	2.25	13.13
Nizhny Novgorod	5.18	3.66	no	7.82	4.71	no
Belgorod Oblast	1.96	1.47	no	2.72	1.83	9.21
Voronezh Oblast	3.26	2.42	no	4.51	3.03	19.11
Kursk Oblast	1.98	1.47	no	2.76	1.85	10.87
Lipetsk Oblast	3.12	2.28	no	4.46	2.88	33.24
Tambov Oblast	2.26	1.70	no	3.08	2.12	9.85
Republic of Kalmykia	4.06	2.91	no	5.95	3.75	no
Republic of Tatarstan	6.10	4.04	no	10.68	5.45	no
Astrakhan Oblast	3.68	2.71	no	5.19	3.43	29.48
Volgograd Oblast	3.34	2.47	no	4.68	3.12	21.63
Penza Oblast	2.00	1.52	no	2.71	1.90	7.82
Samara Oblast	5.51	3.88	no	8.51	5.02	no
Saratov Oblast	3.36	2.47	no	4.76	3.13	27.26
Ulyanovsk Oblast	2.31	1.73	no	3.18	2.18	10.65
Republic of Adygea	2.15	1.59	no	3.07	2.03	13.45
Republic of Dagestan	2.71	2.03	no	3.69	2.51	13.30
Republic of Ingushetia	3.59	2.63	no	5.00	3.30	32.64
Kabardino-Balkarskaya AO	1.91	1.41	no	2.67	1.76	11.27
Karachaevo-Cherkessia	1.61	1.22	no	2.17	1.50	6.53
Republic of North-Ossetia-Alania	3.54	2.61	no	4.92	3.26	26.88
Chechen Republic	2.94	2.26	no	3.81	2.75	9.82
Krasnodar Krai	5.33	3.88	no	7.58	4.88	no
Stavropol Krai	1.92	1.45	no	2.58	1.78	7.84
Rostov Oblast	3.46	2.57	no	4.74	3.19	19.99
Republic of Bashkortostan	4.85	3.36	no	7.80	4.44	no
Udmurt Republic	2.63	1.92	no	3.83	2.48	23.68
Kurgan Oblast	2.05	1.55	no	2.87	1.96	9.25
Orenburg Oblast	2.54	1.86	no	3.69	2.40	21.77
Perm Oblast	3.66	2.66	no	5.39	3.41	no
Komi-Permyatsky AO	3.16	2.34	no	4.49	2.98	20.77
Sverdlovsk Oblast	3.58	2.58	no	5.32	3.33	no
Chelyabinsk Oblast	3.25	2.38	no	4.68	3.05	30.62

	Taymyr AO	Evenk AO	Irkutsk Oblast	Republic of Sakha (Yakutia)	Chukotka AO	Khabarovsk Krai
Altay Republic	2.27	1.67	no	3.33	2.18	16.10
Altay Krai	2.59	1.92	no	3.74	2.48	17.11
Kemerovo Oblast	3.27	2.30	no	5.14	3.06	no
Novosibirsk Oblast	3.60	2.64	no	5.19	3.40	37.90
Omsk Oblast	2.74	2.01	no	3.99	2.60	23.18
Tomsk Oblast	2.90	2.10	no	4.35	2.74	no
Tymen Oblast	2.85	2.13	no	4.01	2.72	15.50
Khanty-Mansy AO	no	no	no	no	no	no
Yamal-Nenetsk AO	no	no	no	no	no	no
Republic of Buryatia	1.42	1.06	no	1.99	1.34	7.23
Republic of Tyva	3.24	2.33	no	4.74	2.98	no
Republic of Khakassia	1.95	1.45	no	2.74	1.83	10.44
Krasnoyarsk Krai	4.08	2.88	no	6.17	3.72	no
Taymyr AO	no	18.50	no	no	no	no
Evenk AO	no	no	no	no	no	no
Irkutsk Oblast	3.42	2.50	no	4.88	3.16	39.97
Ust-Ordynsky Buryatsky AO	3.07	2.24	no	4.39	2.84	33.31
Chita Oblast	1.38	1.04	no	1.90	1.31	5.77
Ahinsky Buryatsky AO	2.69	2.04	no	3.54	2.47	10.51
Republic of Sakha (Yakutia)	24.23	6.35	no	no	12.11	no
Jewish AO	3.40	2.48	no	4.76	3.07	55.05
Chukotka AO	no	no	no	no	no	no
Primorsky Krai	4.83	3.41	no	7.12	4.32	no
Khabarovsk Krai	5.74	3.71	no	10.28	4.96	no
Amur Oblast	2.38	1.72	no	3.35	2.14	24.58
Kamchatka Oblast	1.87	1.28	no	2.99	1.62	no
Koryaksky AO	no	no	no	no	no	no
Magadan Oblast	2.23	1.35	no	4.74	1.84	no
Sakhalin Oblast	2.76	1.93	no	4.16	2.44	no
Kaliningrad Oblast	3.96	2.89	no	5.64	3.65	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal-Nenetsk AO	Murmansk Oblast
Republic of Karelia	19.16	2.12	6.86	no	0.99	no
Republic of Komi	no	3.09	no	no	1.26	no
Arkhangel'sk Oblast	7.32	1.44	3.92	13.43	0.70	9.20
Nenetsky AO	no	3.12	no	no	1.10	no
Vologda Oblast	15.86	1.91	6.10	no	0.90	35.38
Murmansk Oblast	no	1.44	6.79	no	0.62	no
S-Petersburg	no	8.66	no	no	3.37	no
Leningrad Oblast	no	3.02	11.04	no	1.37	no
Novgorod Oblast	no	2.82	9.99	no	1.28	no
Pskov Oblast	11.22	2.03	5.69	25.12	0.97	15.23
Bryansk Oblast	10.58	2.17	5.78	19.42	1.06	13.75
Vladimir Oblast	15.69	2.24	6.78	no	1.05	27.97
Ivanovo Oblast	7.01	1.37	3.75	12.86	0.65	8.99
Kaluga Oblast	13.80	2.16	6.36	no	1.02	21.54
Kostroma Oblast	no	2.60	10.18	no	1.16	no
City of Moscow	no	8.48	no	no	2.93	no
Moscow Oblast	no	3.08	11.48	no	1.39	no
Orel Oblast	15.07	2.12	6.46	no	0.99	26.46
Ryazan Oblast	20.89	2.70	8.30	no	1.27	no
Smolensk Oblast	7.16	1.36	3.77	13.55	0.65	9.26
Tver Oblast	23.36	2.67	8.47	no	1.25	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Tula Oblast	21.85	2.84	8.69	no	1.34	no
Yaroslavl Oblast	no	2.87	10.77	no	1.29	no
Republic of Mary-El	6.01	1.34	3.46	9.64	0.65	7.39
Republic of Mordovia	16.30	2.05	6.47	no	0.95	39.54
Chuvash Republic	9.36	1.78	4.90	18.48	0.85	12.62
Kirov Oblast	12.41	1.97	5.79	54.24	0.93	19.16
Nizhny Novgorod	no	4.05	18.93	no	1.79	no
Belgorod Oblast	8.79	1.62	4.51	17.98	0.77	11.90
Voronezh Oblast	17.87	2.65	7.87	no	1.26	34.15
Kursk Oblast	10.28	1.62	4.80	31.16	0.76	15.55
Lipetsk Oblast	27.89	2.51	8.37	no	1.15	no
Tambov Oblast	9.45	1.87	5.06	17.76	0.90	12.53
Republic of Kalmykia	no	3.23	12.50	no	1.45	no
Republic of Tatarstan	no	4.55	no	no	1.82	no
Astrakhan Oblast	26.21	3.00	9.39	no	1.40	no
Volgograd Oblast	19.99	2.73	8.27	no	1.28	no
Penza Oblast	7.56	1.68	4.34	12.32	0.81	9.63
Samara Oblast	no	4.31	21.95	no	1.88	no
Saratov Oblast	24.32	2.73	8.67	no	1.27	no
Ulyanovsk Oblast	10.19	1.92	5.30	20.73	0.91	14.20
Republic of Adygea	12.59	1.77	5.43	no	0.82	22.39
Republic of Dagestan	12.65	2.21	6.26	33.63	1.07	18.84
Republic of Ingushetia	28.24	2.88	9.27	no	1.35	no
Kabardino-Balkarskaya AO	10.59	1.54	4.69	74.65	0.72	17.37
Karachaevo-Cherkessia	6.29	1.32	3.51	10.63	0.65	8.06
Republic of North-Ossetia-Alania	24.20	2.85	8.93	no	1.35	no
Chechen Republic	9.55	2.45	5.91	14.14	1.25	11.73
Krasnodar Krai	no	4.23	15.10	no	1.97	no
Stavropol Krai	7.55	1.58	4.19	13.03	0.77	9.82
Rostov Oblast	18.69	2.80	8.26	no	1.34	38.57
Republic of Bashkortostan	no	3.77	23.95	no	1.59	no
Udmurt Republic	21.05	2.16	7.12	no	0.97	no
Kurgan Oblast	8.87	1.73	4.73	16.73	0.82	12.01
Orenburg Oblast	19.58	2.09	6.86	no	0.95	no
Perm Oblast	no	2.97	10.53	no	1.33	no
Komi-Permyatsky AO	19.20	2.61	7.93	no	1.21	64.50
Sverdlovsk Oblast	no	2.89	10.69	no	1.29	no
Chelyabinsk Oblast	26.54	2.66	8.65	no	1.22	no
Altay Republic	14.88	1.90	5.98	no	0.86	35.52
Altay Krai	15.91	2.16	6.66	no	1.00	35.83
Kemerovo Oblast	no	2.62	12.10	no	1.12	no
Novosibirsk Oblast	31.35	2.96	9.60	no	1.36	no
Omsk Oblast	20.83	2.27	7.37	no	1.03	no
Tomsk Oblast	no	2.38	8.54	no	1.06	no
Tymen Oblast	14.66	2.39	6.93	no	1.12	24.64
Khanty-Mansy AO	no	no	no	no	2.69	no
Yamal-Nenetsk AO	no	no	no	no	no	no
Republic of Buryatia	6.89	1.18	3.40	15.01	0.60	11.34
Republic of Tyva	no	2.58	9.61	no	1.21	no
Republic of Khakassia	9.89	1.60	4.70	26.68	0.80	17.21
Krasnoyarsk Krai	no	3.19	14.29	no	1.46	no
Taymyr AO	no	no	no	no	2.07	no
Evenk AO	no	no	no	no	2.67	no
Irkutsk Oblast	31.89	2.75	9.11	no	1.32	no

	Kamchatka Oblast	Koryaksky AO	Magadan Oblast	Sakhalin Oblast	Yamal- Nenetsk AO	Murmansk Oblast
Ust-Ordynsky Buryatsky AO	27.88	2.47	8.28	no	1.19	no
Chita Oblast	5.56	1.16	3.09	9.45	0.60	8.08
Ahinsky Buryatsky AO	10.13	2.18	5.69	17.47	1.13	14.50
Republic of Sakha (Yakutia)	no	7.67	no	no	1.78	no
Jewish AO	36.42	2.67	9.06	no	1.29	no
Chukotka AO	no	no	no	no	2.44	no
Primorsky Krai	no	3.71	16.67	no	1.70	no
Khabarovsk Krai	no	4.10	no	no	1.67	no
Amur Oblast	21.25	1.86	6.39	no	0.90	no
Kamchatka Oblast	no	1.38	8.46	no	0.62	no
Koryaksky AO	no	no	no	no	2.70	no
Magadan Oblast	no	1.49	no	no	0.58	no
Sakhalin Oblast	no	2.09	9.76	no	0.96	no
Kaliningrad Oblast	no	3.18	10.73	no	1.47	no