
The Challenges of Russia's Demographic Crisis



Anatoly Vishnevsky

June 2009

Ifri is a research center and a forum for debate on major international political and economic issues. Headed by Thierry de Montbrial since its founding in 1979, Ifri is a non-governmental and a non-profit organization.

As an independent think tank, Ifri sets its own research agenda, publishing its findings regularly for a global audience.

With offices in Paris and Brussels, Ifri stands out as one of the rare French think tanks to have positioned itself at the very heart of European debate.

Using an interdisciplinary approach, Ifri brings together political and economic decision-makers, researchers and internationally renowned experts to animate its debates and research activities.

The opinions expressed in this article are the authors' alone and do not reflect the official views of their institutions.

Russia/NIS Center

© All rights reserved – Ifri – Paris, 2009

ISBN: 978-2-86592-550-6

IFRI

27 RUE DE LA PROCESSION
75740 PARIS CEDEX 15 – FRANCE
TEL. : 33 (0)1 40 61 60 00
FAX : 33 (0)1 40 61 60 60
E-MAIL : ifri@ifri.org

IFRI-Bruxelles

RUE MARIE-THERESE, 21
1000 BRUXELLES
TEL. : 32(2) 238 51 10
FAX : 32 (2) 238 51 15
E-MAIL : info.eurifri@ifri.org

WEBSITE • www.ifri.org

Russie.Nei.Visions

Russie.Nei.Visions is an electronic collection dedicated to Russia and the other new independent states (Belarus, Ukraine, Moldova, Armenia, Georgia, Azerbaijan, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan). Written by leading experts, these policy-oriented papers deal with strategic, political, and economic issues.

This collection upholds Ifri's quality standards (editing and anonymous peer-review).

If you wish to be notified of upcoming publications, please send an e-mail to: info.russie.nei@ifri.org

Previous issues

– Aurel Braun, "NATO and Russia: Post-Georgia Threat Perceptions," *Russie.Nei.Visions*, No. 40, May 2009;

– Thomas Gomart, "Obama and Russia: Facing the Heritage of the Bush Years," *Russie.Nei.Visions*, No. 39, April 2009;

– Stephen Blank, "Russia in Latin America: Geopolitical Games in the US's Neighborhood," *Russie.Nei.Visions*, No. 38, April 2009.

Author

Anatoly Georgevich Vichnevsky is Director of the Demographics Institute at the State University—Higher School of Economics (SU—HSE) in Moscow and the Editor-in-Chief of the weekly online publication “Demoscope Weekly,” which has been appearing since 2001.

Having graduated from Kharkov University in 1958, he began working in the area of demography in the 1960s. In the 1990s, he taught at several French universities as a visiting professor, including at Paris’s Institute of Political Studies from 1995-2000. He is the author of more than 340 scientific publications. His most noteworthy books are *Demographicheskaya Revolutsia* [A Demographic Revolution], 1976; *Vosproizvodstvo naseleniya i obshchestvo* [The Reproduction of Population and Society], 1982; *Serp I rubl* [Sickle and Ruble], 1998; Vichnevski (ed.), *Demographicheskaya modernizatsiya Rossii: 1900-2000* [The Demographic Modernization of Russia: 1900-2000], 2006.

Vichnevski is the editor responsible for the annual demographic reports published since 1993, “Naseleniye Rossii” [Russia’s Population]. He recently co-authored “Rossiya pered litsom demographicheskikh vyzovov” [Russia in the Face of Demographic Challenges], a report by the United Nations Development Program (UNDP) on the development of human potential in the Russian Federation up to 2008.

Contents

SUMMARY	4
INTRODUCTION.....	5
DECREASE IN BIRTH RATE	7
HIGH DEATH RATE	11
THREE STAGES OF DEPOPULATION	16
MIGRATION	21
CONCLUSION	25

Summary

Russia is facing demographic challenges that are common to all developed countries, but significantly aggravated by a range of historic circumstances that have become highly unfavorable over the course of many demographic processes. Among the main challenges are the very high death rate, very low birth rate and, as a result, the continued negative natural growth and overall population decline in the country. Now, these challenges are exacerbated by new ones, connected with a worsening age balance, the decrease in working-age population and the growth of demographic threats, especially as a consequence of an ageing population.

Even if an active and effective demographic and migration policy were to be implemented in Russia, it would be impossible to reach the fundamental turning point in the demographic situation—stabilization and growth in Russia's population—in the near future. For this reason, a sound policy should involve striving for change in areas that can, in principle, be changed (decrease in death rate, some growth in fertility rate, attraction and integration of a reasonable number of migrants), and, at the same time, adapting economic and social institutions to those elements of the new demographic reality that cannot be changed (decrease in population, ageing population, etc.).

Introduction

Russia's demographic situation is largely defined by trends in three main demographic processes: fertility rate, mortality rate and migration. These trends are not currently favorable, and the overall demographic conditions in the country are frequently characterized as critical. The most evident aspects of the "demographic crisis" include the extremely low birth rate, high death rate, negative natural increase and ensuing long-term decrease in the country's population (depopulation), ageing of population and the outflow of population from Russia's eastern regions.

Although all of these negative aspects of the current situation are undoubtedly true, the factors determining the general trends in each of the three processes—birth rate, death rate and migration—are different in nature and have different driving forces. Associating these trends with the term "demographic crisis" only makes it harder to analyze them and does nothing to help us understand events.

If, indeed, the demographic crisis is taken to be contextual with the general crisis of the first post-Soviet decade, then it is reasonable to expect that when this crisis is over, the demographic crisis will also abate. This kind of theory warrants significant political effort directed towards achieving and accelerating this positive turn, and towards returning the country to an earlier situation when reproduction was widespread and ensured the growth of the population as well as its relatively young age structure. Hopes for this kind of turnaround still occasionally resound in statements by high-ranking officials,¹ despite the fact that the official position, as stated for instance in "Concept of Demographic Policy of the Russian Federation for the period until 2025,"² gives no grounds for this. It assumes a growth in life expectancy to 75 years by 2025 and a coefficient of total birth rate of up to 1.9-2 children per woman, but not even the combination of these factors can ensure even simple reproduction of the population.

However, if we acknowledge that under the current demographic trends, a lasting evolutionary component will prevail and that the issue is one of typical and irreversible historical changes, the reaction from society will have to be somewhat different. Utopian goals have to be categorically rejected. We have to adapt to an irreversibly changed situation, shape our

Translated from Russian by Jennifer Northup.

¹ The Russian Minister for Health and Social Development, Mikhail Zurabov, at the Global Social Security Forum session of the International Social Security Association General Assembly in September 2007: "We have to eliminate natural population shrinkage by 2014-2015, and this is an absolute priority." This theme was repeated in 2008 at a meeting held by President Vladimir Putin with Zubarov's successor as Minister, Tatiana Golikova: "By 2012, the death rate will equal birth rate, stopping population shrinkage."

² "Concept for a demographic policy for the Russian Federation for the period up to 2025," sanctioned by presidential decree of 9 October 2007, No. 1351.

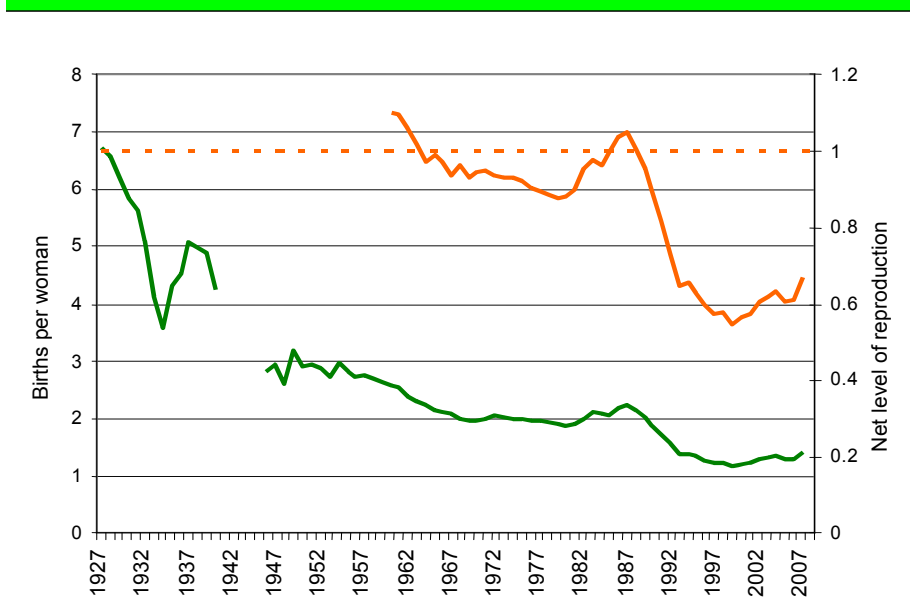
social institutions around it and rethink political approaches that were developed under totally different conditions. This being said, it is necessary to visualize clearly the specific character of each of the basic demographic processes and the perspectives for their evolution.

Decrease in Birth Rate

Among the reputedly negative demographic trends, the declining birth rate generally attracts the most public attention. The sharp drop in birth rate that took place during the 1990s is widely understood to be primarily a consequence of the economic and social crisis of the "transition period." Accordingly, society has harbored and still harbors hopes that as soon as the crisis is over, the birth rate will begin to increase (some already see real signs of this growth). Unfortunately, the matter is clearly becoming more complicated.

The birth rate in Russia has dropped throughout the 20th Century, particularly from the end of the 1920s, when the country entered a period of rapid industrial development and urbanization (fig. 1). In the mid-1960s, the coefficient of total birth rate (the number of births per woman) declined so much that for the first time it reached a level that simply ensured population renewal (dashed line in fig. 1), and it continued to fall. In the 1990s, this trend intensified, and in 1999 the index reached its low-point. From 2000 slight growth began, but the index has still not risen out of the "very low birth rate" zone—less than 1.5 births per woman. Thus, the current reproduction level is at roughly two thirds.

Figure 1. Coefficient of total births (1927-2007, left-hand scale) and net coefficient of Russia's population reproduction (1960-2007, right scale).

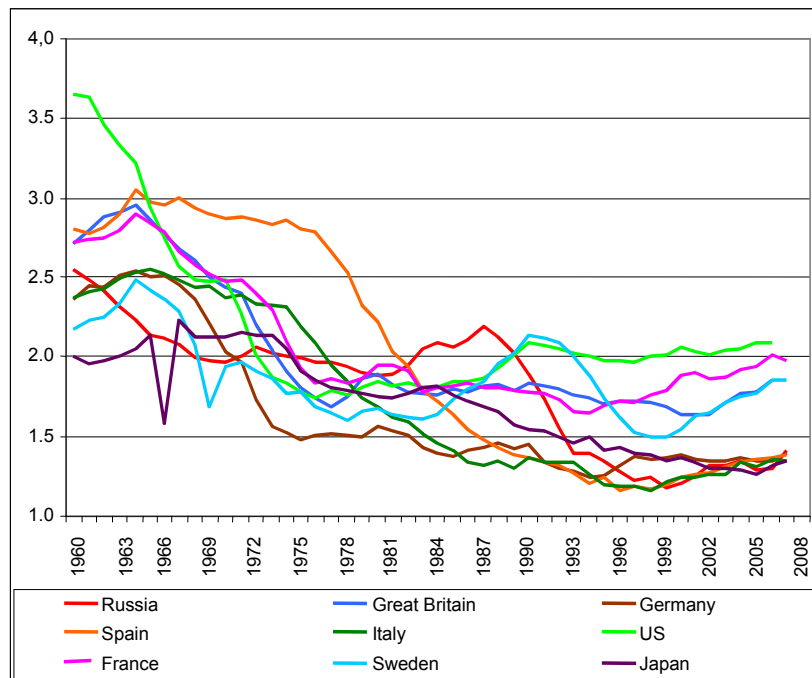


Sources: E.M. Andreev, L.E. Darsky, T.L. Kharkova, *Demograficheskaya istoriya Rossii: 1927-1959* [A Demographic History of Russia: 1927-1959], Moscow, Informatika, 1998, p. 164-165; *Demograficheskii ezhegodnik Rossii 2000* [Demographic Yearbook of Russia

2000], Moscow, Goskomstat Rossii, 2000, p. 94, 116; *Demograficheskiy ezhegodnik Rossii 2000* [Demographic Yearbook of Russia 2008], Moscow, Rosstat, 2008, p. 95, 111.

That said, there are no grounds to interpret the transition to a very low birth rate in Russia as a manifestation of a general crisis in Russian society at the end of the 20th Century. Judging by both the quantitative variable of birth rates and the procreative behavior of the people, upon which this is based, Russia has gone and is going the way of all economically-developed nations: the majority of which have a low, and in recent years very low, birth rate (fig. 2). For this reason, even if the low birth rate is viewed as a critical phenomenon, its prevalence in all industrialized, urbanized societies means that we cannot attribute it to a specifically-Russian crisis. Rather, the issue should be one of a general crisis in modern urban civilization, the reasons for which cannot be identified and eliminated in a single country.

Figure 2. Coefficient of total births in Russia and other industrialized nations in 1960-2007.



Source: *Demoscope Weekly*, <<http://demoscope.ru/weekly/app/app4007.php>>.

The low birth rate and subsequent slowing or cessation of growth, if not the depopulation of developed countries, against the background of rapid growth in the population of the developing world could be extremely disadvantageous for them. Accordingly, in many countries, high hopes have been pinned to demographic policy measures that may stimulate higher birth rates.

Similar hopes also exist in Russia, where pro-natal measures are taken periodically. These are linked to expectations that the birth rate will increase in a more or less distant future. The most recent steps in this direction have been taken with the introduction of new, or reinforcement of old, pro-natal policy measures since early 2007.

Particular attention has been paid to the federal subsidies for multiple-child families—a sum equal to about 10,000 US dollars (index-linked) that is given in the form of a special certificate after the birth or adoption of a second child and each child thereafter. A parent may command this subsidy once the child reaches its third birthday, or three years after adoption. The subsidy may only be spent on obtaining accommodation, paying for children's education or building up the mother's retirement pension.³ In addition, benefits for taking care of children until they reach 18 months have been increased and the number of people qualifying for these benefits extended, the conditions under which women receive benefits for pregnancy and birth have been improved somewhat, pay for prenatal and maternity services has been increased and pay compensation introduced for pre-school facilities, etc. It follows that the government's pro-natal measures will continue to accumulate, connected to hopes for an increased birth rate.

However, demographic experts are very cautious. Both the economy and politics can affect *current* birth rates and change their "calendar"—the so-called "rate of building a family." I.e. the age at which different generations of mothers give birth to children, the intervals between subsequent children, and therefore also the birth rate recorded in different calendar years. However, such changes have only a minor impact on the *overall* birth rate of female generations. The birth rate among actual female generations (cohort birth rate) changes smoothly on an evolutionary basis. It is not effected by sharp fluctuations which can register on the "transversal" fertility indices in calendar years, which are sensitive to the economy and usually hold the attention of lay observers.

Playing with the birth rate "calendar," may be unsuccessful and sometimes even dangerous due to the demographic waves it can make. This was the situation in the 1980s, when a short-term increase in the "transverse" coefficient of the total birth rate, stimulated by demographic policy measures, superimposed on a growth in the number of women of reproductive age (a consequence of the high birth rate in the 1950s) led to a significant increase in the number of births and, at the same time, paved the way for a sudden drop in the 1990s.

Evaluating the prospects of the total birth rate among the generation influenced by the current cycle of demographic policies, experts note that even when events develop favorably (and the unfolding economic crisis is a long way from facilitating this), it is only women born in the 1990s and later who will be able to fully respond to the pro-natal policy measures. For these women, even if they were able to make use of the incentives and give birth to more children per woman than their predecessors, their absolute contribution in the overall number of births could not be that large, because this generation itself is inconsiderable in number. Correspondingly, the

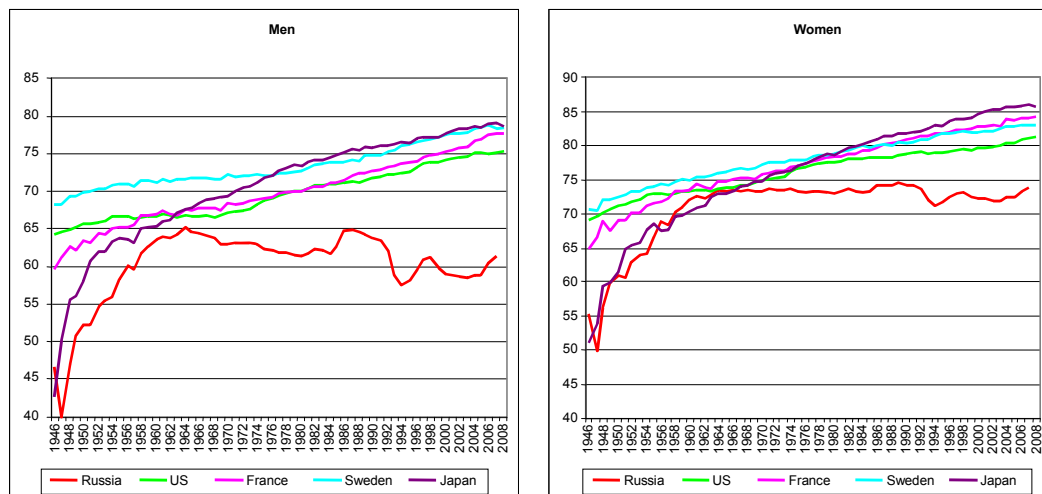
³ With the growing financial crisis, the State Duma passed a law allowing families who had signed mortgage documents to purchase accommodation to start using the federal subsidies for multiple-child families (upon clearing their principal debt or paying interest on loans) from 1 January 2009, regardless of the time period between the birth or adoption of the second and subsequent children.

growth in birth rate (if any) will be insufficient to counter the overall trend towards depopulation.

High Death Rate

The second main component of the unfavorable demographic situation in Russia is the exceedingly high death rate, which. Russia's death rate has always been higher than that in the majority of economically-developed countries, as well as many Eastern European states and even many former Soviet republics. In post-war years, the death rate in Russia dropped considerably, thanks in part to the introduction of antibiotics. In terms of both death rate and life expectancy, this brought Russia within a stone's throw of advanced countries of the day. Unfortunately, hardly any overall reduction in death rate has been noted in Russia for over four decades. This entire period, starting in the mid-1960s to the present day, has been one of stagnation for Russia, particularly noticeable against the backdrop of the successes in Western Europe, North America and Japan (fig. 3).

Figure 3. Life expectancy at birth in Russia, France, Sweden, the USA and Japan, 1946-2008.



Source: *Demoscope Weekly*, <<http://demoscope.ru/weekly/app/app40e0.php>>.

International comparisons highlight a protracted crisis in Russia's health care system. In the 1970s, life expectancy in Russia dropped, in particular among men. In 1979-1980, it reached a low point: 61.5 years for men and 73 years for women. In the 1980s the first signs of improvement appeared. A slow increase in life expectancy was identified, and was noticeably strengthened and reinforced between 1985-1987, particularly as a result of an anti-alcohol campaign. However, a renewed decline began as early as 1988, lasting 7 years and reaching its lowest point in 1993-1994. In 1995 a new turnaround began. In early 1998, life expectancy for men increased markedly, but then began to drop again. Since 2003 a positive trend has been recorded, but it is hard to judge how long this will last;

meanwhile, Russia continues to lag far behind the majority of developed countries, particularly in terms of life expectancy for men. In many cases this lag is greater than it was at the start of the 20th Century (table 1).

Table 1. The gap between Russia and the USA, France, Sweden and Japan in terms of life expectancy at birth (in years) in 1900, 1965 and 2007.

Year	Men				Women			
	USA	France	Sweden	Japan	USA	France	Sweden	Japan
1900	15.92	12.68	20.27	14.53	16.15	14.10	20.80	13.10
1965	2.21	2.89	7.15	3.10	0.53	1.41	2.78	-0.47
2007	13.76	16.17	17.00	17.80	7.07	10.22	9.10	12.09

Failure to care for the health and lives of Russians and the growing detachment from global achievements resulted in huge demographic losses. It has been calculated, for instance, that if the age-specific death rates in Russia had changed between 1966 and 2000 at the same rate as they had in EU countries, the USA and Japan in the period between 1961 and 1966, and birth rate and migration remained as they were, then the overall number of deaths between 1966-2000 would have been 14.2 million fewer than actually occurred, of which almost 10 million were people between the ages of 15 and 65 and of those around 8 million were men.⁴

Successes in tackling death rate in the 20th Century in all industrially-developed countries including Russia have arisen as a consequence of the so-called "epidemiological transition": deaths from infectious diseases, which afflicted people of all ages and especially children, were superceded by chronic illnesses like cardiovascular diseases or cancers as the main cause of death.

Experience around the world shows that the epidemiological transition has two stages. In the first of these, success is achieved thanks to "paternalistic" strategies based on widespread preventive measures that do not require significant activity by the population itself (mass vaccinations, sanitation etc.). It is primarily thanks to this kind of strategy that success was achieved in the USSR: in the early 1960s, the Soviet Union was among the "top-30" countries with the lowest death rate.

However, by the mid-1960s the potential for this strategy in developed countries had been exhausted. They moved on to the second stage of the transition, when it became necessary to develop a new plan of action, involving preventive measures to combat non-infectious diseases, particularly cardiovascular diseases and cancer, as well as accidents and violence. This strategy demanded both a more active and conscious attitude by each individual towards his or her health and a much greater spending on healthcare provision, which, in turn, promoted its social value.

The majority of developed countries succeeded in both formulating and implementing this kind of strategy within a relatively short period. The USSR, however, was unable to respond to the new demands of the time,

⁴ A.G. Vichnevski (ed.), *Demographicheskaya modernizatsiya Rossii: 1900-2000* [Demographic Modernisation of Russia 1900-2000], Moscow, Novoye Izdatelstvo, 2006, p. 445.

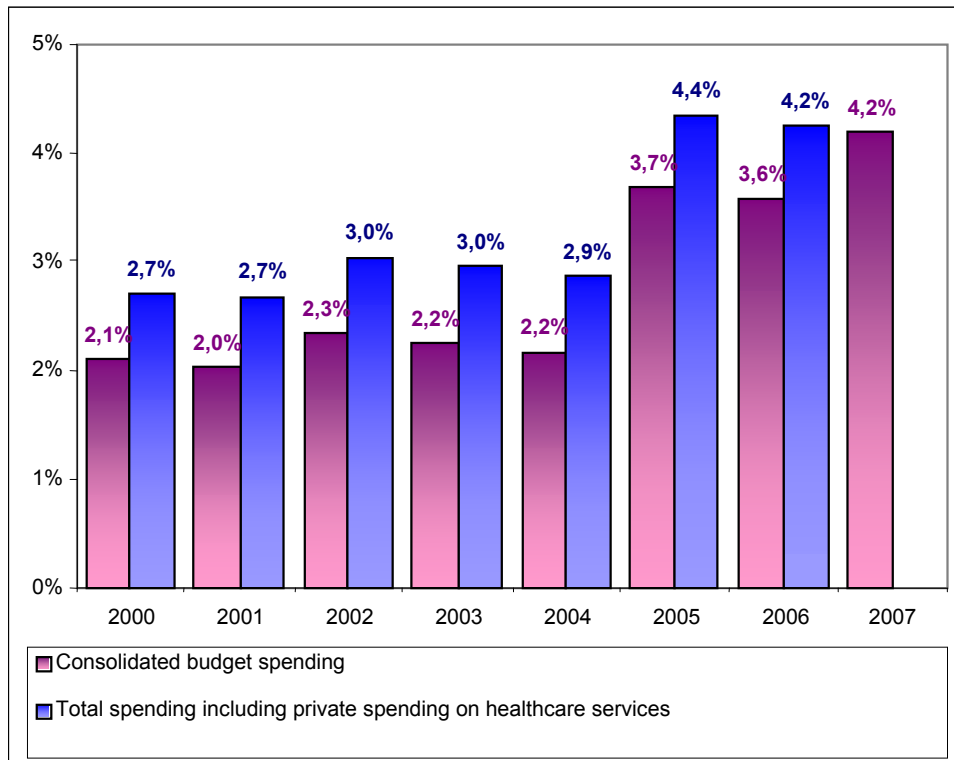
and failed to establish mechanisms to implement the new strategy. Russian society did not set up favorable mechanisms for implementing the new strategy, neither under the USSR nor in the post-Soviet period. The entire health care system—from its formation in Soviet times to its post-Soviet reform—is ineffective, under-resourced, and occupies too low a position on the scale of social and state priorities for it to have any significant influence on lowering the death rate. Unfortunately, the economic and political situation in Russia does not allow us to expect such a revolutionary change in the health care system in the near future.

The task of lowering the death rate in Russia is significantly hindered by the limitations on resources channeled into healthcare. The success of countries in which the death rate has fallen rapidly in recent years and life expectancy has risen is based on a considerable increase in both state and private spending on health. On average, in rich European countries this outlay makes up 8-10 percent of GDP. For example, in the USA, the proportion of GDP spent on health care rose from 5 percent in 1960 to 15.3 percent in 2004.⁵ In Western Europe, the US and Japan health care spending per head rose quickly in absolute terms. The greater the increase, the lower the initial level—in Sweden, Denmark and the Netherlands from 1970 it was nine or ten-fold, while in Portugal per capita spending rose 40 times.

Russia, however, did not experience such an increase. In 2006, state spending on healthcare and physical education in Russia was 3.6 percent of GDP—the same level as in the USA in 1980; however, US private spending was a further 5.2 percent of GDP, meaning that overall spending on health care reached 8.8 percent. In Russia, official figures show, private spending on medical and sanitary services in 2006 was equal to only 0.7 percent of the country's GDP, making overall spending 4.2 percent of GDP. Since 2004, spending on health care as a share of GDP in Russia has been increasing gradually (fig. 4).

⁵ *Statistical Abstract of the United States 1996*, Washington, 1996, p. 111; *Statistical Abstract of the United States 2008*, Table 1311.

Figure 4. Spending on health care in Russia as a share of GDP.



Source: *Zdravookhranenie v Rossii 2005. Statisticheski Sbornik* [Health Care in Russia 2005. Statistics Digest], Moscow, Rosstat, 2006; *Zdravookhranenie v Rossii 2007. Statisticheski Sbornik* [Health Care in Russia 2007. Statistics Digest], Moscow, Rosstat, 2007.

Nevertheless, absolute spending on healthcare is still low in comparison to other developed countries: 561 US dollars in purchasing power parity according to the World Health Organization in 2005. This is, for instance, the same level as European countries in the mid-1970s, which now spend 4-6 times more, per person, on healthcare.

Insufficient spending on healthcare is important, but it is not the only reason for the high death rate in Russia. The increase in life expectancy for Russians is hindered by the generally unfavorable socio-economic situation, the traditionally low place that the values of a long and healthy life occupy in the priorities of Russian society and the lack of an adequate strategy for combating premature mortality. The country has not yet made the change from the concept of passive understanding, on the part of the population, of the state paternalism to the concept of interested individual activity by the people themselves. I.e. taking steps targeted at improving health in their living environments in all walks of life, eradicating harmful habits, introducing beneficial practices, etc. The excessive consumption of alcohol continues to play a destructive role. It bears significant responsibility for the most odious features of Russian mortality: a high rate of premature death among adults, especially males, from disorders of the circulatory system and unprecedented high mortality from “external causes”—suicide, murder or traffic accidents, etc.

No country has succeeded in increasing its birth rate, and Russia is no different in this respect from all other developed countries. However, death rates are falling and life expectancy is increasing in many countries. Russia, however, stands apart, and has lost ground not only to developed nations but also to many developing countries where life expectancy is concerned. The prognosis also remains very poor. The official population policy strategy adopted in 2007 set the challenge of achieving a life expectancy of 75 years for both men and women by 2025, many experts have expressed doubt that this goal will be reached. Meanwhile, there are dozens of countries around the world in which this level has long been achieved. In 2007, in more than 20 countries the life expectancy for men alone exceeded 75 years (in Russia—61.4 years). According to the UN's 2006 forecast, life expectancy for both sexes will exceed 80 years by 2020-2022 in 40 countries.

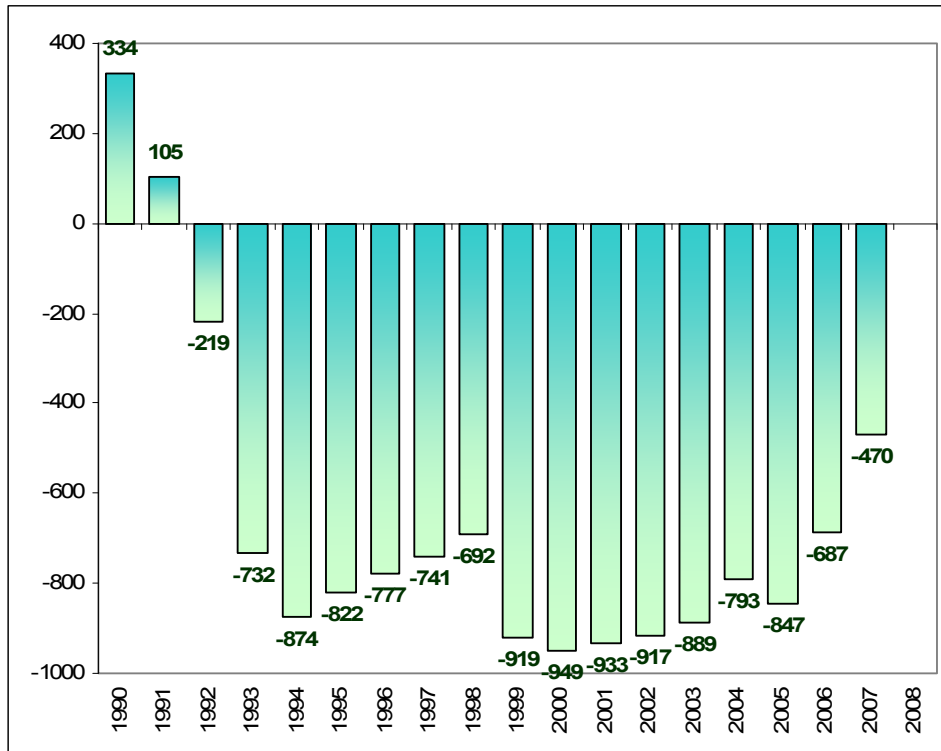
Three Stages of Depopulation

Even by the mid 1960s, the result of a long-term fall in the birth rate was, as shown in fig. 1, that simple replacement of generations was no longer ensured and the net coefficient of population reproduction dropped below one. This could be viewed as the start of the first phase in Russia's demographic crisis. For a long time, depopulation can develop in a latent form even while natural population increase is maintained. This increase continues because of momentum alone, by virtue of the existence of potential for demographic growth due to the population's age structure. When this potential ends, the increase is gradually exhausted and if the current fertility rate cannot ensure replacement of the population over a sufficient period, population shrinkage becomes inevitable.

This is exactly what happened in 1992, when the absolute number of births in Russia fell short of the number of deaths, and consequently natural population growth gave way to shrinkage. The country entered the second phase of the demographic crisis: the transition from hidden, latent depopulation to obvious depopulation. For 17 years (1992-2008), population shrinkage amounted to 12.6 million people, and although this was partially compensated by migration (nearly 6 million people), the Russian population at the start of 2008 numbered 142 million, as opposed to 148.6 million in early 1993. This second stage, which started in 1992, had one particular feature that, in a sense, softened the blow somewhat. The population was diminishing, but this decrease was accompanied by an improvement in age ratios. The active population, which is the most important factor from an economic, social and demographic point of view, found itself proportionally larger than it was previously. Russia was receiving its own special kind of "demographic dividend."

This manifested itself, in particular, in the relatively favorable dynamics of the population shrinkage. For some time, this decline was precipitous, but from 2001 onwards there was a clear drop in the rate of decline, which can be seen clearly in fig. 5. Some experts (see footnote 1) argue that this trend is considered stable and expected to lead to a return from negative growth (i.e. shrinkage) to zero, if not positive, growth in the near future. In fact, this trend is temporary, and can be accounted for by deformations in Russia's population pyramid.

Figure 5. Russia's population balance, 1990-2007, in thousands of people.



Source: *Demograficheskiy ezhedovnik Rossii 2008* [Demographic Yearbook of Russia 2008], Moscow, Rosstat, 2008, p. 66.

Because of these particularities, in the early years of the new century, two demographically beneficial structural shifts have coincided: a growth in the number of potential mothers and a reduction in the rate of growth of the elderly population.

The first of these was due to the number of births in the 1980s, which explains the growth in the number of women of reproductive age in the 1990s. The number of women aged between 15 and 50 grew from 36.3 million in 1992 to 40 million in 2002-2003, at which point it decreased slightly but still remained higher than at any point in the past. However, the narrow range of ages making a significant contribution to the birth rate, the number of women between the ages of 18 and 30, who usually account for 75-80 percent of all births, grew from 11.9 to 14.3 million between 1992 and 2007—an increase of 2.4 million, or 20 percent. It is impossible for this not to have contributed to the growth in the number of births recorded since 1999.

The second shift was the numerically-insignificant generation born in 1941-1945 reaching the 60. As a consequence, the number of people aged 60 or older dropped by 10 percent between 2001 and 2006. This, in turn, reduced the number of deaths. The cumulative effect of these two structural shifts was that natural population shrinkage began to decrease.

This effect of the “demographic dividend” was also felt in the economic and social spheres. Although Russia’s population was decreasing, the number of working-aged people (men between 16 and 60 and women between 16 and 55) continued to increase in this period:

in 1993, the number was less than 84 million, while in 2006 it exceeded 90 million. At the same time, the number of children under the age of 16 dropped sharply from 35.8 million in 1992 to 22.7 million in 2006. By contrast, the number of people of retirement age scarcely changed, remaining at 29-30 million, it was even slightly lower in 2006 than in 2002.

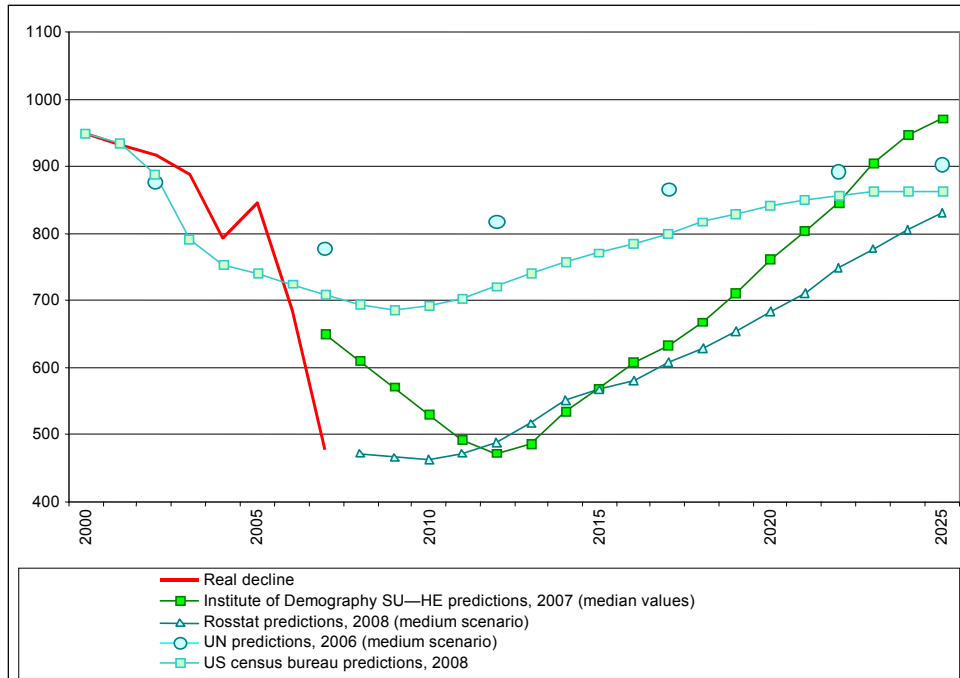
As a result, the demographic burden on the working population kept lowering. In 1993, there were 771 people of “dependent” age (i.e. older or younger than working age) for every 1,000 people of working age, while in 2006 this figure was only 580 per 1,000. The ratio had never been so favorable. Obviously, this could not fail to have a positive impact state expenditure on social care: to the extent that state obligations are dependent on demographic ratios, they saw a marked decline.

However, the age structure of the population continues to change, and it is already turning in an unfavorable direction. Accordingly, the impact of the beneficial structural progress is starting to wane. By around 2005, Russia had reached a new turning point in its demographic development. Russia is on the cusp of the third and most unwelcome stage of the demographic crisis: unlike in the previous period, the population structure has become thoroughly disadvantageous, amplifying the negative effects of continuing population shrinkage.

The turn from positive to negative trends in the changing age ratios will take several years, but its first signs are already visible. In particular, the number of women of reproductive age began to decline as early as 2004, and in 2007 the working-age population began to decline for the first time in many years. All available forecasts indicate that these trends will develop rapidly.

For a while, the structural advantages will continue to be felt, helping to further slow down natural population shrinkage. But by around 2012, the number of potential mothers will return to the levels of the 1990s, and growth in numbers of elderly people will once again gather force—the abundant post-war generations (born 1949-1960) reaching retirement age. Accordingly, the increase in natural population shrinkage will resume. This increase may be large or small, depending on the success with which the death rate is reduced and the birth rate increased in coming years. It is, however, unlikely that the overall declining trend will be reversed (fig. 6).

Fig 6. Natural population shrinkage in Russia according to various forecasts, 2000-2025, in thousands of people.



Sources: *Demograficheskij ezhegodnik Rossii 2008* [Demographic Yearbook of Russia 2008], Moscow, Rosstat, 2008, p. 538; “Demograficheskie perspektivy Rossii do 2050 goda” [Demographic Perspectives until 2050] in *Naselenie Rossii 2006. Chetyrnadtsaty ezhegodny demografichesky doklad* [Russia’s Population in 2006. Fourteenth Annual Demographic Report], A.G. Vichnevski (ed), SU-HSE, 2008, p. 273; UN Population Division. World Population Prospects: The 2006 Revision; U.S. Census Bureau, International Data Base, Country Summary: Russia.

The Rosstat population forecast (2008) gives an idea of the scale of the shrinkage expected: it will reach a minimum of 463,000 people by 2010 and exceed 600,000 by 2025. By 2025, shrinkage is expected to surpass 800,000 people, meaning that within 19 years, from 2008-2025, natural population shrinkage in Russia will exceed 11 million people according to this variant. Various other forecasts predict an even greater decline.

The new phase of depopulation will have a particular economic impact. In the near future, Russia is expecting a sharp drop in the number of people of working age. Over the past 5-6 decades these numbers have grown overall, despite fluctuations. However, this period of growth is over. In 2006 and 2007, the number of people of working age fell. According to Rosstat’s middle variant, shrinkage will amount to 14 million people between 2009-2025.

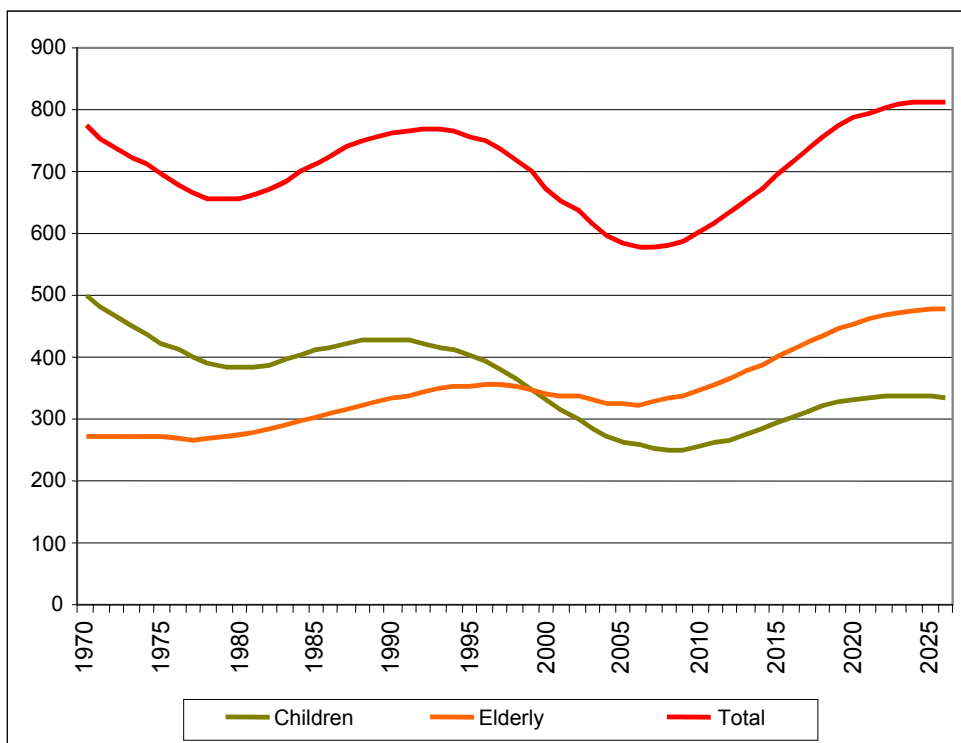
The drop in the number of people of working age will be accompanied by a fall in the proportion they constitute within the total population, and an increase in the demographic burden—the number of people older or younger than working age per 1,000 people of working age.

The number of retired people will keep growing (from 29-30 million in 1992 to over 31 million by 2011). The number of children under the age of 16 will also grow. This group is currently very small—at the start of 2008 they numbered only slightly over 22 million—smaller than at any point in the

20th century. According to the middle variant of Rosstat's forecast, the number of children and teenagers at the start of the century's third decade will be close to 26 million. Even if all of the most favourable hypotheses with regard to increasing birth rates and reducing death rates were implemented simultaneously, the number of children and teenagers is not even likely to reach 30 million by 2024-2026 (as in 2000). Nevertheless, within the next 10-15 years, the number of children and teenagers will increase (before dropping again), and this will contribute to the growing "dependent burden" on each working adult.

According to the Rosstat analysis, the general burden of children and the elderly will rise from 578 per 1,000 people of working age (historical minimum, recorded in 2007) to almost 700 in 2015 and 822 in 2025 (corresponding to 20 percent and 41 percent, respectively). In this case, the contribution of the elderly to the overall burden, which was still around 35 percent in 1970, will now equate to 55-60 percent. If a more optimistic forecast variant comes to fruition, which assumes a rapid birth rate, then the overall demographic burden in 2025 will be greater still—almost 880 dependents per 1,000 adults of working age (fig. 7).

Figure 7. Demographic burden per 1,000 people of working age – actual figures and Rosstat forecast, 1970-2025.



Source: *Demograficheskiy ezhegodnik Rossii 2008* [Demographic Yearbook of Russia 2008], Moscow, Rosstat, 2008, p. 536.

Consequently, Russia faces serious challenges today. After a lengthy period of latent depopulation (1964-1992), it faced a period of natural depopulation after 1992, albeit attenuated by the "demographic dividend." Now it is entering a new stage, in which the demographic dividend has been spent and natural population shrinkage is accompanied by detrimental structural changes.

Migration

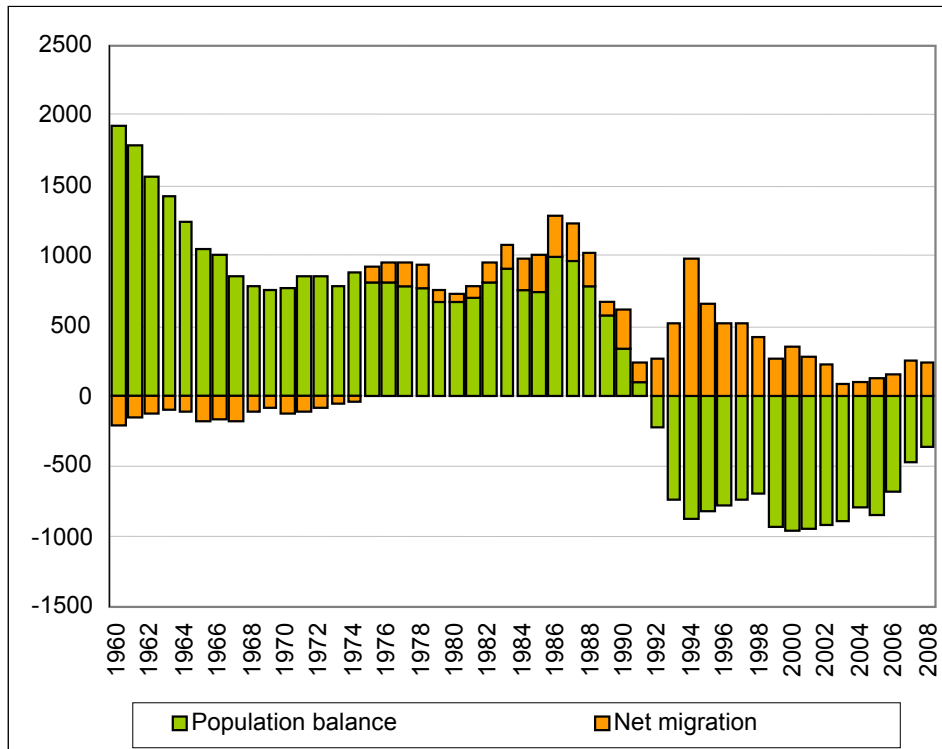
Migration is the third constituent process in forming the numerical strength and age structure of Russia's population. It has attracted particular attention in recent years since Russia has reached a turning point in its demographic development.

Russia's role as a host state is not new. In the second half of the 1970s, Russia changed from the republic sending the population to the receiving nation—at the time exchanges being limited to the constituent republics of the USSR. The scale of the inflow was not very high, and immigration was not considered a significant vector for population growth. However, natural population shrinkage in the Russian Federation was predicted by specialists long ago, and plans for replenishing Russia's low demographic reservoir with the help of immigrants from regions with superfluous labor forces were discussed.

At that time, no such plans were implemented. Regions with insufficient labor forces—Ural and Siberia—were not seriously prepared to accept an “alien” population, and the regions in Central Asia with superfluous labor forces were not sufficiently mobile. Russia has experienced no significant inflow of migrants either before or since the collapse of the USSR; its short-lived growth in the first half of the 1990s⁶ is attributable not to an increase in immigration to, but to the decrease of emigration from Russia. Thus, in 1995 the number of migrants arriving in Russia was roughly the same as in 1989. However, exactly half as many people left. This also gave rise to an advantageous migration balance for Russia, which allowed the country to compensate, to a large extent, for the natural population shrinkage. However, the migration balance that took shape in this way began to decline inexorably, meaning that immigration increasingly lost its compensatory role (fig. 8).

⁶ Between 1986 and 1990, net immigration was little more than a million people, while in 1991-1995 it was nearly twice that.

Figure 8. Components of growth (shrinkage) in Russia's population, 1960-2008, in thousands of people.



Sources: *Demograficheskiy ezhedogik Rossiyskoy Federatsii 1993* [Demographic Yearbook of the Russian Federation 1993], Moscow, 1994; *Demograficheskiy ezhedogik Rossii 2008* [Demographic Yearbook of Russia 2008], Moscow, Rosstat, 2008; "Sotsialno-ekonomicheskoe polozhenie Rossii, yanvar-dekabr 2008" [Russia's socio-economic position. January-December 2008], Rosstat monthly report. Moscow, 2008.

In recent years the migration gain has increased somewhat, though the official figures only take account of those officially declared and registered. Moreover the figures can be affected by changes in registration procedures, which change from time to time. The recent increase in migration gain is based upon the growth in number of people who register Russia as their place of residence, against the background of falling numbers of people leaving the country—a phenomenon that has been noted since the early 1990s.

Migration into Russia is fed by two different vectors. One element is the return of Russia's inhabitants or their descendants who left Russia for other Soviet republics, primarily Russians and representatives of other Russian indigenous peoples (Tatars, Bashkirs, etc.) which increased after the collapse of the USSR. This kind of "repatriation" accounted for around 80 percent of migration gain in Russia's population between 1989-2007. The other element is economic migration by immigrations from poor and overpopulated countries, including former Soviet republics, especially in Central Asia.

As the potential for "repatriation" is being exhausted and economic immigration is increasing, the relationship between the two forms of migration is changing to the benefit of the latter, even if official statistics fail to reflect this. The data usually cited, displayed in fig. 8, refers to recorded

migration, in particular “repatriations,” while economic migrants make up the lion's share of “illegal aliens”—those who are not on record. In fact, for a long time, the “tone” of migration has not been set by repatriation, as was the case in the 1990s, but by the same form of economic migration that prevails in many developed countries both in and outside Europe. As a recipient country, Russia increasingly resembles these countries. Russia is currently accepting migrants not only from all CIS countries, but also from Southeast Asian and Middle Eastern nations. In addition, Russia is a transit route for international migration. Clearly, it is economic migration that will shape future emigration to Russia.

At present, economic migration is frequently understood as just the temporary presence of guest workers on the Russian labor market. However, the experience of other countries, and indeed Russia's demographic fundamentals, force us to consider that at least some of these temporary migrants will stay permanently. This is because Russia's population can hardly be maintained, and much less increased in the foreseeable future as a result of natural growth—migration is the only factor that may, to some extent, counteract its depopulation.

Official documents are also geared towards this,⁷ in that they outline fertility and death rates together reflecting the natural shrinkage, at least during the coming decade, and set the goal of “stabilization of population numbers by 2015, at the level of 142-143 million people and the creation of conditions for population growth to 145 million people by 2025.”⁸ It will only be possible to achieve these goals through sufficiently large-scale compensatory immigration, and therefore the Concept for demographic policy sets the goal of ensuring migratory gains of no less than 200,000 people per year by 2016 and more than 300,000 people per year by 2025. In reality, these figures should be much higher, since the volumes of immigration needed are equal to the level of shrinkage which, as fig. 6 shows, will undoubtedly be greater than 200 or 300 thousand people per year. Migratory gain should also compensate for emigration, which can also not be entirely ignored. Without trying to give a precise estimate of immigrant requirements, it is clear that several hundred thousand people per year will be required.

Will Russia be able to ensure an inflow of this quantity of immigrants? At present, it seems unlikely. There is no public consensus on immigration. The idea of repatriating Russian nationals has, in general, been received favorably; however, the remaining potential for this kind of repatriation is not particularly high, and even if it is implemented, it will not be able to cover Russia's requirements resulting from the desire to stabilize its population.

Meanwhile, the need is not currently understood by Russian society and its political elite. Russia does not have a distinct immigration policy to pursue the country's long-term demographic goals. In Russia, the level of anti-migration sentiment is clearly growing, which only complicates the task

⁷ See e.g. “Concept for a demographic policy of the Russian Federation for the period up to 2015”, approved by order of the Chairman of the Government of the RF on 24th September 2001 № 1270; “Concept for a demographic policy for the Russian Federation for the period up to 2025”, *op. cit.* [2].

⁸ Concept for a demographic policy for the Russian Federation for the period up to 2025.

of developing a long-term strategy for making use of migration resources to reinforce the country's population, let alone that of implementing it. It is possible that in time Russian society will come to understand the depth of the problem, but the task of overcoming anti-immigration feeling will not be a simple one.

Naturally, in recognizing the inevitability and usefulness of immigration in Russia, it is important not to ignore the dangers and threats that are linked to it. Immigration always leads to increased competition on the labor market, difficulties in cross-cultural interaction, potential social tensions and sometimes even the threat of irrendentism (in Russia's case this would primarily be on the part of the Chinese). Starting from the principle that for Russia migration is the lesser evil, it becomes evident that a strategy for immigration which includes solid means and measures to minimize the negative effects of this policy is essential.

Conclusion

Russian society still does not comprehend the seriousness of the demographic challenges; nevertheless, in recent years it has demonstrated a growing concern over the demographic problems. It is no coincidence that in the presidential address to the Federal Assembly of the Russian Federation on 10 May 2006, Vladimir Putin called them “the most pressing problem facing modern Russia.”

Despite official recognition of the severity of the demographic problems and a series of measures intended to alleviate them, the universal, considered, consistent and long-term strategy for responding to the demographic challenges that both Russian society and the Russian government face is yet to be developed. This kind of strategy must encompass two main directions:

– The first direction has to tackle each of the three demographic processes in order to soften their potentially negative consequences.

In particular, it is essential to make every possible effort to reduce the death rate and increase life expectancy, through the promotion of a healthy lifestyle.

Family-oriented measures should also be implemented, for example by encouraging families to have two or three children. However, it is risky to overestimate potential of pro-natal demographic policies. Global experience shows this kind of policy has only a limited ability to influence the overall demographic situation of a country.

If favorable changes to the birth and death rates do come about, this will lead to a reduction in natural population shrinkage, but will remain unlikely in the near future.

The most efficient and controversial means of solving Russia's demographic problems is linked to immigration. A large-scale inflow of migrants to Russia could compensate to a large extent for natural population shrinkage and relieve tensions on the labor market. However, together with these positive effects, immigration is accompanied by new socio-political and ethno-cultural troubles. Any development strategy must take into account the contradictory nature of the immigration-based response to depopulation challenges and provide tools to support a safe balance between the positive and negative aspects.

– The second direction in the strategic response to the demographic challenges must ensure that society, government and social institutions adapt to the demographic trends, since they are unlikely to be able to influence them.

For instance, there are no measures that could halt demographic ageing, since this is a natural transition from the former age structure (developed in a context of high fertility and high mortality) to a new age structure (corresponding to their lower, present-day levels). The only way in which the challenge of the ageing population can be combated effectively is by means of adapting all mechanisms within institutions for social services, health care, education, the labor market, leisure activities, etc. to the demands of the new age pyramid and the new structure of the human life cycle.

Defining two separate directions for strategic responses to demographic challenges helps us to understand both types of problem that these challenges present to society: The problem of “rehabilitation” and the problem of adapting to what cannot be rehabilitated. But, in reality, these two directions are closely linked and mutually intertwined.

For example, the use of international migration as a means of “demographic rehabilitation” allows demographic shortcomings that have arisen as a result of population shrinkage, unfavorable changes in population age structure or distribution throughout the country to be eliminated or reduced. However, for this path to be reached, Russian society will have to adapt to a new role of migration that is unusual for Russia. The collective consciousness, social institutions and government agencies will have to adjust to it.

Recently, both the society and the government have started to pay greater attention to demographic issues. But this is only a start, and it is clear that the economic crisis will impede progress in this direction. Developing and implementing an effective strategy for responding to demographic challenges is a very complex task. To solve this problem will, at the very least, need the combination of three integral components: political will, economic resources and knowledge. The absence of even one of these elements will condemn the entire strategy to failure. While, for the moment, these three components have not yet come together. None of them alone can respond to the magnitude and complexity of the problem facing Russia. Furthermore, even if the society and the government are more interested in demographic questions, they do not occupy a high enough position in the priorities of either. The importance placed upon the issue is far from being in keeping with its recognition as the “most pressing problem facing modern Russia.”