

Kopeykina, Maria

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Influence of Transformation Demographic Model on Economic Development of Russia

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Title of the paper: Influence of Transformation of Demographic Model on Economic Development of Russia

Name of the author: Kopeykina Maria

Institute: Vologda scientific-coordination center central economic mathematical institute of the Russian academy of sciences

Address: Gorky st., 56-a

City: Vologda

Zip: 160014

Country: Russian Federation

Email: mashkop@mail.ru

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I wish to express gratitude to the congress for carrying of conference “Land Use and Water Management in a Sustainable Network Society”. I hope, that this conference will allow all participants to learn a lot of interesting and to receive practical experience.

Influence of Transformation of Demographic Model on Economic Development of Russia

Introduction

At the present stage of development of a civilization the importance and value of human resources widely admit. Forecasts assume, that the population of a planet to 2050 will reach 10 billion people. Problems of maintenance with a feed, population shifts, ecological conditions, etc. In Russia a demographic situation returns as a result will become aggravated. Characteristic feature of demographic tendencies during XX century was constant external and internal influence (civil war, industrialization, Great Patriotic war, economic transformation). Accrueing intensity in this sphere first of all contacts with so-called “the second demographic transition”, depopulation of the people precisely enough shown last 10 years and become to one of characteristic features of modern Russia. Therefore demographic processes proceeding in the country deserve the most steadfast attention and research.

Now Russia has two primary goals – maintenance of economy growth rates and solution of demographic problem, Vladimir Putin declared. "I consider, that before us in the nearest historical prospect there are two primary goals – maintenance of necessary rates of growth of the Russian economy and on this base of rise of a standard of life of the population of Russia, maintenance of the questions connected with safety" – the president told. The second problem, Putin noted, is "the setting of demographic questions" (IA "the Alliance of Media" on materials of RIA "News", July 8th, 2003).

Demographic Situation and its Influence on Social and Economic Development of Russia

Today Russia takes the seventh place in the world of a population after China (1285), India (1025), the USA (286), Indonesia (215), Brazil (173), Pakistan (146), Russia – 144 million person in 2003 (tab. 1)

Table 1

Rank place of Russia in the world on a population: actual in 1950, 2000 and by an average variant of the forecast of the United Nations revision 2002 in 2025 and 2050

1950			2000			2025			2025					
Rank	The country	population, one million	Rank	The country	population, one million	Rank	The country	population, one million	Rank	The country	population, one million			
1	China	554,7	1	China	1275,2	1	China	1470,8	1	India	1572,1			
2	India	357,6	2	India	1016,9	2	India	1351,8	2	China	1462,0			
3	USSR	178,5	3	The countries of the former USSR	290,9	3	USA	346,8	3	USA	397,1			
	USA	157,8		USA	285		The countries of the former USSR	274,1						
4	Russia	102,7	4	Indonesia	211,6	4	Indonesia	272,9	4	Pakistan	344,2			
			5	Brazil	171,8	5	Pakistan	251,0	5	Indonesia	311,3			
			6	Russia	145,6	6	Brazil	219,0	6	Nigeria	278,8			
						7	Banglade sh	210,8	7	Bangladesh	265,4			
										The countries of the former USSR	248,4			
									8	Nigeria	203,0	8	Brazil	247,2
									9	Mexico	130,2	9	Congo	203,5
						10	Russia	125,7	10	Ethiopia	286,5			
									11	Mexico	146,7			
									12	Philippines	128,4			
									13	Vietnam	123,8			
									14	Iran	121,4			
									15	Egypt	113,8			
									16	Japan	109,2			
									17	Russia	104,3			
Share of Russia in the world population														
4,1 %			2,4 %			1,6 %			1,1 %					

Depopulation in Russia occurs under double pressure. On the one hand reduction of the population follows due to low birth rate even to measures of the developed countries (factor of total birth rate in Russia is 1,3 children counting upon 1 woman of reproductive age; in the USA – 2,1; in France – 1,7; in the Great Britain – 1,8). On the other hand, analogues of catastrophically high death rate observing in Russia, it is possible to find only among developing countries; it is a level of Namibia, Fidji, Botswana, Belize, Honduras, Ecuador, etc. In it the duality of modern Russia combining attributes of grandeur and economic backwardness is shown, and it forces to estimate a modern demographic situation as crisis and extremely dangerous (fig. 1, 2).

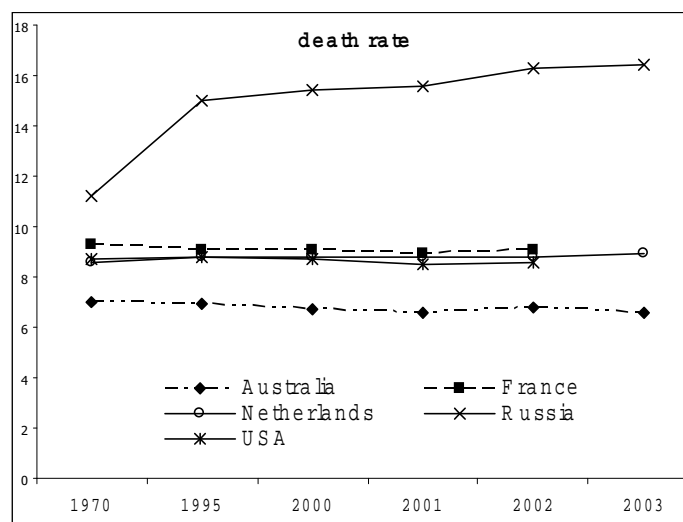
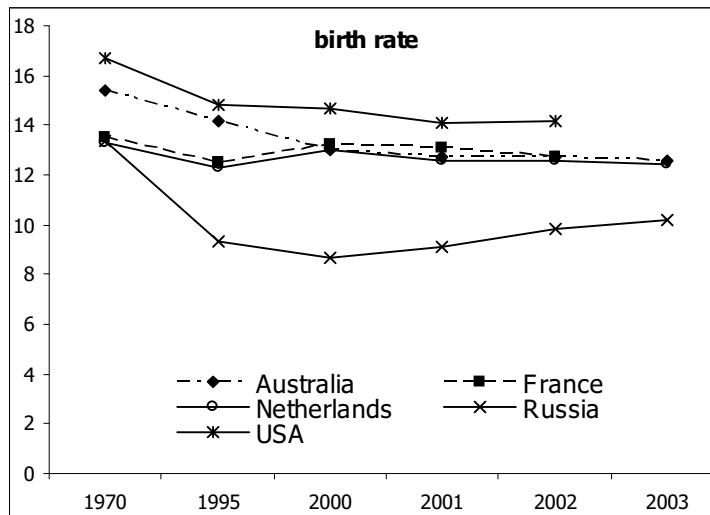
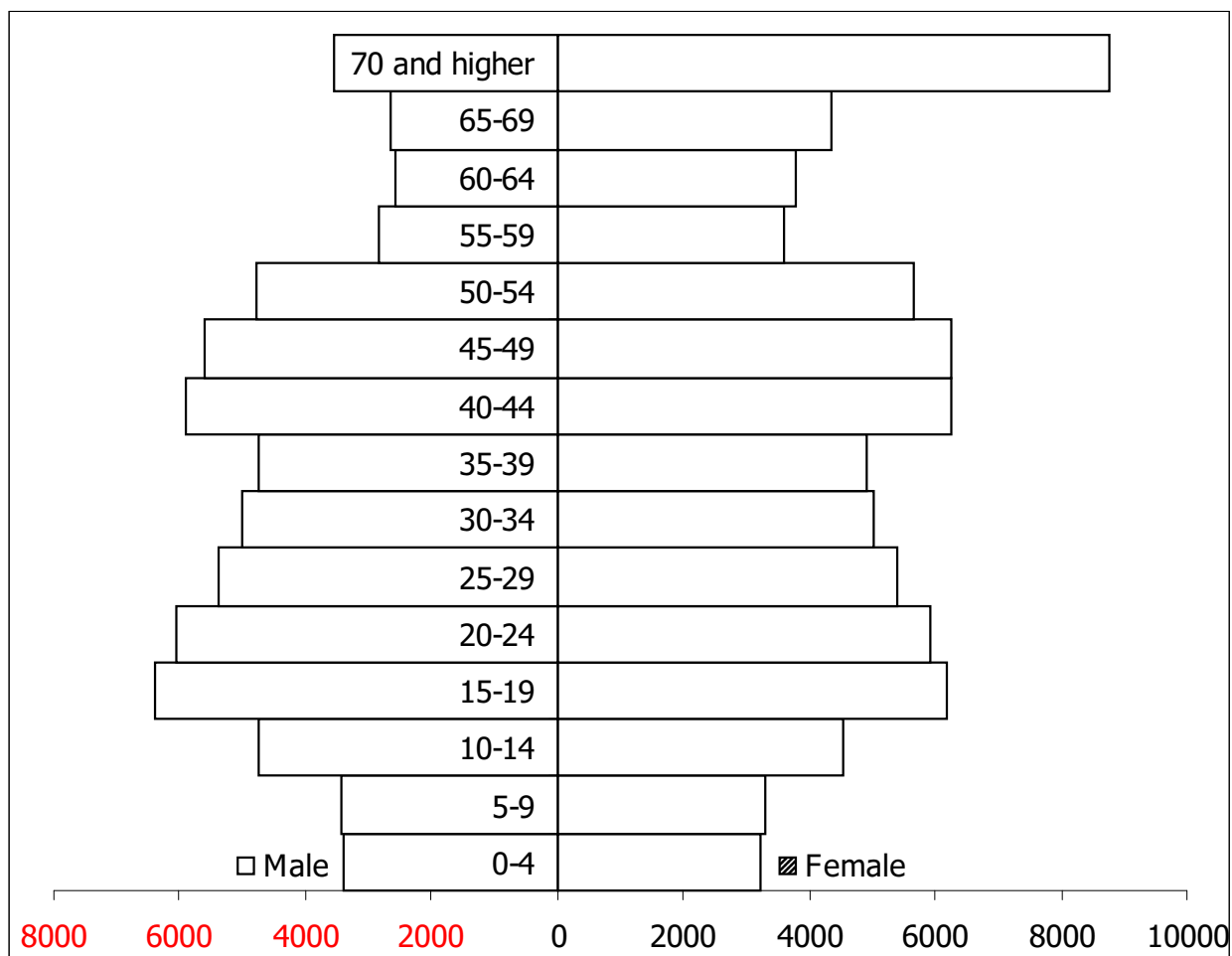


Fig. 1, 2. The general factors of birth and death rates in some countries in 2002

The parameters which have developed to the present time of the population (age structure) and its reproduction are those, that the population of Russia will continue to be reduced in XXI century unequivocally. On age-sexual pyramid (fig. 3) nine historical events which have left the indelible trace on a condition of the population are precisely allocated:

- Revolution and civil war,
- Post-war compensator birth rate,
- Famine 1932–1933,
- Interdiction of abortions,
- Second World War,
- Post-war baby-boom,
- "Children-wars" give birth,
- Pronatalistic a policy,

— “Children of war children” give birth.



**Fig. 3. Age-sexual pyramid of the population of Russia on January 1, 2004
(thousands of people)**

Similar character of the Russian pyramid has led a number of foreign demographers to the conclusion, that in such conditions productions are impossible.

Essential component dynamics of a population, changes of its age-sexual structure and the reproduction is one population shift. In 1990s migration becomes defining component demographic dynamics of a population, having increases for last decade more than 50%. But last years significance of a migratory gain has sharply decreased, in 2003 it compensated only 4,0% of a loss of Russians (fig. 4).

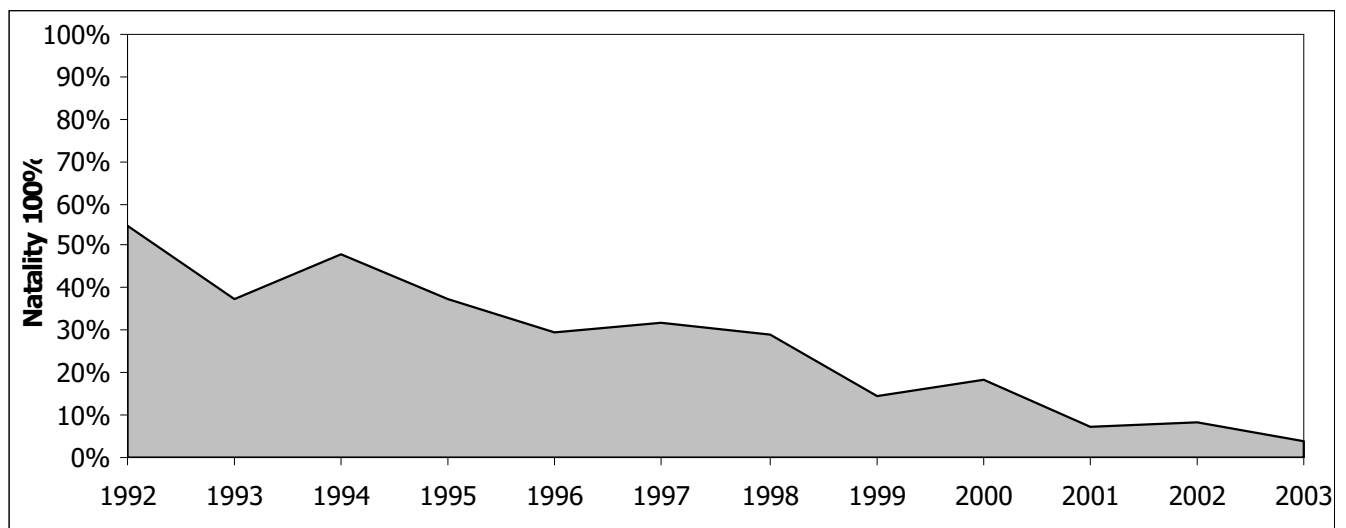


Fig. 4. Replacement of natural decline in population by a migratory gain (in %)

Though migratory streams go in favour of Russia, but quality of streams of emigrants and immigrants are unequal. The general portrait of people which today leave Russia to have a constant residence abroad, are people under 35–40 years, knowing the foreign language, having higher education and city type of behaviour. And quality of migrants to Russia recently has sharply worsened. There come the inhabitants of Central Asia, Ukraine, Moldova – people of low experienced working specialities, without knowledge of languages. The similar state of affairs demands the certain investments in their formation and reception of corresponding qualification that leads to additional economic expenses from the state.

Depopulation influences negatively on geopolitic position of the country as the most part of territory of Russia is populated with low density. The demographic situation arises not in advantage of extensive development, this way for us in the near future will be closed. There is a compression of the populated space, though in a different degree for different regions. Now, for example, in Eastern Siberia and in the Far East 16,3 million person live (from them 9 million people – Eastern Siberia, 7,3 million persons – the Far East) or only 11,1% of the Russian population at the occupied area of 74,6% of all territory of the country. There is an internal migration: crossing of people from northern regions on territory with more favorable climate. This process occurs not only spontaneous, today it has become purposeful and has got economic logic, as arrangement of people in the north is very expensive measure. In all probability Russia will pass to camping method movings of people in any basic cities or settlements, and to recognize that superfluous people in the north are not necessary. It's likely that the migratory stream from regions of the Far East to the Urals and to the European part of

Russia is precisely looked through that also has the economic reasons and preconditions in the setting principle. Russia in its present demographic situation is simply compelled to refuse all former plans of development of Siberia, the Far East and the North. These huge territories the Russian state is not in a condition to occupy to master economically and protect. Probably therefore foreign experts periodically offer on purchases at Russia parts of the Siberian territories which are rich in minerals and having agricultural prospect express. As if to a migratory way of the sanction of this problem it is fraught with greater complications. Immigration demands the creation of one million workplaces, construction of dwellings, expansion of the infrastructure, but also, in due course there will be also a problem of cultural identity.

One more problem is ageing of the population. It's one of significant demographic processes which should be stopped to turn back. The world has entered in "a century elderly". In leaving century the population of economically developed countries grew old basically. In XXI century this process has captured all the world. Such demographic processes increase factor of a dependence and accordingly limit an opportunity of increase of a standard of life of the population. What economic and social consequences has the ageing of population?

Firstly, the share of age pensioners increases. Pension funds are laid down the unreasonable burden of charges on payment of pensions for relative density of the efficient population doing payments in these funds is reduced.

Secondly, the increase in a share of elderly puts before the society a problem of the taking care of them as relative density of persons elder than 80 grows more quickly than a share of older persons as a whole. Process "ageing elderly" is especially essential to the state bodies developing social policy, to the services, called to help helpless old men.

Thirdly, elderly health services, the need in which during the process of ageing naturally increases.

Fourthly, employment of the elderly population, "young elderly" job security, wishing to work (as a rule people under 70–75 referred to "young elderly"). It is a challenge.

Consequences of these processes at a level of the country can be systematized as follows (tab. 2).

Table 2

The basic consequences of demographic ageing

Consequences	The matter of consequences
<i>Population aspect</i>	<ul style="list-style-type: none"> – Deterioration of age structure of Russians; – Formation potentially narrower base for development of population birth rate process; – Formation potentially wider base for development of people death rate

	process; – Transformation of reproduction parameters of the population of the Russian Federation aside more narrowed replacement of generations, etc.
<i>Economic aspect</i>	– Deterioration of labour structure of Russians; – Delay of process of labour replacement and reduction of a gain of a manpower of the country; – Increase in middle age (ageing) of the employed population; – Increase of loading on the able-bodied and employed people by aged persons, etc.
<i>Social Aspect</i>	– Growth of number of Russians on age requiring in support from the society; – Steady increase in charges of the budget on social security of aged people; – Increase of loading on a social infrastructure of the country (establishment of public health services, transport, etc.) by virtue of ageing of the society; – Necessity of regular updating social and economic policy and a rate of market reforms according to features of conditions and a standard of living of the Russian aged inhabitants, etc.

The present socially-demographic situation in Russia has special features. While reproductive function of the society has decreased to a point which are not providing simple reproduction of the population, life expectancy in the developed countries comes nearer to the biological limit, in Russia life expectancy is much less and last years tended to reduce (fig. 5).

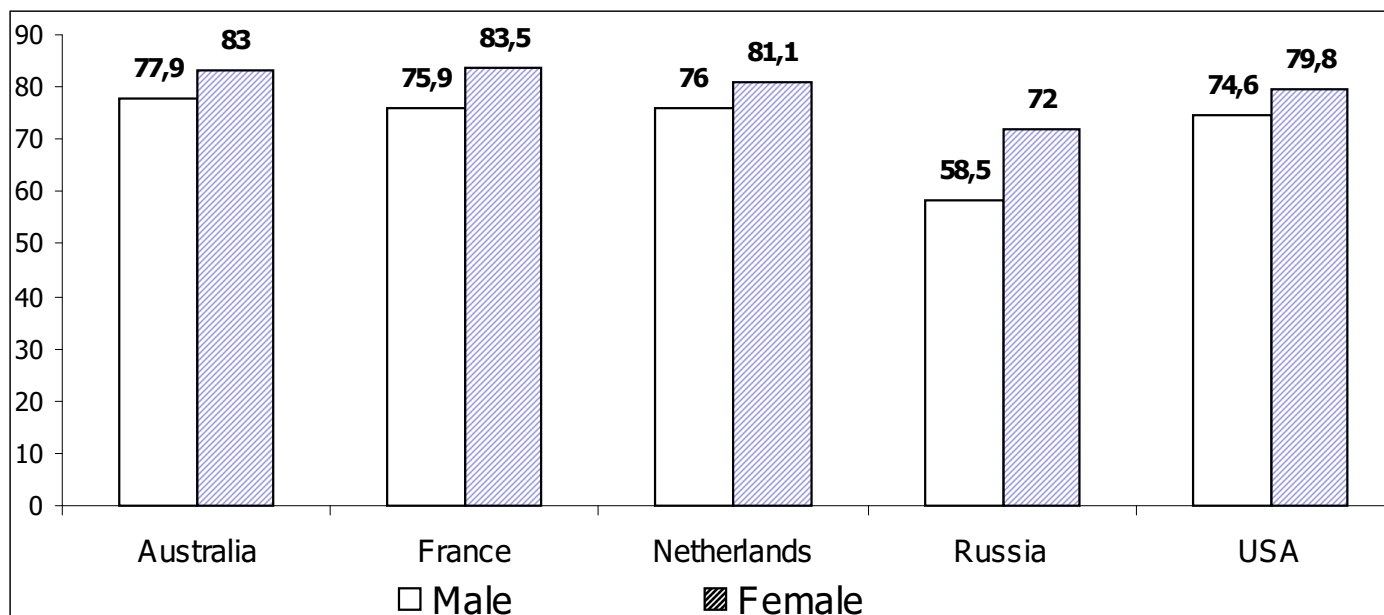


Fig. 5. Expected life expectancy at a birth in some countries 2002

Practically in all regions of the Russian Federation the factor of birth rate has fallen below a threshold of simple replacement of generations, low birth rate is already chronic for them. It is accompanied by radical changes in family, social institutes. Heavy and astable position of the majority of the Russian families in a present complex sociopolitical situation seriously influences demographic dynamics of last years. Considering the unfortunate trends which have developed still in 1960–1980ss. To them the wavy fluctuations of the birth rate connected with remote consequences of war (the number of birthes exceeded 3,5 million the person before war, has decreased within war almost twice that later through a quarter of a century, has defined low birth rate in the end of 1960s (1,8–1,9 million persons per 1967–1970) and again with an interval in a quarter of a century – low number of birthes in 1990s (1,4 million per 1993–1995)). Decrease in birth rate and transition from middle to little to family; high children's death rate and a high level of "superdeath rate" of men at age of over 20 (on a share of men at able-bodied age are accounted 80% of death rate); the big break in life expectancy of men and women (12–14 years); a high level of divorces. It is important to note, that at the general reduction of the population the number of adult population does not decrease the number of children (0–14 years old) is reduced about 34,5 million in 1970. Up to 22,6 million on the beginning of 2004.

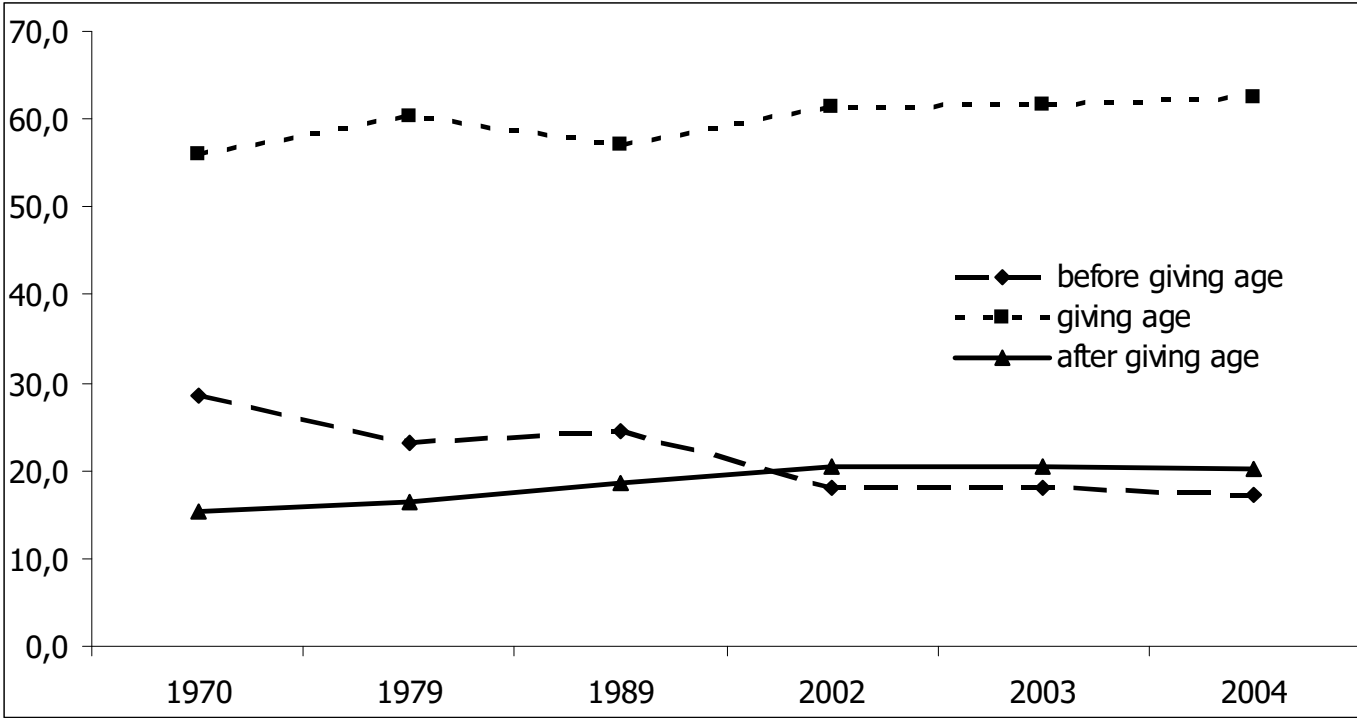


Fig. 6. Distribution of the population of Russia on the basic groups

Thus, it is possible to consider as the reasons of depopulation of the Russian population:

- Instability of an economic situation in the country;
- Outflow of a part young and able-bodied population in other countries;
- Increase of social intensity in a society;
- Loss of moral principles;
- Falling of a real payment;
- Stratification of a society on a level of profitability;
- Constant rise in prices and inflation;
- Revision material and cultural wealth by the society;
- Mass liberation of a manpower in the industry.

In connection with the above-stated, the demographic sphere represents the complex system influencing all of the sides of economy. Its influence should be considered on separate stages of a cycle of human life: preschool, school, high school, labour and social.

1. The country has passed the period of influence of demographic tendencies for the preschool period of a life of the population. The number of children's preschool establishments was reduced, but it has affected economy more likely in the positive direction, therefore there were no state basic correcting decisions.

2. The school period of a life of the population is captured already per 70%, but also it does not attract economic consequences. The need for premises, school teachers is reduced.

3. For the high school period influence of a demography will be shown to the full extent in 5 years. Here the change of a situation already conducts to significant economic consequences because after school there is a division of streams of a manpower.

4. In total high schools of Russia accepted 1,250 million persons in 2003 at release of schoolboys in quantity of 1,350 million persons. But in the conditions of the reduced consumption of workers and average technicians the situation with receipt in high schools does not illustrate deterioration of a situation. Actually normal proportions of a manpower are already broken. High schools delay the raised share of youth that has worsened a situation on acquisition of army, updating of the working personnel, preservation of average technicians. If not to change the situation in the education system the country completely will lose working class. There will be a chaotic redistribution of streams of the engineering staff between professional directions. Sharp increase of a share of economic and legal specialties in the beginning of 1990s is originally more justified. But now it is an obvious skew in system of preparation of a manpower which in conditions of deficiency of the staff of other

specialities can be corrected only by the centralized and regional decisions. Decisions on updating the higher school in view of economic consequences are necessary. It, first of all, expansion of target training programs, planning of professional training structure, reduction of number accepted on the training, the centralized regulation of reception structure, allocation of base Russian scientifically-teaching schools.

5. What problems sharply become aggravated in production of goods in connection with noted demographic tendencies? It, first of all the stratification of a society on groups with various socially-demographic conditions, acquisition of armed forces and power structures, preservation of professional training system, updating of a labour resource and preservation of its structure in production of goods, reproduction of a mental potential, independence of national technological base, growth of loading on system of public health services. Redistribution of the population between regions of Russia, areas of employment, branches and trades will occur. Change of a population in regions will put a problem of change of administrative division in Russia.

Problem for all regions of Russia is the contradiction between low potential of a manpower and huge territorial potential. The population is not in a condition effectively to use available natural resources, territorial opportunities, industrial potential. In 2006 is expected mass deficiency of a labour in the country. However reduction of a population is one of consequences of a demography. To it ageing the population, differentiation of the population with allocation of a poor degrading layer, economic contradictions of regions in the struggle for a survival, liquidation of some sectors of material and scientific and technical manufacture, penetration of the foreign capital and the foreign population into a national economy is added.

Last years the growth of economic development is marked and preservation of positive tendencies of Russian economy development is supposed. It's planning to preserve the external economic situation favorable for Russia, including the prices for oil, gas, metal. The development of home market will be defined by leading branches of a national economy – electropower, transport and agricultural mechanical engineering, defensive and building complexes. However 2005–2010 becomes the period of collision of two tendencies. The national economy will demand a manpower, and the demographic situation will start "to break". Therefore urgent development of strategy of actions is necessary for Russia as a whole and programs for each region for overcoming social and economic crisis.

The conclusion

On the one hand the delay of demographic growth is the end of "overpopulation" and "economic degradation", on the other hand attributes of decline of a civilization, cultural disintegration of a society, under the theory of unity and national identity is appeared because of mass continuous injection of alien elements which associate and integrated with greater work. Depopulation is the long-term phenomenon, and calculations on a fast withdrawal in process of elimination of action tactical social and economic, political and demographic factors are hardly probable proved.

Thus, at occurring transformation of demographic structure of the Russian population it is possible to formulate the basic purposes of economic policy:

- Revival of economic growth;
- Orientation to base needs;
- Stabilization (growth) of a population;
- Preservation and improvement of reproductive potential of the population;
- Coordination of an inter-regional stream of a manpower;
- Improvement of conditions of a life in crisis regions of the country;
- Development of regional programs of monitoring, management of preparation and use of a manpower.

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