

## **2012 High-level Segment of the Economic and Social Council**

### **Annual Ministerial Review**

#### **National Voluntary Presentation by the Russian Federation**

**Monday, 2 July 2012**

**12:00 noon – 1:00 pm**

#### **Informal Summary**

The National Voluntary Presentation (NVP) session was chaired by **H.E. Miloš Koterec, President of the Economic and Social Council**. The moderator for the session was **Ms. Conny Czymoch, Moderator, Phoenix Television, Germany**.

**Mr. Vitaly F. Kolbanov, Director of the Department of Analyses and Prognosis, Health Development and Social and Labour Spheres, Ministry of Health and Social Development**, gave the national voluntary presentation of the Russian Federation, based on their NVP report. The report highlighted the Russian Federation's national strategy and practical measures to promote sustainable and equitable economic growth, enhance social well-being and ensure progress in attaining the Millennium Development Goals.

Since the adoption of the Millennium Declaration in 2000, the Russian Federation had experienced profound economic and social change. Its GDP per capita increased by 1.7 times, and the number of people living below the subsistence level had decreased by 2.3 times. In the aftermath of the crisis of 2008-2009, the Government had continued to carry out all its planned measures to preserve social stability and prevent a spike in unemployment, as financial reserves accumulated prior to the global economic crisis had been used to meet public commitments.

New priorities included modernizing the economy, ensuring sustainable and balanced growth, promoting innovative economic development, and creating infrastructure for a post-industrial society. While the Russian Federation had become an integral part of the global economy, it had done so mostly at the expense of its natural resources. Also, the labour market had several features that restrained social policy: employment levels did not vary in line with production fluctuations, wages were low, the number of "working poor" was high, and there was widespread invisible and informal employment.

The needed reforms were based on a new model of growth, taking into account the lessons from the economic crisis, such as protecting the economy against external volatility, removing administrative barriers for new enterprises, and stimulating production efficiency. A main objective of these reforms continued to be the improvement of living standards in the country. While the Russian Federation had educational and cultural advantages over other countries, public and private financing should be increased to support those social structures. Moreover, the labour market must be modernized. It also was important to stop the "brain drain" and bring back national professionals from abroad. Job creation was a top priority.

The NVP friend, the representative of **Germany**, observed that the Russian Federation had weathered the crisis of 2008-2009 well, with additional public sector employment opportunities created, and youth unemployment had been reduced. It praised the efforts to build a diversified industrial base, and to reduce the unbalanced orientation towards oil and gas production. Reviewing other efforts undertaken in areas related to employment, the Russian Federation could consider intensifying its cooperation with ILO and actively ratifying and promoting various ILO conventions, including those relating to creating decent work, minimizing inequality and fighting poverty, as well as countering the effects of an aging society.

In reply, **Mr. Kolbanov** stated that Russia had stepped up its accession to ILO conventions, despite some financial difficulties. Regarding demography, a special conception for demographic

development had been adopted, and good results had been achieved; in that respect, there had been a 25 per cent increase in the country's fertility rate in recent years.

The delegation of **China**, another NVP friend, stated that the Russian Federation had made enormous efforts to respond to the international financial crisis, curb the rise of unemployment and increase the income of its people. Nonetheless, the task of achieving economic modernization remained arduous, and the country still faced challenges in economic structural adjustment and the transformation of its models of growth. She asked what specific policy measures the Russian Federation intended to take in immigration management in order to advance economic and social development.

In response, **Mr. Kolbanov** said that migration processes were an important, but not the most important, element of the country's demography. A more important policy had been to aim for the reduction of the death rate of the active working population. Migration could contribute to more effective management of the country's policies, and special measures should be taken to support voluntary mobility for nationals that lived abroad. The Government was also actively seeking incentives that would step up internal migration.

The representative of **Belarus**, the third NVP friend, commended the efforts made towards the social protection of Russian citizens during the recent crisis. He asked for more information on lessons learned in overcoming the financial crises of the 1980s and related measures that had been recently implemented towards eradicating poverty. He also inquired how the country intended to further develop partnerships with the social sector.

**Mr. Koblanov** responded by saying that the Russian Federation had substantially increased minimum wage levels and basic subsistence allowances. The instruments adopted during the crisis were based on a system of social contracts, where people who wished to move out of poverty concluded a contract with the authorities and the social protection system assisted them in seeking employment or starting their own businesses. The country had also developed specific social partnerships with trade unions and employers.

The representative of **Cuba**, the fourth NVP friend, stated that the Russian Federation's decision to earmark funds for the social sectors was a major positive development. Health, education, housing and employment, among other sectors, were targeted. As a result, unemployment had fallen and pension levels were increasing. He requested more details on the creation of jobs for persons with disabilities, and how the country took into account the special needs of those with disabilities and their families.

In his response, **Mr. Koblanov** observed that there were 19.5 million people with disabilities in the Russian Federation, which was an extremely high number by any standard. Employers generally had avoided hiring persons with disabilities, despite being coerced by a quota system imposed by the Government. Moving away from this approach, the Government had offered subsidies from the federal budget to create or reconstruct work places specifically for persons with disabilities. The country intended to use that mechanism on a broader scale. The Russian Federation had also recently ratified the Convention on the Rights of Persons with Disabilities, and was working to remove the hurdles that impeded the participation of those with disabilities in daily life.

Finally, a representative of the **Russian Peace Foundation**, a non-governmental organization in General consultative status with the Council, commended the action points made in the Russian report. However, there remained a serious problem of youth unemployment. It was also argued that the authorities must become more open to civil society.

**Mr. Kolbanov** agreed that there was a need for better civil society engagement and that youth unemployment was a problem. The Russian Federation was working to train young people and it was actively working with medium-level educational establishments, which could propose work for

graduates. Higher level establishments, for their part, were already working closely with employers. The country needed to strike a balance between supporting young people and guaranteeing the rights of other citizens, as well. With regards to civil society, the highest levels of Government met frequently with civil society leaders, and intended to do so more frequently.

\*\*\*