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**DECENTRALIZATION AND FISCAL DISPARITIES
AMONG REGIONS IN THE RUSSIAN FEDERATION**

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Summary

Although designed and implemented piecemeal, decentralization is one of the most important systemic changes that took place in the Russian Federation over the last two years. In fact, despite some areas of blurred responsibilities, the regions became responsible for planning, delivering and financing most of the public services in the country. However, in sharp contrast with the over-centralization prevailing in the former Soviet Union, since end-1991, regional governments cannot rely on higher levels of government to automatically cover their financial shortfalls. In addition, regional governments were discouraged to borrow, thereby limiting the regional deficits to the relatively small size of the federal transfers.

As a result, the disparities among regional budgets widened substantially between 1991 and 1992. Reflecting the wide variations of the regions' economic base, a few regions became fiscally far wealthier than they were while the majority of the regions experienced a revenue decline in real terms. The widening disparities in regional tax revenues, combined with increased expenditure responsibilities and small amounts of equalization transfers from the federal government, resulted in unfunded mandates and considerable fiscal stress in most regions. Not surprisingly, the poorer regions spend a larger share of their budgets on social programs than richer regions. As a result, social expenditures, on health in particular, were relatively less variable across regions than other public outlays, investment in particular. Furthermore, the budgetary disparities were compounded by the social expenditures of enterprises which are positively correlated to budgetary revenues. Considering that these social expenditures are fiscal in nature, the resulting index of per capita fiscal expenditures (i.e., budget outlays plus social expenditures of enterprises) varied from 1 to 18 across regions.

As economic reforms progress, the horizontal fiscal imbalances (i.e., revenue raising capacity versus expenditure needs) are likely to further widen across the regions of the Russian Federation. Against this backdrop, the government will have to choose what level of equalization (and therefore actual fiscal disparities) is desirable and acceptable and how to reconcile equalization with the objectives of macroeconomic stabilization and fiscal autonomy of the regions. Although the lack of labor mobility makes the case for fiscal equalization particularly strong in Russia, there is no blueprint for determining what would represent an optimum level.

As in other countries, the level of equalization and the design of the system of intergovernmental relations will have to be adjusted over time in a trial and error fashion. This fundamentally political process should however be guided by clear "rules of the game", including key operational concepts such as transparency and administrative simplicity. The new constitution adopted in December 1993 and the government's conceptual framework for the 1994 budget represent major steps in this direction. The constitution settles the controversy about asymmetrical federalism and ensures the homogeneity of the economic space of the federation. On the fiscal side, the specific measures proposed in the government's conceptual framework would (i) significantly improve the transparency of the existing tax sharing arrangement, (ii) reduce the disparities among the regions, (iii) enable the regions to develop their own resource base, and (iv) change the current composition of federal spending. As regards equalization transfers, the government envisions the creation of two mechanisms -- a general equalization fund and a "development" equalization funds -- that would be financed by earmarked tax revenues.

With a view to further streamline the system of intergovernmental fiscal relations, the changes proposed by the government in the conceptual framework should be complemented, among other things, by the following measures:

(a) To improve transparency and accountability, the assignment of detailed expenditure responsibilities between the federal and subnational level of government should be formalized. Further, a clearer distinction should be drawn between devolution and delegation of expenditures between the federal and the subnational level of government. Delegation of expenditures (i.e., the subnational government is essentially the executing agency of the central government) is particularly useful for implementing nation-wide redistributive policies. For example, standards and financing of the unemployment benefits in Russia should be centralized while service delivery could remain at the subnational level.

(b) To limit bargaining and negotiations, general equalization transfers should be allocated through a formula-based grant mechanism. However, to avoid the technical problems related to the assessment of regional expenditure needs and revenue raising capacity, in the near future, the allocation of the resources earmarked for general equalization purposes should be based exclusively on the level of per capita revenues of certain taxes (e.g., VAT, profit tax, and PIT) in the regions, adjusted as necessary by price differentials. In parallel, the "development" fund should address targeted needs of regions through matching and/or conditional grants.

I. Introduction

1. The decentralization of political, economic and fiscal power from the center to the regions is an integral and critical part of the sweeping changes that took place in Russia since end-1991. Decentralization of responsibilities within the public sector affects other key economic functions and reform areas such as macroeconomic stabilization, trade, privatization, the provision of public services and the social safety net. Its successful implementation is therefore key to the success of the on-going transformation of the country.

2. From an economic and fiscal standpoint, decentralization in itself is neither good nor bad. Decentralization -- if accompanied by accountability -- may provide substantial benefits in terms of public sector efficiency. Conversely, it can result in financial instability, waste of resources and social inequities. The difference between failure or success depends to a large extent on the design of the system of intergovernmental relations, i.e., the division of responsibilities among levels of government and the means to finance them.

3. In 1992-93, decentralization in Russia took place in an ad hoc manner reflecting the prevailing unsettled political and economic environment as well as strong centrifugal forces. The breakdown of the unitary fiscal system enforced in the former USSR was accompanied by a series of piecemeal decentralization measures undertaken without preparation or clear strategy. The resulting system of intergovernmental relations is fraught with many inconsistencies, uncertainties and problems. In particular, the degree of interregional equity desirable within the federation and therefore the level of fiscal equalization is emerging as a major issue and as a key aspect in the design and implementation of a workable system of intergovernmental finance.

4. In this context, the objectives of this paper are (i) to take stock of the decentralization process and its impact on interregional fiscal disparities, and (ii) to highlight the policy implications of fiscal equalization and a number of measures to streamline the existing intergovernmental fiscal system. The paper is organized as follows. Section II summarizes the evolution of intergovernmental relations in 1992-93. Section III presents a quantitative analysis of the fiscal disparities across regions. Section IV discusses the changes in the system of intergovernmental relations introduced in the new constitution adopted in December 1993 and outlines the policy implications of fiscal equalization as well as specific measures to amend and complement the reforms envisioned in the government's conceptual framework for the 1994 budget.

II. Summary Review of Intergovernmental Relations ¹

5. Since end-1991, the evolution of intergovernmental fiscal and economic relations has been a rapid and somewhat chaotic decentralization of fiscal and economic responsibilities. In the absence of a clear consensus regarding the political and administrative organization of the country, decentralization took place in a "trial and error" fashion and has not yet run its course. It has been characterized by relatively frequent changes in tax sharing arrangements, areas of blurred expenditure

¹ For a more detailed description and analysis of intergovernmental relations, see the World Bank report on "Intergovernmental Fiscal Relations in the Russian Federation" (Report No. 11302RU, December 18, 1992).

responsibilities between different levels of government, and lack of rules governing the allocation of federal transfers, thereby fostering inefficient ad hoc bargaining and negotiations. On the economic side, the increased autonomy of the regions in the areas of price policy, foreign exchange and trade transactions threatened the homogeneity of the Russian economic space.

A. Evolution of the administrative and political organization of the federation

6. The relations between the central and the subnational levels of government are complicated by the fact that Russia is made of "regions" that have very different administrative and political status. The Russian Federation is currently made of 89 administrative units² (or "subjects of the Federation") with different legal and administrative status. These administrative units consist of: 19 ethnic republics, 2 Soviet Socialist Republics, 53 oblasts (provinces) including 3 autonomous ones, 6 krais (native lands), 7 autonomous okrugs, and the 2 metropolitan cities (Moscow and Saint Petersburg). The administrative units are further subdivided into districts (rayons).
7. For practical purposes, the 89 "regions" of the Federation are regrouped into 12 geographic areas including the Kaliningradskaya oblast which is separated from the rest of Russia by Latvia and Lithuania. These geographic (also called "economic") areas and the regions that they include are shown in annex 1. Regions are also regrouped along national criteria. The nationality-based administrative units (namely all republics, autonomous oblasts, and autonomous okrugs) cover 53 percent of the territory of the Russian Federation. In contrast, their population counts for only about 20 percent of Russia's population. The territory and population of the resource-rich republics of Yakutia, Tatarstan and Bashkiria account for 20 percent and 6 percent of Russia's territory and population, respectively.
8. The 1977 constitution envisioned the Russian Federation as a confederation in which -- among all the administrative units -- the ethnic republics (equivalent to the union republics in the former USSR) have the greatest autonomy from the federal government. In the former USSR, union republics had the right, in principle, to coin money, enter foreign trade agreement and secede from the union. In practice however, decision-making was highly centralized in the hands of the communist party. After the collapse of the USSR, the federal-regional relations within the federation were embodied in the Federative Treaty signed in March 1992.
9. The Federative Treaty began the necessary process of dividing up the responsibilities between the federal government and the 89 subjects of the federation but did not accomplish it. The different status of the regions was not resolved. The Federative Treaty is made of three separate agreements signed between the federal government and, on the other hand, (i) the republics, the oblast and krais, and (iii) the autonomous units. Although the treaty confirmed the greater control of the ethnic republics over their foreign policy, foreign trade, relations with the federal government and relations between republics, krais and oblasts, the Chechen republic refused to sign and in effect seceded. In addition, special appendices were signed between the federal government and the republics of Tatarstan and Bashkiria, thereby establishing de facto another status. The political and administrative organization of the country remains in a state of flux.

² i.e., the 88 administrative units existing when Russia was in the Soviet Union plus an additional republic emanating from the division of the Checheno-Ingush Republic into two separate republics.

10. Among other things, the important question of control over the natural resources is not yet clearly resolved. Although the Federative Treaty provides that the residents of an ethnic republic own the land and natural resources within the republic's boundaries, it also states that the ownership and the use of the natural resources should be regulated by laws of both the Russian Federation and the ethnic republics³.

11. In practice, the definition of sovereignty is closely related to the natural resource wealth of the region and depends on each particular case. Bashkiriya's parliament declared that Russian legislation will only be effective in that territory so long as it is consistent with Bashkiriya's sovereignty and constitution. Yakutia unilaterally increased its share of revenue from diamond sales from 27 percent as agreed in the Federative Treaty to 35-40 percent and threatened to print its own money. Tatarstan negotiates bilateral agreements with the federal government and enters directly in foreign trade agreements with third countries.

12. Down the political and administrative independence scale are the other forms of republics, the krais, autonomous oblasts, autonomous okrugs, oblasts and the metropolitan cities. Although the non-ethnic republics are populated in majority by Russians, their boundaries have been drawn to give some recognition to some nationality groups. A krai, like an oblast, has administratively drawn boundaries, but contains within its borders autonomous oblasts or autonomous okrugs, which themselves are based on nationality groups and independent from the krai administration.

13. Traditionally, the oblasts, metropolitan cities, krais, autonomous okrugs, and autonomous oblasts have had considerable de facto autonomy from the federal government, but less than the republics. However, the successful efforts of republics to acquire even more economic and political rights than they had earlier, have encouraged many ordinary regions to move in the same direction⁴. During the constitutional debate, the oblasts favored equal status among the "subjects of the federation". Recently, 11 central Russian regions reportedly decided to unite as the Central Russian Republic. If successful, this attempt may be followed by other groups of provinces, eventually leaving only republics within the federation.

14. A council of the heads of the Republics was established in October 1992 as a basis for discussions among the leaders of the ethnic republics and the President of the Russian Federation. In the context of the constitutional debate, the council of the heads of the Republics agreed in August 1993 to the creation of the Federation Council proposed by President Boris Yeltsin. Given that republics had been reluctant to put themselves on the same level as the other regions, the creation of this new consultative body (which was accompanied by strong anti-secession statements from the President and the Prime Minister) reflected a relative weakening of the politico-administrative status of the republics.

15. Finally, this emerging trend towards more cohesion is reflected in the new constitution adopted in December 1993, which, as we will see below, establishes equal status among the different territories of the federation.

³ At the Federal level, the law on natural resources was adopted in February 1992.

⁴ Krasnodarskiy krai, Stavropolskiy krai, and Rostovskaya oblast led the way in demanding the status of republics.

B. Fiscal decentralization

16. Fiscal decentralization in Russia took place through successive waves of tax sharing arrangements (usually promoted by the Supreme Soviet) accompanied (or followed) by increased expenditure responsibilities for the regions (usually promoted by the central government). A major flaw of the system is the large room made to ad hoc negotiations between the federal and the regional levels of government in the allocation of resources. Despite the on-going fiscal decentralization, in 1992 and 1993, (i) the consolidated regional budget was still smaller than the federal one; and (ii) the consolidated regional budget was in surplus while the federal budget was in deficit.

17. Revenue Sharing The budgetary revenues of the regions depend heavily on the sharing of a limited number of taxes with the federal government. As shown in annex 2, total revenues of the consolidated national budget (i.e., the federal and consolidated regional budget) amounted to about 30 percent of GDP in 1992 and 1993⁵. In 1992, the regions accounted for 43.6 percent of this total. During the first three quarters of 1993, the implicit share of the regions in total budget revenues increased to 48.6 percent. Although regional and local governments were assigned a large number of various taxes and fees⁶, in 1992 and 1993, about 85 percent of the aggregated regional revenues came from four taxes, namely the profit tax, the value added tax (VAT), the personal income tax (PIT) and excises. Except for the PIT which is assigned to the regional budgets, the revenues from the other three taxes (equivalent to 67 percent of the total revenues of the regions) are shared between the federal and subnational levels of Government.

⁵ These figures reflect the budget as presented by the authorities, i.e., excluding extrabudgetary funds at all levels of government, off-budget external transactions and directed credits.

⁶ 21 "minor" taxes are assigned to the subnational budgets. However, their base and rates are determined by law at the federal level.

Table 1. Consolidated Regional Revenues, 1992 - 1993 (January-September)
(In billions of rubles, and in percent of consolidated national budget)

	1992		Jan.-Sept., 1993	
	Actual	(In %)	Actual	(In %)
Total	2,280.3	43.6	13,350.2	48.6
<i>(In percent of GDP)</i>	12.6		14.4	
Profit taxes	921.5	58.8	6,402.3	66.4
VAT	498.2	24.9	2,390.5	35.8
Excises	111.0	52.5	425.3	44.9
Sales tax	4.7	100.0		
Personal income tax	431.3	100.0	2,196.2	100.0
Property tax	54.7	100.0	328.0	100.0
Timber tax	31.8	100.0		
Foreign economic activity	8.0	1.7	62.1	2.3
Payments for the use of nat. res.			391.2	56.0
Land tax			150.1	96.3
Government duties			425.3	44.9
Other tax and non-tax revenue	219.1	56.1	579.1	18.5
O/w: payment for land	54.0	76.0		
Reevaluation of stock	10.1	23.1		
Memo item:				
<i>GDP (In billions of rubles)</i>	18,064.0		92,731.0	

Source: Annex 2.

18. Tax sharing arrangements between the federal and regional levels of government changed during 1992 and again in 1993. Because of difficulties in moving quickly from an intergovernmental fiscal system of "shared taxes" to one of pure tax assignment, the implementation of the tax assignment system provided by law on "Basic Principles of Taxation" was superseded in 1992 and in 1993 by the introduction of quarterly budget laws, beginning in the first quarter of 1992⁷.

19. The successive tax sharing arrangements introduced in the budget laws were increasingly in favor of the regions. The share of the regions in the two major revenue-generating taxes in the country, namely the VAT (38.2 percent of consolidated budgetary revenues) and the profit tax (30 percent), increased at each new tax sharing arrangement. For the profit tax, the regions' share increased from 53 percent during the first quarter of 1992 to 69 percent in 1993.

⁷ Due to the buoyancy of the profit tax, if the "law on Basic Principles" had been implemented, the regions' tax revenues would have been increased by an estimated Rb. 148 billion in 1992 (0.9 percent of GDP).

Table 2: Sharing Rates of Major Taxes in the Russian Federation

(In percent of total)

	"Basic Principles"		Q1, 1992		Q2-Q4, 1992		1993	
	Federal	Regions	Federal	Regions	Federal	Regions	Federal	Regions
Value Added Tax	100	0	ad hoc negotiations		80	20	80-50	20-50
Profit Tax	0	100	46.88	53.12	40.7	59.3	31.25	68.75
Personal Income Tax	0	100	0	100	0	100	0	100
Excise on Alcohol	50	50	50	50	50	50	50	50

Source: "Intergovernmental Fiscal Relations in the Russian Federation," World Bank 1992; IMF (1993); Ministry of Finance.

20. Although they followed the same trend, the successive sharing arrangements for the VAT have been much less straightforward. During the first quarter of 1992, the regions' share of the newly introduced VAT was negotiated on a case-by-case basis between the federal government and the regions. However, actual tax collection shows that, on average, the share of the regions was about 20 percent. This implicit sharing rate was formalized in the second quarter and remained fixed for the rest of the year. However, in 1993, the government came back to the formula of a negotiated sharing rate which can vary within the limits of 20 and 50 percent depending of the regions⁸.

21. This step backward is an attempt to achieve some fiscal equalization among the regions through "tailormade" sharing rate of VAT revenues. This practice of regulating the sharing rate, inherited from the Soviet Union, fosters bargaining and negotiations. A far better solution to ensure a better match between expenditure needs and resources would be to design a clear system of intergovernmental transfers and cofinancing.

22. The above tax sharing agreements did not apply for the Chechen republic which is not paying any tax at all to the center, nor for the three resource-rich ethnic republics of Bashkortostan, Yakutia, and Tartarstan. These republics unilaterally declared fiscal sovereignty and benefit from special fiscal regimes (the so-called "single channel" arrangements) by which the region retains all revenues from all taxes collected in its territory and transfers a fixed nominal amount each month to the federal budget. These agreements were forced upon the Ministry of Finance by these republics and have not been sanctioned by the Supreme Soviet. The amounts transferred are negotiated in the context of federal expenditures in the regions. More specifically, these regions finance expenditure programs that were previously (and are still in other regions) financed by the federal budget.

⁸ The same logic was applied to the tax on natural resources which sharing rate can vary from 25 to 65 percent.

about 30 regions withheld taxes from the center because the federal government failed to pay civil servants and grain producers.

24. **Expenditure assignment.** Although their actual budget expenditures are smaller than the federal level, the regions are responsible for most public services in Russia. The consolidated national budgetary expenditures amounted to 32.3 percent of GDP in 1992 and 31.4 percent in the first three quarters of 1993 (see annex 2). The regional budgetary expenditures accounted for 38.6 percent of the consolidated national budget in 1992 and 47.6 in 1993. However, the regions accounted for 59 percent of the two major budget expenditure categories, namely "national economy" and "socio-cultural activities"⁹. This share increased to 75 percent in 1993.

25. The regions represented 46.8 percent of the consolidated "national economy" expenditures and 70.3 percent of "socio-cultural" expenditures in 1992. These shares increased to 69 and 82 percent, respectively, in 1993. Within "national economy" expenditures (i) the regions spent 53.5 percent of total budget-financed investments; and (ii) a number of subsidies (e.g., agricultural subsidies) are in part consumer subsidies that should be reclassified as social expenditures. Within social expenditures, the regions accounted for 66.2 percent and 88.7 percent of national (consolidated) budget expenditures on education and health respectively. In 1993, the share of the regions in these two sectors increased to 78.3 and 90.6 percent, respectively.

Table 3. Consolidated Regional Expenditures, 1992 - 1993 (January - September)
(In billions of rubles, and in percent of consolidated national budget)

	1992		1993 (Jan-Sep.)	
	Actual	(In %)	Actual	(In %)
Total	2,253.3	38.6	13,866.5	47.6
(In percent of GDP)	12.5		15.0	
National economy	963.5	46.8	5,942.4	69.1
Social cultural activities	971.6	70.3	6,405.3	81.7
O/w: Education	449.8	66.2	2,935.0	78.3
Health and physical culture	415.0	88.7	2,552.6	90.5
Culture & mass media	56.8	48.9	349.6	68.6
Social security	50.0	76.9	300.0	60.7
Science	3.4	3.2	23.0	4.2
Foreign economic activities	0.2	0.0	50.3	2.9
Law enforcement & state administration	68.8	19.6	468.8	21.2
Other	245.8	36.6	973.4	28.7
Chernobyl	0.5	0.6	3.1	1.7
Memo item:				
GDP (In billions of rubles)	18,061.0		92,731.0	

Source: Annex 2.

⁹ "National Economy" includes subsidies to enterprises, investments, housing infrastructure maintenance, capital repairs and operational expenses of budget-supported organizations. Socio-cultural activities include expenditures in education, health, allowances for children, single mothers and poor families, and culture and sport activities.

26. The system of expenditure assignment inherited from the Soviet period continues in many respects to govern expenditure assignment in the Russian Federation. The division of expenditure responsibilities was predetermined by the previous assignment of enterprise ownership to the different levels of government. The union budget included activities of national importance such as transportation and defense. The republics were given responsibility for light industry such as tools and machinery. Oblasts were given responsibility over housing, utilities, trade, and public services such as health care and pre-university education. However, the responsibilities among levels of governments were assigned *de facto* -- through the plan -- rather than *de jure*.

27. With the breakdown of the Soviet Union, obvious areas such as national defense, state apparatus, foreign affairs, long distance communications, or fundamental research were shifted from the union to the federal government. All other types of expenditures can be found in the budgets of all levels of government, with the benefit area principle -- as well as the relative wealth and political independence of the individual regions -- governing the scale of provision. Although there are still some areas of blurred responsibilities, subnational levels of government are responsible for most of social expenditure, infrastructure, consumer subsidies (mostly foodstuffs), housing, heating and other utilities (see annex 3). The ownership of enterprises is also increasingly being transferred to the regions. Since the level of government owning an enterprise is also financially responsible for it, regions are increasingly involved in the commercial (productive) sector, through producer subsidies, capital transfers, and privatization.

28. Although expenditure assignments are not prescribed in a specific law, a number of central functions were shifted to the regional budgets in 1992. In early 1992, several expenditures formerly undertaken by the Union or Republican level were shifted to the subnational level, notably consumer price subsidies (milk, bread, meat, baby food, etc.) and cash subsidies for vulnerable groups, welfare programs for pensioners, various family allowances, and child compensation and support for the homeless. Until 1992, these subsidies were financed by the central government by means of tied transfers from the central government to the regional level which in turn disbursed these funds to the rayons.

29. Another major change introduced in 1992 is the decentralization of budget-financed investments. Until 1992, with the exception of housing, regional governments had no responsibilities for deciding and financing capital expenditures: all investments were determined by the Gosplan and financed by the Ministry of Finance and/or by reallocation of depreciation resources among enterprises by the line ministries. Responsibility for all budget-financed investments, including investments of national significance, was shifted to regional governments in the second quarter of 1992¹⁰. Faced with considerable resistance from regional governments, the federal government implicitly stepped back from its declared policy of all-out decentralization of budget-financed investment. At this stage, the delineation of capital expenditure responsibility and financing is not yet clear, especially with respect to budget-financed capital transfers to enterprises in the "productive" sector.

¹⁰ This decision was made when it appeared that revenue sharing arrangements yielded budget surpluses at the aggregated regional level of government.

30. In 1993, the increased shares of the VAT and the profit tax revenues accruing to the regions were accompanied by the devolution of responsibilities in the agro-industrial complex from the federal to the regional level of government (notably in the subsidy-hungry livestock subsector). This additional expenditure responsibility was reflected in the significant increase of the regional share of "national economy" expenditures in the consolidated national budget from 47 percent in 1992 to 69 percent during the first three quarters of 1993.

31. Regional budget balance and federal transfers. As shown in annex 2, excluding privatization proceeds and intergovernmental financial transfers, the consolidated regional budget was balanced in 1992. In contrast, the federal budget showed a deficit of 3.4 percent of GDP¹¹. Taking into account the privatization proceeds equivalent to 0.3 percent of GDP (of which the regions accounted for 70 percent) and net intergovernmental financial transfers equivalent to 1.5 percent of GDP, the consolidated regional budget showed a surplus of 1.9 percent of GDP. These net federal transfers widened the federal deficit to 5 percent of GDP. During the first three quarters of 1993, the consolidated regional budget was again in surplus after intergovernmental transfers and the federal budget was in deficit.

32. The combination of a regional budget surplus in aggregate and net federal transfers to the regions results from the newly established independence of budgets, which in turn resulted in a "federalization" of individual regions' deficits and a "regionalization" of their surpluses. Although regions differ from one another in their capacity to raise revenue, and in their needs for expenditure, the new system of intergovernmental fiscal relations set in place in end-1991/early 1992 did not take into account the need for transfers and equalization. The "Basic Budget Law" enacted in October 1991 established the independence of budgets at all levels of government. This law ended the former system whereby municipal and other governments were able to rely on higher level governments to automatically finance deficits incurred in the implementation of the agreed programs. It also ended the practice of surpluses being transferred to the next higher level of government.

33. However, during the course of 1992, recognizing that a number of regions had an economic and tax revenue basis too weak for financing their expenditure responsibilities, the federal government resumed its previous practice of providing federal transfers to regions on an ad hoc, negotiated basis and regional borrowing was discouraged. To regulate federal transfers and therefore make them more transparent, the Supreme Soviet adopted the "Law on Subventions" in June 1992 which, despite a number of shortcomings, provided a framework for allocating and monitoring the use of federal grants. However, for lack of a settled expenditure assignment and tax sharing system, this law has (and could) not been implemented.

C. Price controls and international transactions

34. As of March 7, 1992, the federal government devolved to regional and local governments the authority to independently adopt their own policies regarding price liberalization. The economic justification given for such decentralized price regulation has been the superior information available to regional and local authorities regarding monopolistic

¹¹ Contrary to IMF estimates, this deficit does not include off-budget government transactions.

practices. In many instances, local authorities have followed policies which are somewhat more conservative than the policies on price liberalization of the federal government.

35. In practice, this step resulted in extensive bargaining between local authorities and many local producers over the prices charged to local residents. In return for the promise to restrain prices, local officials frequently will offer some form of government subsidy and continued access to locally controlled public utilities, licenses, and permissions to operate. With respect to foodstuffs, large variations in the cost of a basket of 19 food products across 132 cities suggest a widespread willingness of regional officials to impose price controls and provide subsidies. Data on procurement prices for slaughtered livestock and poultry, milk, and eggs across administrative units point to sizable variations in the prices of basic foods even among neighboring territories¹². The situation was even more diverse with respect to prices of basic foodstuffs at the retail level. For example in June 1992, retail prices of milk showed greater variance across regions than did procurement prices of milk (see annex 4, table 2). However, the variance of procurement prices caught up with the variance of retail prices during the second part of year.

36. In turn, local price controls led to the multiplication of trade barriers to limit the "exports" of locally-produced goods to other regions. Obviously, differential policies of subsidization and price control across regions give rise to highly profitable arbitrage opportunities. The local authorities were therefore anxious to restrain "exports" of subsidized products to avoid shortages. The development of this type of "domestic protectionism" threatens the homogeneity of the economic space in the federation which, among other things, complicates the design and implementation of a federal social safety net.

37. However, it must be underlined that the wave of local price controls (i) had only a moderate impact on differential regional inflation rates in 1992 and (ii) receded in 1993. The variance of regional consumer price indices were far less important than the variance observed for the prices of the selected food items that were controlled by local authorities. Based on regional consumer price indices, the coefficient of variation (defined as the ratio of the standard deviation of the series over its mean) of the regional inflation rates in 1992 was limited to 0.13 (see annex 4, table 1). Furthermore, developments in 1993 point towards a decline of regional price controls of consumer goods. In September, for instance, the price of milk was subsidized in 43 of the 132 surveyed Russian cities compared to 87 at the beginning of the year. The same trend was observed for bread, meat and sugar.

38. Regional authorities have also begun to take a number of measures to manage their foreign trade relations and to retain foreign exchange. Export quotas of raw material are negotiated between the federal government and some producing republics. In the particular case of Tartarstan, federal export taxes were transferred to the regional budget. Other territorial units have received exemptions from export surrender requirements and reportedly are allowed to establish their own escrow accounts abroad to deposit export proceeds. More generally, following the example of the federal government, regions developed their own off-budget "hard currency budgets". The revenues consist of regional taxes and levies on exports

¹² For more details, see IMF's Recent Economic Developments, April 12, 1993.

and imports paid in foreign exchange and used to subsidize regional imports (typically food, medicine, and equipment).

III. Fiscal Disparities among the Regions

39. Through the cross section analysis of the regions' budgets, consumer price indices, social expenditures of enterprises, wages, privatization proceeds, and unemployment, this section documents the increasing fiscal disparities among regions and the regional behavior patterns with respect to budget expenditures and enterprise reform¹³. The accurate and exhaustive assessment of fiscal disparities is impaired in particular by the lack of data concerning the geographic distribution of direct central fiscal spending (budgeted and off-budget), and the regional extrabudgetary funds. Despite these limitations, the disparities reflected in the regional budgets and the social expenditures of enterprises are likely to be quite representative (if not an under estimate) of the regional fiscal disparities in Russia. As regards direct federal spending, which are allocated essentially according to sectoral policies and criteria, their impact on regional fiscal disparities is partly captured by the existing regional budgetary data: the significant amount of federal subsidies, directed credit and capital transfers to enterprises find their way back into the regional budgets through increased tax revenues. As regards extrabudgetary funds, given that most of their resources come essentially from taxes and levies based on the local enterprises' operating costs (in particular the wage bill), it is likely that, if anything, their inclusion in the regional budgets would widen the observed fiscal disparities among regions.

A. Budget disparities and equalization policy

40. The changes in intergovernmental relations introduced in 1992 resulted in a significant widening of the existing budget disparities among regions. The coefficient of variation of per capita regional budgetary revenues¹⁴ increased from 0.6 in 1991 to 0.9 in 1992. Concomitantly, the coefficient of variation of per capita regional budgetary expenditures increased from 0.5 to 0.8. It is interesting to note that these variances are not affected by the observed differences in the regional inflation rates: In 1991 prices, the coefficients of variation of per capita regional budget revenues and expenditures in 1992 remains 0.9 and 0.8, respectively (see annex 5, table 3).

41. In real terms, the tax sharing policy implemented in 1992 resulted in higher regional budget revenues in aggregate, but in lower revenues for the majority of the regions. Despite an estimated 20 percent volume decline in GDP, in 1992, the average per capita revenues of the regions increased by 12.7 percent in real terms. However, as reflected by the significant increase in the coefficient of variation of regional per capita budget revenues, this (weighted) average masks strong diverging trends across the country. In fact, the increase in

¹³ Regional data are presented in annex 5 and regressions in annex 6.

¹⁴ Unless otherwise specified, budgetary revenues and balances referred to in this section exclude privatization receipts and federal transfers.

per capita budget revenues was concentrated on 33 regions (out of 87¹⁵). Among those, the budget revenues of 4 regions, (i.e., Yamalo-Nenets republic, Bashkortostan republic, Tatarstan republic and Khanty-Mansiyskiy autonomous okrug) more than doubled. The remaining 54 regions experienced a decline in real terms. Among those, the per capita budget revenues of 12 regions were halved or more. It is interesting to note that these 12 regions are either republics or autonomous regions.

42. The large differences in regional per capita budget revenue observed in 1992 seem to reflect reasonably well the underlying economic disparities across regions. The reason is that in 1992 -- with the noted exception of the VAT during part of the year -- the previous practice of equalizing budget revenues among regions by "regulating" the tax sharing rates between the center and the regions was discontinued. Per capita budget revenues in 1992 are positively related to regional average monthly wages and negatively related to the share of the regions' rural population (see Annex 6)¹⁶. The positive relation between per capita budgetary revenues and wages indicates that, overall, budget disparities reflect the level of regional income. Furthermore, given that --as we will see below-- social expenditures of enterprises are also positively related to budget revenues, this relationship would be even stronger if non-cash benefits were added to monetary wages.

43. The inverse relation between per capita budgetary revenues and the share of rural population in the regions reflects the government's tax policy which includes extensive tax exemptions in favor of agricultural activities. As suggested by the inverse relation between regional wages and the share of rural population across regions (see annex 6), it may also reflect that, overall, agricultural regions tend to be poorer than the industrial ones. However, as reflected by the relatively low coefficient of determination (R-squared) of the regression, this relationship between income and agriculture is undermined by a significant number of exceptions.

44. As regards the budget balance of the regions, although in surplus in aggregate, most of the individual regions were in deficit, and the disparities among regions widened substantially in 1992. Out of 89 regions, 56 were in deficit in 1992. The nominal budget balances varied widely from a maximum surplus of Rb 56.1 billion in Bashkortostan to a maximum budget deficit of Rb 16.4 billion in Dagestan. In per capita terms, budget balances varied from a surplus of Rb 15,800 in the Khanty-Mansiyskiy autonomous okrug to a maximum per capita deficit of Rb 69,700 in the Koryakskiy autonomous okrug (see annex 5, table 3). The coefficient of variation of regional per capita budget balances increased from 1.6 in 1991 to 2.9 in 1992 (both in nominal and real terms).

¹⁵ Although the Ingush and Chechen republics have separated budgets in 1992, per capita indicators reflect their aggregated budgets for lack of data concerning the population of each of these republics. Data for Ivanovskaya oblast is not available for 1991.

¹⁶ In the absence of regional value added data, regional average monthly wages and the share of rural population were used as proxies for the level of regional income and the structure of output, respectively. In particular, given the limited availability of income-generating financial and real assets in Russia, wages are considered a good proxy for income.

45. Given that regional governments cannot borrow, their deficits are financed through federal transfers¹⁷. In 1992, net federal transfers to the regions were far higher than the consolidated financing needs of the deficit-regions and, after federal transfers, all regions had a budget surplus. Net federal transfers to the regions amounted to Rb 267.4 billion (1.5 percent of GDP). In contrast, the consolidated budget deficit of "deficit-regions" amounted to Rb 162.6 billion. Taking into account the Rb 19.1 billion of privatization receipts of these regions, their consolidated financing needs amounted to only Rb 143.5 billion (0.8 percent of GDP).

46. Federal transfers to the regions included (i) Rb 17 billion of short-term loans; (ii) Rb 107 billion of net mutual settlements; and (iii) Rb 142.5 billion of federal grants (subventions). Short-term intergovernmental loans were essentially federal cash advances to the regions to smooth out their inflow of tax revenues. As suggested by its name, the second category of transfers represents the net outcome of settlements of all sorts of mutual obligations between levels of government¹⁸. With the exception of Bashkortostan (which paid back to the federal government part of the tax revenues it withheld), all regions benefitted from net positive federal transfers under mutual settlements, regardless of their budget balance position. Finally, federal grants (subventions) were allocated essentially to deficit-regions.

¹⁷ As we have seen in para. 27, regions are now allowed to retain their budget surpluses; therefore, in the future, an alternative source of deficit financing for the regions will be to draw on their bank deposits generated by previously-accumulated surpluses.

¹⁸ Although this has to be further investigated, it seems that these transfers included essentially retrocession of tax revenues from the federal to the regional levels of government to comply with the changing tax sharing arrangements, financial compensation for specific expenditures shifted to the regions, and/or the financing of federal programs carried out by the regions.

Table 4. Russia: Regional Budgets, 1991-1992
(In rubles, per capita)

	Revenue	Expenditure	Budget Balance 1/	Federal Grants
1991				
Standard deviation	718	729	228	n.a.2/
Maximum	4,248	4,488	473	n.a.
Minimum	367	663	(1,278)	n.a.
Average	1,198	1,341	(143)	n.a.
Coefficient of variation	0.6	0.5	(1.6)	n.a.
1992 (in nominal terms)				
Standard deviation	13,017	14,686	10,603	7,780
Maximum	88,361	83,665	15,791	50,141
Minimum	2,537	5,077	(69,693)	46
Average	14,786	18,409	(3,623)	4,961
Coefficient of variation	0.9	0.8	(2.9)	1.6
1992 (in 1991 prices)				
Standard deviation	1,066	1,073	754	
Maximum	6,552	5,905	1,509	
Minimum	207	577	(4,891)	
Average	1,133	1,390	(257)	
Coefficient of variation	0.9	0.8	(2.9)	

1/ Parenthesis indicate negative values

2/ Not available

Source: Annexes 1, 2, and 3

47. Federal grants are used merely as a "gapfiller", and have a moderate equalizing impact on regional per capita budget expenditures. Federal grants cover individual regions' deficits. This is reflected by the inverse relation between federal grants and budget deficits and by the high coefficient of determination of the regression (see annex 6). As already mentioned, federal grants were determined by the successive agreements (the budget was revised many times throughout the year) resulting from the negotiations between the federal and regional levels of government.

48. Despite increased expenditure responsibilities, per capita regional expenditures decreased for most of the regions in 1992. After-transfer regional per capita expenditures increased by 5 percent in real terms between 1991 and 1992. However, this average masks the fact that per capita expenditures increased in real terms in only 32 regions. The remaining 55 regions experienced a decline of their per capita expenditures; for 31 of them, this decline amounted to 15 percent or more.

49. The disparity of regional per capita expenditures increased in the same proportion as revenues between 1991 and 1992, albeit from a lower starting point. However, in both years, the relatively lower degree of variation in per capita budgetary expenditures vis a vis per capita budgetary revenues reflects only in part the equalizing impact of federal grants. The other factor contributing to the relative equalization of regional per capita expenditures in 1992 is that the fiscally-wealthiest regions accumulated sizable budget surpluses (i.e., spent significantly less than they could have)¹⁹.

50. The moderate equalizing impact of federal grants results essentially from their relatively small size. As we have seen above, federal grants amounted to Rb 142 billion in 1992. This represents 2.4 percent of the (official) consolidated budget expenditure. To put this share in perspective, intergovernmental grants average about 14 percent of general government expenditure in OECD countries²⁰.

51. The distribution of federal grants among regions -- and therefore of regional budget deficits -- was governed by two guiding principles, namely interregional and intertemporal equalization. In other words, with the exception of the four least populated regions of the country (see below), all regions that benefited from federal grants in 1992 were regions in which per capita expenditures were lower than the average and/or declined in real terms.

52. From an interregional equalization perspective, the allocation of federal grants was essentially related to the performance of the major federal taxes, namely the profit tax and the value-added tax. Per capita federal grants are inversely and strongly related to profit tax revenues and positively related to VAT revenues (see annex 6). The latter reflects that the variable VAT sharing rate between the federal and regional budgets is used by the government as an instrument to equalize revenues across regions. On the expenditure side, although

¹⁹ This effect was partly compensated by the fact that a number of relatively fiscally poor regions also accumulated surpluses (i.e., also spent less than they could have).

²⁰ See "The Economics of Fiscal Federalism: Issues and International Experience", B. Hofman and W. Yuan, World Bank, October 1993.

subventions are negatively related to expenditures under "national economy" and positively related to "social activities", the weakness of the coefficient of determination severely undermines the reliability of this relation (see annex 6).

53. Federal grants were also allocated to regions that suffered the sharpest decline in their revenues, regardless of their relative situation vis a vis other regions. This is why, with the exception of the five resource-rich regions²¹ which accumulated the highest budget surpluses in 1992 (both in absolute and per capita terms), and are among those with the highest per capita revenues and expenditures in the country, regions in surplus and in deficit are found at every level of per capita budget revenues and expenditures. This intertemporal equalization policy explains why the 10 regions that benefitted from the highest levels of per capita federal grants were also among the regions that enjoyed the highest levels of per capita budget expenditures²². All of these regions share in common a decline in real per capita budget revenues ranging from 30 percent (Taymyrskiy/Dolgano-Nemets autonomous okrug) to 78 percent (Tuva republic and Aginskiy-Buryatskiy autonomous okrug) in 1992. With the exception of the four least populated autonomous okrugs (i.e., Evenskiy, Koryakskiy, Taymirskiy, and Aginskiy-Buryatskiy), these regions also experienced a decline in their real per capita budget expenditures (from 5 percent in Chuktoskaya to 34 percent in Magadanskaya).

B. Patterns of regional budget expenditures

54. About 85 percent of regional budget expenditures is concentrated on two categories, namely "national economy" and "socio-cultural activities". However, the allocation of regional expenditures among and within this categories varies quite significantly. The level of per capita social expenditures, and health expenditures in particular, is less "compressible" than other expenditures. The coefficient of variation of per capita regional social expenditures (0.70) is significantly lower than the one for "national economy" (0.85). This is confirmed by the fact that social expenditures are less revenue-elastic than expenditures under the "national economy" category (see annex 6). In turn, this reflects that (i) the wage-intensity of social activities is very high²³, (ii) wages are a "protected" budget item (i.e., the wage bill can be readjusted for inflation) and are largely determined by the federal government (although paid by the regional and local budgets). Among social expenditures, health shows a smaller coefficient of variation (0.57) than education (0.77). In fact, health expenditures have the lowest coefficient of variation of all the available categories of regional budgetary expenditures and are therefore likely to have reached their core level in a significant number of fiscally-stressed regions.

55. Investment outlays represented about 38 percent of the consolidated regional "national economy" expenditures. However, as reflected in their high coefficient of variation (0.93), per capita regional investment expenditures varied widely from a maximum of Rb 15,600

²¹ These include the 3 regions that benefitted from special fiscal relations with the federal government, namely Yakutia, Bashkortostan and Tartarstan. The other two are the Khanty-Mansiyskiy autonomous okrug and the Yamalo-Nenetskaya republic.

²² These 10 regions are: the Aginskiy-Buryatskiy, Chukotskaya, Koryakskiy, Evenkiyskiy, Nenetskiy, and Taymyrskiy/Dolgano-Nenetskiy autonomous okrugs; the Magadanskaya, Kamchatskaya and Sakhalinskaya oblasts; and the Tuva republic.

²³ Regression analysis shows that both health and education expenditures are strongly correlated to wages (see Annex 6).

in the Yakutia republic to almost nothing in the Checheno-Ingush republics²⁴. In contrast to the per capita health expenditures, per capita investment outlays are the most variable of the major sub-categories of regional expenditures.

56. Reflecting in part the autonomy granted to the regions in the area of price policy since March 1992, and the resulting lack of coordination of regional price policies, per capita food subsidies (i.e., "compensation in prices" for milk, bread, oil and children products) also varied widely across regions from Rb 2,000 in the Samarskaya oblast to almost nothing in a number of regions (e.g., the Komi republic, Leningradskaya oblast, Checheno-Ingush republics, Buryatia republic, Permskaya oblast, and Ust-Ordynskiy Buryatskiy autonomous okrug). As reflected in the absence of correlation between per capita food subsidies and budget revenues, the level of food subsidies is not determined by the relative wealth of the regions (see annex 6). However, given the many means used to control prices and the substitutability between food subsidies and other forms of subsidies, the absence of food subsidies in a region does not necessarily indicate the absence of price controls.

Table 5. Russia: Regional Expenditures, 1992
(In rubles, per capita)

	Total				Total soc. act.		
	National economy		O/w: Capital Invest.	Food Subsidies	O/w: Educat	Health	
Standard deviation	14,686	6,029	2,640	426	5,681	3,013	1,794
Maximum	83,665	44,350	15,588	2,009	35,670	17,765	11,759
Minimum	5,077	1,367	351	26	2,598	1,313	1,039
Average	18,409	7,060	2,842	472	8,090	3,895	3,170
Coefficient of variation	.80	.85	.93	.90	.70	.77	.57

Source: Ministry of Finance; staff estimates.

C. Enterprises and Fiscal Disparities

57. As a legacy of the soviet system, enterprises in Russia are an integral and key part of the existing welfare system, and therefore play an important fiscal role. The provision of social services by enterprises amounted to Rb 471.6 billion in 1992. This represented about 21 percent of the regions' budgetary expenditures and 48.5 percent of their socio-cultural outlays. No breakdown by type of social services is available but most of what is considered enterprises

²⁴ Although Ingush and Chechen have now separated budgets, per capita indicators reflect their aggregated budgets for lack of data concerning the population of each of these republics.

social expenditures is reportedly spent on workers' housing maintenance²⁵ (which, in the Russian budget classification, would be under "national economy" rather than under social activities).

58. The social expenditures of enterprises vary widely across regions and compound the budget disparities. With a coefficient of variation of 1.3, the regional per capita social expenditures of enterprises varied more widely than the major categories of budget expenditures. Furthermore, as shown in annex 6, the per capita social expenditures of enterprises are positively related to tax revenues. The 9 regions showing the highest per capita social expenditures of enterprises²⁶ are also among the first 13 regions in terms of per capita budget revenues. Conversely, the 12 regions with the smallest per capita social expenditures of enterprises correspond to the poorest ones in terms of per capita budget revenues²⁷.

59. Reflecting this positive correlation with budget revenues, the fiscal expenditures of enterprises compound disparities of the regional budget expenditures. In per capita terms, regional fiscal expenditures -- defined as budget expenditures plus social expenditures of enterprises -- varied from Rb 95,100 in Yakutia to Rb 5,400 in Checheno-Ingush in 1992 (see annex 5, table 9). The coefficient of variation of these regional fiscal expenditures amounted to 0.82 (compared to 0.80 for budget expenditures alone).

²⁵ According to a recent survey of a sample of 18 enterprises in 4 regions, housing expenditures represented 55 percent of total enterprise social expenditures and day care represented 34 percent (See J. Alm and D. Sjoquist, "Enterprise Expenditures on Social Services and the Privatization Process in Russia" - July 1993).

²⁶ Namely: Khanty-Mansiyskiy autonomous okrug, Yamalo-Nenetskaya republic, Magadanskaya republic, Yakutia republic, Chukotskaya autonomous oblast, Krasnoyarskaya autonomous oblast, Murmanskaya oblast, Moscow city, and Samarskaya oblast.

²⁷ Namely: Tuva republic, Kalmykia republic, Ust-Ordynskiy Buryatskiy autonomous okrug, Gorniy-Altai republic, Checheno-Ingush republic, Dagestan republic, Komi-Permyatskaya autonomous oblast, Aginskiy-Buryatskiy autonomous okrug, Adygeya republic, Astrakhan republic, Kabardino-Balkaria republic, and Mari-El republic.

Table 6. Russia: Regional Social Expenditures of Enterprises, Privatization Receipts, and Unemployment; 1992

	Social Expenditures of Enterprises (Rb per capita)	Privatization (Rb per capita)	Unemployment (In % to tot. pop)
Standard deviation	3,853	207	0.44
Maximum	28,096	1,213	2.09
Minimum	163	2	0.04
Average	3,034	287	0.56
Coefficient of variation	1.3	0.7	0.79

Source: Ministry of Finance; State Tax Service; staff estimates.

60. Enterprise restructuring efforts by regions, as captured by budgetary revenues from privatization and official unemployment data, have been uneven²⁸. As mentioned above, the regions obtained 70 percent of the country's privatization proceeds in 1992, which added Rb 43.4 billion in revenues to their budget (equivalent 1.9 percent of regional tax revenues). The important share of the regions reflect that privatization started with smaller enterprises which are generally the responsibility of the subnational levels of government. However, as reflected in its coefficient of variation of 0.72, the level of per capita budgetary privatization proceeds varied significantly across regions.

61. Overall, the relative size of regional privatization proceeds seems to have been determined to a larger extent by the individual political stance of the regions than by their fiscal situation and, indirectly, their productive base. There is no relationship between privatization proceeds and the level of tax revenues (see annex 6). Among the regions with a population higher than half a million people, the following 9 regions showed budgetary privatization receipts higher than Rb 500 per capita: Khakasskaya autonomous oblast, Vladimirskaya oblast, Primorskiy krai, Sakhalinskaya oblast, Kaliningradskaya oblast, Khanty-Mansiyskiy autonomous okrug, Orlovskaya oblast, Omskaya oblast, and Murmanskaya oblast (see annex 5, table 10). The level of per capita budget revenues of these regions varied widely from Rb 67,000 in Khanty-Mansiyskiy to Rb 10,000 in Orlovskaya in 1992.

62. At the other end of the relative privatization proceeds scale, all the regions (with a population higher than 0.5 million) with less than Rb 100 of per capita privatization receipts

²⁸ Privatization proceeds included in the regional budgets and unemployment levels represent very partial indicators of the overall reform efforts of regions. More comprehensive indicators have been developed to assess reforms in the regions (see for example: "The unity of reform and reform of unity", The Expert Institute, Moscow 1992).

are ethnic republics: Dagestan, Kabardino-Balkaria, Checheno-Ingush, Buryatia, and Tatarstan. The low level of privatization in these regions reflect the resistance of the regional administrations to the mass privatization program promoted by the federal government.

63. Privatization proceeds are not correlated with the social expenditures of enterprises nor with any particular category of budgetary expenditures (see annex 6). This lack of correlation confirms that (i) even when "privatized", enterprises tend to continue to provide social services (which is supported by anecdotal reports about ad hoc agreements between the local administration and privatized enterprises to this effect); and (ii) so far, the privatized enterprises were not the largest enterprises, which are also the major providers of social services. In particular, the lack of correlation between privatization proceeds and food subsidies confirms that -- as above-mentioned-- the latter are not necessarily a measure of the reformist proclivity of regions (see annex 6).

64. Open unemployment in Russia remains low but regional disparities are substantial. By June 1993, about 717,000 people were unemployed (equivalent to 0.5 percent of the population)²⁹, of which only 471,000 received unemployment benefits from the extrabudgetary Employment Fund. Unemployment is very unevenly distributed across the country. As reflected by its high (0.79) coefficient of variation, the regional unemployment ratio varied from 2.1 percent in Yaroslav to nothing in Checheno-Ingush.

65. Regional unemployment is not correlated to privatization proceeds and not at all with fiscal revenues (see annex 6). In other words, the two groups of regions showing respectively the highest and lowest unemployment ratio (see annex 5, table 11) include both (i) relatively (fiscally) wealthy and poor regions and (ii) regions showing relatively high and low per capita privatization proceeds. This lack of correlation would suggest that unemployment, as privatization, depends more on the relative reform proclivity of regions than their relative wealth, and that privatization is not necessarily accompanied by enterprise restructuring. However, given the questionable accuracy of available unemployment data and the fact that budgetary revenues from privatization represent a partial indicator of privatization efforts, a detailed analysis focused on regional enterprise reform should be conducted before drawing any firm conclusions on this particular issue.

IV. Prospects and Conclusions

66. As economic reform progresses, the horizontal fiscal imbalances (i.e., revenue raising capacity versus expenditure needs) are likely to further widen across the regions of the federation. The magnitude of the shifts in the level and composition of output resulting from the liberalization of prices and restructuring of enterprises will have far-reaching implications for the distribution of income and unemployment across the country. Although difficult to measure accurately, it is clear that the impact of the reforms over the next few years will be unevenly distributed among the regions. For example, the necessary adjustment of energy prices to world market levels will translate into substantial gains for a few regions. Conversely, several densely populated regions, especially those with a high concentration of heavy industries with poor

²⁹ The government recently recognized that official statistics underestimate actual unemployment in the country.

prospects like the Urals, are likely to suffer from considerable losses in revenue raising capacity and increased expenditure needs.

67. Against this backdrop, the case for interregional equity -- and therefore equalization -- is strong, but it must be reconciled with the objectives of macroeconomic stabilization and local autonomy. The purpose of equalization is to prevent unnecessary social hardship which in turn would exacerbate political tensions and may derail the reform process. On efficiency grounds, the argument in favor of equalization is that the nation as a whole stands to lose if the rich regions waste resources on uneconomic spending programs and if poor regions underspend, especially in the human resource area (e.g., health, education) and the social safety net. In Russia, the case for equalization is further strengthened by the lack of a housing market which severely constrains the mobility of people within the country, thereby hampering equalization through migration and weakening accountability of regional governments. In turn, without accountability, efficiency gains from decentralization may not materialize.

68. On the other hand, too generous federal equalization transfers may also weaken the accountability of regional governments and may discourage their own revenue efforts. In addition, trying to achieve a high degree of both equalization and local financial autonomy may result in widening vertical imbalances (i.e., the consolidated fiscal deficit) and runaway inflation. Balancing the objectives of equity, local autonomy and macroeconomic stabilization is a difficult exercise and choices need to be made. For example, given the overriding priority to stabilize the economy, and short of cutting direct federal spending and/or increasing total revenues, the government will face a basic trade-off between more equalization and more decentralization of fiscal revenues: under a hard budget constraint, the higher the level of equalization (i.e., the lower the actual fiscal disparities among regions) desired, the lower the share of total fiscal revenues that should accrue to the subnational governments. Obviously, more equalization can be obtained by a blend of increased centralization of revenues, cuts in federal spending and measures to increase total revenues.

69. In practice however, there is no technical model for determining what would represent an optimum level of equalization and a workable system of intergovernmental relations. As in other countries, the level of equalization and the design of the system of intergovernmental relations will have to be adjusted overtime in a trial and error fashion. However, this fundamentally political process should be guided by clear "rules of the game" including key operational concepts such as transparency and administrative simplicity. By clearly stating the principles of equality among regions and of unity of the economic space of the Russian Federation, the adoption of a new constitution in December 1993 represents an important step in this direction. Unlike the Federation Treaty, the new constitution does not make any distinction in the constitutional status of the subjects of the federation, and their relations with the federal authorities are based on the equality principle (article 5). This settles the much debated issue of "asymmetrical federalism".

70. The new constitution also states the principle of unity of the Russian economic space. To this end, "the establishment of the legal foundation of the single market, financial, currency, credit and customs regulation, monetary emission, and the foundations of pricing policy.." falls within the exclusive jurisdiction of the federal level (article 71). In particular, the constitution prohibits (i) the emission in Russia of any other currency but the ruble (article 75); and (ii) the establishment of internal customs borders, duties, levies, or any other obstacle to the free movement of goods, services and financial assets (article 74).

71. On the fiscal side, the governments's objectives as well as some reform measures are included in the conceptual framework ("conceptia") for the 1994 budget. With respect to expenditure assignments, the conceptia remains unspecific and merely reconfirms that they should be consistent with the benefit area principle. As regards the financing of regional budgets, it advocates important measures to reform the existing system with a view to increase transparency and to reconcile macroeconomic stability, local autonomy and increased equalization through federal transfers.

72. More specifically, in addition to eliminating the tax privileges of individual regions, and unifying the sharing rates of federal taxes across regions, the government plans to introduce the following important changes in the 1994 budget:

- (i) All export and import taxes and duties will accrue to the federal budget;
- (ii) the profit tax rate will be fixed at the federal level only for the part that will accrue to the federal budget; regional governments will independently fix -- within a limit of 30 percentage points -- the profit tax rate accruing to their budgets;
- (iii) the VAT will be shared as followed: 25 percent would go to the regions, 40 percent to the federal budget, and the remaining 35 percent will be earmarked for interregional equalization purposes;
- (iv) 20 percent of the personal income tax, which previously accrued entirely to the regional budgets, will accrue to the federal budget, and be used to equalize regional disparities;
- (v) fiscal equalization will be achieved through two "funds", namely the "regional support fund" (i.e., a general equalization fund financed with 30 percent of VAT revenues) and the "regional development equalization fund" (i.e., a investment fund financed by 5 per cent of VAT revenues and 20 percent of personal income tax revenues); and
- (vi) to foster local autonomy, the "conceptia" proposes to give the regions the right to determine the base and rate of the taxes assigned to the subnational budgets.

73. If endorsed by the newly elected parliament, the above measures will represent a major step towards streamlining the existing intergovernmental fiscal system. With respect to tax policy, by eliminating the (i) regional tax privileges, (ii) bargaining between the center and the regions on the sharing rate of the VAT, and (iii) international trade taxes accruing to the regions, the conceptia significantly improves the transparency and efficiency of the existing system.

74. The measures proposed in the "conceptia" are also likely to reduce fiscal disparities among regions and change the current approach and composition of federal spending. *Ceteris paribus*, if the proposed VAT and PIT sharing arrangement had been applied in 1992, federal equalization transfers would have reached 13.4 percent of the total budgetary spending (instead of the actual 2.5 percent) and regional expenditures would have reached 50.5 percent of total spending (instead of the actual 38.6 percent). For the same national consolidated deficit, this implies that direct federal spending would have had to be cut by the same amount, thereby shifting the pre-transfer deficit from the federal to the regional level. As a result, this program will significantly change the current approach and composition of federal spending from direct budget appropriations based on sectoral policies to a more balanced approach including both sectoral and regional considerations. Finally, another positive and important feature of the

proposed approach to equalization is that it will enforce a "closed" system: the envelope of the total transfers is limited by the share of the taxes available to them.

75. Despite their positive aspects, the measures envisaged in the "conceptia" still suffer from a number of shortcomings. As regards tax sharing, the proposed freedom of the regions to determine the profit tax rate accruing to their budget should be reviewed. The obvious drawback of this proposal is to encourage tax competition among regions, which may result in reduced tax revenues and/or in 89 different profit taxes. In addition, in the case of enterprises operating in different regions, it complicates the problem of the regional apportionment of the tax base. To foster regional autonomy, a better approach would be to give the subnational governments the option to levy a surcharge on the PIT, up to a limit prescribed by the federal government.

76. The measures proposed in the "conceptia" have also to be complemented by other measures aimed at increasing flexibility, transparency and efficiency in the areas of expenditure assignments and federal transfers. As regards expenditure assignments, a clearer distinction should be made between decentralization or devolution of expenditures, and delegation (i.e., when subnational governments have the responsibility to deliver, but not financing services delegated to them). It is particularly important that the standards and financing of cash benefits included in the social safety net be centralized, even if the service delivery remains at the subnational level. For example, the current system of unemployment compensation -- organized and financed through the Employment Fund -- is inadequate to face a major and uneven increase of unemployment. Among other inefficiencies in its financing design and management, due to the regional earmarking of its resources (i.e., a tax on the wage bill), the Employment Fund cannot redistribute its receipts from areas of low to high unemployment. The standards and financing of unemployment compensation should therefore be centralized while the service delivery could remain at the regional level.

77. With a view to limit bargaining between the center and the regions during the budgetary process, the government should clarify and complement the system of federal transfers. To this end, the resources from the general equalization fund should be allocated through a grant formula. However, in addition to its political sensitivity, the definition of such formula can prove technically difficult. General equalization grants (as opposed to sectoral or targeted grants), are usually based on regional fiscal capacity (i.e., expenditure needs - tax raising capacity = grant). The problem is to quantify the components of the basic formula. In the case of Russia, the unsettled economic environment and data availability and reliability will make this exercise technically difficult. On the revenue side, it will be hard to accurately measure the price-level adjusted tax potential of the regions. The quantification of expenditure needs, which implies assessing the costs of providing standard services in each regions, is even more complicated and depends on highly subjective judgments. Another way to determine expenditure needs would be to take a percentage of the national weighted average of per capita regional budgetary expenditures³⁰.

78. Although easier, this solution for assessing expenditure needs also suffers from severe operational shortcomings. First, the implicit assumption behind this formula is that actual expenditure patterns reveal expenditure needs. Second, even assuming that this is the case, the measurement of regional expenditures is hampered in Russia by the importance of (i) the unreported regional extrabudgetary funds and (ii) the social expenditures of enterprises. If these expenditures are not included in the formula, the incentive, especially for wealthier

³⁰ This percentage could be higher for social spending than for other categories.

regions, will be to encourage fiscal expenditures through off-budget channels. In turn, this would be adverse to fostering improved budgeting process, restructuring of enterprises, and a clearer boundary between public and private finance. As regards regional extrabudgetary funds, the solution is straightforward: they should simply be eliminated or rather included in the regional budgets.

79. However, including social expenditures of enterprises in the formula (both on the revenue and expenditure sides) poses the problem of determining how much of these outlays are really fiscal. For example, services such as housing and day care -- which, as we have seen above, account for most of these expenditures -- can be considered as fringe benefits for enterprise workers, reflected in the wage structure, rather than fiscal expenditures. However, this approach is complicated by the fact that a sizable share of the enterprises' housing stock is occupied by families not working in the enterprise³¹.

80. Although the above technical problems may be solved overtime, for the near future, the repartition of general equalization transfers can be solved by a simple formula based exclusively on the relative tax raising capacity of the regions. Furthermore, if the regions' tax potential cannot be satisfactorily assessed in the short term, a temporary second best solution would be to take the regional revenues of the three main national taxes (i.e., the VAT, the profit tax and the PIT), collected by the federal State Tax Service, as a proxy for regional tax raising capacity. The resources available for general equalization purposes could be distributed among regions proportionally to the differential between the per capita weighted average of the consolidated regional revenues from the selected taxes and the individual regions' revenues from the same taxes, adjusted by their price level. This approach is captured in the following equations:

$$\begin{aligned} (1) \quad & \text{PCTR}_{wa} - (\text{PCTR}_r * P_r) = -x \\ (2) \quad & \text{TOTAL} (-x_r) = X \\ (3) \quad & A_r = x_r/X \\ (4) \quad & \text{GRANT}_r = \text{TG} * A_r \end{aligned}$$

PCTR_{wa} = per capita weighted average of the consolidated regional revenues from the selected federal taxes

PCTR_r = per capita revenue in region r of the selected federal taxes (excluding regional surcharges)

P_r = price level differential index in region r (Multiplying by this index converts the regional revenues into national nominal prices).

GRANT_r = nominal amount of equalization grant to region r

TG = total amount of earmarked resources available for general equalization transfers.

It is important to note that this formula is neutral with respect to (i) regional tax efforts (i.e., every region can improve its fiscal situation by increasing local taxes and users' charges without being penalized), (ii) the transfer of social assets of enterprises to the regional budgets, (iii) the inclusion of extrabudgetary funds in regional budgets, and (iv) the pattern of regional spending.

81. The proposed "development equalization fund" could be used as a complement to the general transfer formula to address special and targeted regional needs (e.g., fuel and transport costs of northern territories, important social and infrastructure programs, etc.). For

³¹ With respect to housing, instead of absorbing new expenditure responsibilities, regional governments could favor mass privatization of the stock by removing the uncertainties concerning land ownership and property taxes.

investment projects, although preference should be given to the poorest regions, relatively wealthy regions should also be eligible. For the allocation of these targeted transfers, the government should develop the concept and modalities of matching grants (cofinancing), and conditional grants. To further increase its flexibility and transparency, the policy of federal transfers should also include rules governing the modalities of on-lending of domestic and external credits to the regions.

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Russia: Administrative Geography

NORTHERN REGION

Arkhangelskaya oblast
 Nenetskiy autonomous okrug
 Vologodskaya oblast
 Murmanskaya oblast
 Karelia republic
 Komi republic

NORTH-WESTERN REGION

St. Petersburg
 Leningradskaya oblast
 Novgorodskaya oblast
 Pskovskaya oblast

CENTRAL REGION

Bryanskaya oblast
 Vladimirskaya oblast
 Ivanovskaya oblast
 Tverskaya oblast
 Kaluzhskaya oblast
 Kostromskaya oblast
 Moscow
 Moscovskaya oblast
 Orlovskaya oblast
 Ryazanskaya oblast
 Smolenskaya oblast
 Tulsckaya oblast
 Yaroslavskaya oblast

VOLGO-VYATSKIY REGION

Nizhegorodskaya oblast
 Kirovskaya oblast
 Mari-El republic
 Mordovia republic
 Chuvashia republic

CENTRAL CHERNOZEMNIY REGION

Belgorodskaya oblast
 Voronezhskaya oblast
 Kurskaya oblast
 Lipetskaya oblast
 Tambovskaya oblast

POVOLZHSKIY REGION

Astrakhariskaya oblast
 Volgogradskaya oblast
 Samarskaya oblast
 Penzenskaya oblast
 Saratovskaya oblast
 Ulyanovskaya oblast
 Kalmykia republic
 Tatarstan republic

NORTH CAUCASES REGION

Krasnodarskiy krai
 Adygeya republic
 Stavropolskiy krai
 Karachaevo-Cherkessia republic
 Rostovskaya oblast
 Dagestan republic
 Kabardino-Balkaria republic
 Northern Osetia republic
 Ingushetia republic
 Chechnya republic

URALSKIY REGION

Kurganskaya oblast
 Orenburgskaya oblast
 Permskaya oblast
 Komi-Permyatskaya AO
 Sverdlovskaya oblast
 Chelybinskaya oblast
 Bashkorstan republic
 Udmurtia republic

WESTERN SIBERIA REGION

Altayskiy krai
 Gorniy Altay republic
 Kemerovskaya oblast
 Novosibirskaya oblast
 Omskaya oblast
 Tomskaya oblast
 Tyumenskaya oblast
 Khanty-Mansiyskiy autonomous okrug
 Yamaio-Nenetskaya republic

EASTERN SIBERIA REGION

Krasnoyarskiy krai
 Khakasskaya autonomous oblast
 Taymyrskiy/Dolgano-Nenetsk. AO
 Evenkiyskiy autonomous okrug
 Irkutskaya oblast
 Ust-Ordynskiy Buryatskiy AO
 Chitinskaya oblast
 Aginskiy Buryatskiy autonomous okrug
 Buryatia republic
 Tuva republic

FAR EASTERN REGION

Primorskiy krai
 Khabarovskiy krai
 Yevreyskaya autonomous oblast
 Amurskaya oblast
 Chukotskaya autonomous oblast
 Koryakskiy autonomous okrug
 Magadanskaya oblast
 Chukotskaya autonomous oblast
 Sakhalinskaya oblast
 Sakha (Yakutia) republic

KALININGRADSKAYA OBLAST

ANNEX 2

Table 1	Consolidated Budget, 1992
Table 2	Consolidated Budget: January-September, 1993

Table 1. Russia: Consolidated Budget, 1992 1/

(in billions of rubles)

	Federal	Regional	Consol.	In % of GDP
Revenues	2,951.3	2,280.3	5,231.6	29.0
Profit taxes	645.9	921.5	1,567.4	8.7
VAT	1,500.7	498.2	1,998.9	11.1
Excises	100.5	111.0	211.5	1.2
Sales tax	0.0	4.7	4.7	0.0
Personal income tax	0.0	431.3	431.3	2.4
Property tax	0.0	54.7	54.7	0.3
Timber tax	0.0	31.8	31.8	0.2
Foreign economic activity	459.4	8.0	467.4	2.6
Geological exploration	73.4	0.0	73.4	0.4
Other tax and non-tax revenue	171.4	219.1	390.5	2.2
O/w: payment for land	17.0	54.0	71.0	0.4
Revaluation of stock	33.7	10.1	43.8	0.2
Expenditures	3,590.2	2,253.3	5,843.5	32.3
National economy	1,095.2	963.5	2,058.7	11.4
Social cultural activities	411.4	971.6	1,383.0	7.7
O/w: Education	229.7	449.8	679.5	3.8
Health and physical culture	52.8	415.0	467.8	2.6
Culture & mass media	59.4	56.8	116.2	0.6
Allowances to single mothers poor families	3.4	0.0	3.4	0.0
Social security	15.0	50.0	65.1	0.4
Transfers to the Pension Fund	51.2	0.0	51.2	0.3
Science	104.2	3.4	107.6	0.6
Foreign economic activities	416.5	0.2	416.7	2.3
Law enforc. & state admin.	282.4	68.8	351.2	1.9
Defense	855.3	0.0	855.3	4.7
Other	425.1	245.8	670.9	3.7
Chernobyl	77.7	0.5	78.2	0.4
Balance	(638.8)	26.9	(611.9)	
<i>(in percent of GDP)</i>	<i>-3.5</i>	<i>0.1</i>	<i>-3.4</i>	
Privatization receipts (+)	18.9	43.4	62.3	0.3
Balance	(619.9)	70.3	(549.6)	
<i>(in percent of GDP)</i>	<i>-3.4</i>	<i>0.4</i>	<i>-3.0</i>	
Intergovernmental financial transfers (net)	(267.4)	267.4	0.0	
Federal subventions to oblasts	(142.5)	142.5	0.0	
Net mutual settlements	(107.6)	107.6	0.0	
Short-term loans	(17.3)	17.3	0.0	
Balance	(887.3)	337.7	(549.6)	
<i>(in percent of GDP)</i>	<i>-4.9</i>	<i>1.9</i>	<i>-3.0</i>	
Budgetary loans	(72.3)	(34.1)	(106.4)	-0.6
BALANCE	(959.6)	303.6	(656.0)	
<i>(in percent of GDP)</i>	<i>-5.3</i>	<i>1.7</i>	<i>-3.6</i>	
Memo item:				
Wages	922.9	323.3	1,246.2	6.9
Investments	315.4	363.4	678.8	3.8
GDP (billions)				18,064.0

Source: Ministry of Finance, staff calculations.

1/ As presented by the MOF (excludes extrabudgetary funds; off-budget government external transactions and directed credits.)

Table 2. Russia: Consolidated Budget: January–September, 1993 1/
(In billions of rubles)

	Federal	Regional	Consol.	In % of GDP
Revenues	14,108.9	13,350.2	27,459.1	29.6
Profit taxes	3,236.9	6,402.3	9,639.2	10.4
VAT	4,288.6	2,390.5	6,679.2	7.2
Excises	521.6	425.3	946.9	1.0
Personal income tax	0.0	2,196.2	2,196.2	2.4
Property tax	0.0	328.0	328.0	0.4
Foreign economic activity	2,679.4	62.1	2,741.4	3.0
Land tax	5.9	150.1	155.9	0.2
Payments for the use of nat. resources	307.1	391.2	698.3	0.8
Government duties	521.6	425.3	946.9	1.0
Other tax and non-tax revenue	2,547.9	579.1	3,126.9	3.4
O/w: Price regulation fund	157.9	0.0	157.9	0.2
Expenditures	15,268.4	13,866.5	29,135.0	31.4
National economy	2,656.9	5,942.4	8,599.3	9.3
Social cultural activities	1,431.5	6,405.3	7,836.9	8.5
O/w: Education	811.8	2,935.0	3,746.8	4.0
Health and physical culture	265.1	2,552.6	2,817.8	3.0
Culture & mass media	160.3	349.6	509.9	0.5
Social security	193.9	300.0	493.9	0.5
O/w: Transfers to Pension Fund	84.5	0.0	84.5	0.1
Science	521.0	23.0	544.1	0.6
Foreign economic activities	1,683.3	50.3	1,733.6	1.9
Law enforc. & state admin.	1,743.7	468.8	2,212.5	2.4
Defense	4,069.9	0.0	4,069.9	4.4
Military conversion	116.3	0.0	116.3	0.1
Domestic debt service	617.4	0.0	617.4	0.7
Chernobyl, Chelyabinsk & Semipalatinsk	218.6	3.3	221.9	0.2
Other	2,209.7	973.4	3,183.1	3.4
Balance	(1,159.5)	(516.4)	(1,675.9)	
<i>(In percent of GDP)</i>	<i>(1.3)</i>	<i>(0.6)</i>	<i>(1.8)</i>	
Privatization receipts (+)	40.7	147.9	188.5	0.2
Balance	(1,118.9)	(368.5)	(1,487.4)	
<i>(In percent of GDP)</i>	<i>(1.2)</i>	<i>(0.4)</i>	<i>(1.6)</i>	
Intergovernmental financial transfers (net)	(2,290.7)	2,290.7	0.0	0.0
O/w: Subventions (net)	(723.1)	723.1	0.0	0.0
Subventions to "closed" cities (net)	(15.3)	15.3	0.0	0.0
Mutual settlements (net)	(1,518.7)	1,518.7	0.0	0.0
Short-term loans (net)	(33.7)	33.7	0.0	0.0
Balance	(3,409.6)	1,922.2	(1,487.4)	
<i>(In percent of GDP)</i>	<i>(3.7)</i>	<i>2.1</i>	<i>(1.6)</i>	
Lending minus repayments	(2,071.6)	(508.8)	(2,580.4)	-2.8
Budgetary loans (net)	(1,371.6)	(508.8)	(1,880.4)	-2.0
Directed credit (net)	(700.0)	0.0	(700.0)	-0.8
BALANCE	(5,481.2)	1,413.4	(4,067.7)	
<i>(In percent of GDP)</i>	<i>(5.9)</i>	<i>1.5</i>	<i>(4.4)</i>	

Memo item: GDP (billions of rubles)

92,731

Source: Ministry of Finance, IMF, staff calculations.

1/ As presented by the MOF (excludes extrabudgetary funds; off-budget govt external transactions).

Expenditure Assignment in the Russian Federation

Expenditure	Federal	Oblasts	Rayons	Village Soviets
Defense	100 percent (except military housing)		Military Housing	- -
Justice/Internal security	100 percent	-	-	-
Foreign economic relations	100 percent	-	-	-
Education ^a	- All university and research institute expenditures - All technical and vocational schools expenditures	- Several special vocational schools	- Wages, operation construction, and maintenance of all primary and secondary schools	
Culture and parks ^b	National museums National theater	Some museums with oblast significance	Some museums All recurrent expenditures of all sport and park facilities and all other cultural facilities	-
Health ^c	Medical research institutes	Tertiary hospitals, psychiatric hospitals, veteran hospitals, diagnostic centers, and special service hospitals (cardiology, etc.)	Secondary Hospitals Primary health clinics Medicines	Paramedics
Roads ^d	Construction of all roads Maintenance of federal roads	Maintenance of oblast roads	Maintenance of rayon and city roads	Maintenance of commercial roads
Public Transportation	(Previously interjurisdictional highways, air, and rail)	Most Public transportation facilities (assigned earlier to federal government)	Some transportation facilities, including subway systems	
Fire protection ^e		-Most fire protection services	Voluntary, military, and enterprise services possible at this level	
Libraries	Special libraries (for example, the Lenin library)	Special library services	Most local library services	
Police services	National militia	Road (traffic) police	Local security police (since 1991)	
Sanitation ^f (garbage collection)	-	-	Part of garbage	Part of garbage collection
Sewage ^g	Infrastructure capital investment		Most of the operational expenditures	Some operational expenditures
Public utilities (gas, electricity, and water)	-	-	Subsidies to households (not enterprises)	
Housing ^h	Building and development		Maintenance and small-scale building	

Expenditure	Federal	Oblasts	Rayons	Village Soviets
Price subsidies	-	-	Fuels, mass transport; food (bread, milk); medicines	
Welfare compensation	Part central government responsibility	Part oblast government responsibility	Managing programs funded by upper-level governments	
Public enterprises (productive sectors)		Capacity to invest in joint ventures (keeping 50 percent of privatization proceeds if rayon subordination)	Capacity to invest in joint ventures (keep 50 percent of privatization proceeds if rayon subordination, and 10 percent of any other subordination)	
Environment	National environmental issues	Local environmental problems, (for example, the preservation of forests)		
Enterprises	"Group A" enterprises (for example, transport and heavy industry) "Group B" enterprises (for example, light industry, transport, and agriculture)	"Group C" enterprises (for example) local light industry, housing construction, and food industry)	If transferred to local level	

Source: World Bank Report No. 11302RU: Intergovernmental Fiscal Relations in the Russian Federation.

- (a) Public enterprises also build schools but typically do not operate them. They frequently operate kindergarten services.
- (b) Some enterprises build sport facilities
- (c) Some enterprises build hospitals and in some cases also operate them. Social insurance financed primarily by enterprises pays for the health.
- (d) A "Special Extrabudgetary Fund" is financed by an excise tax on oil consumption.
- (e) Special fire-protection services are provided by enterprises, but they are on the decline.
- (f) Separate user charges do not normally apply for garbage collection.
- (g) Separate user charges apply for sewage.
- (h) Enterprises have been important builders of housing and own nearly half of the housing stock in Russia. The central government has transferred housing to local governments; maintenance is the responsibility of the level of government or enterprises owning them. Capital expenditures are included unless otherwise noted.

ANNEX 4

Table 1	Regional Price Index (CPI), 1992
Table 2	Regional Prices for Milk, 1992

Table 1. Regional Price Index (CPI): 1992
(In percent change to 1991: average)

	CPI 1992
Arkhangelskaya oblast	1,366.1
Nenetskiy autonomous okrug 1/	1,366.1
Vologodskaya oblast	1,227.8
Murmanskaya oblast	1,376.0
Karelia republic	1,558.3
Komi republic	1,290.5
St. Petersburg	1,247.0
Leningradskaya oblast	1,162.0
Novgorodskaya oblast	1,195.7
Pskovskaya oblast	812.6
Bryanskaya oblast	1,126.4
Vladimirskaia oblast	1,366.4
Ivanovskaya oblast	1,154.2
Tverskaya oblast	988.6
Kaluzhskaya oblast	1,175.5
Kostromskaya oblast	1,359.6
Moscow	1,142.4
Moskovskaya oblast	995.4
Orlovskaya oblast	1,081.4
Ryassanskaya oblast	1,177.9
Smolenskaya oblast	1,287.9
Tul'skaya oblast	1,252.1
Yaroslavskaya oblast	1,111.2
Nizhegorodskaya oblast	1,324.7
Kirovskaya oblast	1,352.2
Mari-El republic	1,126.2
Mordovia republic	913.4
Chuvashia republic	1,079.4
Belgorodskaya oblast	1,251.9
Voronezhskaya oblast	1,059.1
Kurskaya oblast	1,207.0
Lipetskaya oblast	1,228.0
Tambovskaya oblast	1,177.6
Astrakhanskaya oblast	1,093.3
Volgogradskaya oblast	1,275.8
Samarskaya oblast	1,315.8
Penzenskaya oblast	1,129.4
Saratovskaya oblast	1,159.1
Ulyanovskaya oblast	1,155.5
Kalmyia republic	1,323.3
Tatarstan republic	1,046.6
Krasnodarskiy krai	1,130.9
Adygeya republic	1,246.0
Stavropolskiy krai	1,161.6
Karachaevo-Cherkessia republic 1/	1,249.2
Rostovskaya oblast	1,234.0
Dagestan republic	1,061.7
Kabardino-Balkaria republic	1,019.4
Northern Osetia republic	1,219.1
Checheno-Ingushetia republic	703.9

	CPI
	1992

Kurganskaya oblast	1,199.9
Orengnurgskaya oblast	1,083.8
Permskaya oblast	1,391.7
Komi-Permyatskaya AO 1/	1,391.7
Sverdlovskaya oblast	1,256.4
Chelybinskaya oblast	1,314.6
Bashkortostan republic	1,200.1
Udmurtia republic	1,273.3
Altayskiy krai	1,095.4
Gorniy ^ltay republic 1/	1,249.2
Kemerovskaya oblast	1,183.3
Novosibirskaya oblast	1,297.2
Omskaya oblast	1,414.0
Tomskaya oblast	871.1
Tumenskaya oblast	946.5
Khanty-Mansiyskiy autonomous okrug 1/	946.5
Yamalo-Nenetskaya republic 1/	946.5
Kransoyarskiy krai	1,419.5
Khakasskaya autonomous oblast	1,249.2
Taymyrskiy/Dolgano-Nenetskiy AO 1/	1,419.5
Evenkiyskiy autonomous okrug 1/	1,419.5
Irkutskaya oblast	1,340.3
Ust-Ordynskiy Buryatskiy AO	1,340.3
Chitinskaya oblast	1,188.6
Aginskiy Buryatskiy autonomous okrug 1/	1,188.6
Buryatia republic	1,175.4
Tuva republic	1,199.9
Primorskiy krai	1,727.5
Khabarovskiy krai	1,429.6
Yeveryskaya autonomous oblast	1,344.8
Amurskaya oblast	1,398.9
Kamchatskaya oblast	1,325.2
Koryakskiy autonomous okrug 1/	1,325.2
Magadanskaya oblast	1,499.6
Chukotskaya autonomous oblast 1/	1,499.6
Sakhalinskaya oblast	1,253.9
Sakha (Yakutia) republic	1,432.3
Kalingradskaya oblast	1,258.9
Standard deviation	165.1
Maximum	1,727.5
Minimum	703.9
Range	1023.6
Average for Russian Federation	1,249.2
Coefficient of variation	0.13

Source: Goskomstat of RF, staff calculations.

1/ Inflation rates in autonomous okrugs are assumed equal to the neighboring territories. For some republics, which were unable to calculate inflation rates, average for Russia is taken.

Table 2. Regional Prices for Milk, June–December, 1992

	Procurement Prices		Retail Prices	
	June	December	June	December
Arkhangelskaya oblast	5.94	16.96	21.81	29.72
Nenetskiy auton. okrug				
Vologodskaya oblast	8.35	22.58	13.97	31.26
Murmanskaya oblast	3.78	17.00	15.47	56.08
Karelia republic	4.27	16.54	12.89	38.17
Komi republic	8.33		14.13	23.21
St. Petersburg	3.91	17.81	8.72	30.02
Leningradskaya oblast	3.91	17.81	8.72	30.02
Novgorodskaya oblast	5.10	13.22	11.93	28.82
Pskovskaya oblast	5.34	13.96	10.60	28.50
Bryanskaya oblast	5.13	13.82	8.80	22.00
Vladimirskaya oblast	5.66	10.54	10.23	23.82
Ivanovskaya oblast	6.69	14.52	10.73	21.88
Kaluzhskaya oblast	4.69	15.34	8.78	26.34
Kostromskaya oblast	5.91	16.21	11.19	25.95
Moscow	6.15	23.07	6.69	22.91
Moscovskaya oblast	6.15	23.07	6.69	22.91
Orlovskaya oblast	3.90	6.80	2.80	9.25
Ryazanskaya oblast	4.27	15.44	9.21	28.15
Smolenskaya oblast	4.73	9.36	8.80	15.00
Tverskaya oblast	4.96	13.75	8.04	21.26
Tulskaya oblast	4.40	15.40	8.76	16.82
Yaroslavskaya oblast	7.37	13.68	11.49	21.82
Kirovskaya oblast	5.05	11.20	6.80	24.00
Nizhegorodskaya oblast	4.31	14.67	8.67	24.95
Mari-El republic	4.35	10.21	6.68	16.50
Mordovia republic	4.07	9.30	7.08	15.87
Chuvashia republic	5.00	10.13	8.92	16.00
Belgorodskaya oblast	5.20	5.24	4.41	14.00
Voronezhskaya oblast	4.96	8.62	3.77	10.00
Kurskaya oblast	4.50	9.30	6.87	6.30
Lipetskaya oblast	4.72	9.05	6.06	13.22
Tambovskaya oblast	5.34	9.54	8.50	11.00
Astrakhanskaya oblast	6.97	6.68	6.91	7.82
Volgogradskaya oblast	5.43	12.81	6.50	4.84
Penzenskaya oblast	5.34	11.04	2.30	14.06
Samarskaya oblast	4.32	6.74	3.55	11.50
Saratovskaya oblast	6.43	8.76	7.84	16.00
Ulyanovskaya oblast	4.00	4.21	2.50	2.00
Kalmykia republic	4.41	4.57	8.00	15.50
Tatarstan republic	4.59	3.56	2.86	9.26
Krasnodarskiy kraj	5.60	13.68	7.87	36.63
Adygeya republic	4.59	8.10		
Stavropolskiy kraj	4.96	19.80	8.17	22.50
Karachaevo-Cherkessia republic	4.54	15.50	8.40	38.94
Rostovskaya oblast	4.06	12.08	7.80	16.75
Dagestan republic	4.34	14.88	7.03	
Kabardino-Balkaria republic	6.63	9.42	1.60	8.00

	Procurement Prices		Retail Prices	
	June	December	June	December
Northern Osetia republic	4.79	7.93		
Checheno–Ingush republic	4.77		8.00	29.89
Kurganskaya oblast	4.89	10.46	11.20	26.00
Orenburgskaya oblast	4.35	9.12	10.38	16.45
Permskaya oblast	4.02	9.94	11.40	34.75
Komi–Permyatskaya AO				
Sverdlovskaya oblast	5.44	8.51	12.06	15.96
Chelybinskaya oblast	5.74	12.56	14.00	35.00
Bashkorstan republic	6.39	9.33	5.47	10.85
Udmurtia republic	4.71	12.02	5.49	26.00
Altayskiy krai	4.06	19.99	8.80	16.00
Gorniy Altay republic	5.85	5.50	6.07	10.86
Kemerovskaya oblast	5.20	15.02	10.83	41.50
Novosibirskaya oblast	3.92	16.46	8.11	29.83
Omskaya oblast	3.56	7.25	4.94	8.87
Tomskaya oblast	5.60	20.73	10.66	43.83
Tyumenskaya oblast	4.65	7.31	1.62	2.00
Khanty–Mansiyskiy AO				
Yamalo–Nenetskaya rep.			5.00	15.00
Krasnovarskiy krai	5.74	14.75	9.50	37.92
Khakasskaya AO	5.68	26.11	9.96	25.99
Taymyrskiy/Dolgano–Nenetsk. AO				
Evenkiyskiy AO				
Irkutskaya oblast	5.73	13.29	8.91	16.50
Ust–Ordynskiy Buryatskiy AO				
Chitinskaya oblast	6.10	11.32	14.63	22.00
Aginskiy Buryatskiy AO				
Buryatia republic	4.53	20.49	11.57	34.75
Tuva republic	4.69	4.50	1.52	7.00
Primorskiy krai	5.42	16.20	9.08	63.58
Khabarovskiy krai	6.43	12.34	8.29	32.99
Yevreyskaya AO	7.61	15.30	5.00	30.00
Amurskaya oblast	4.57	21.29	8.98	38.00
Kamchatskaya oblast	9.02	42.25	5.21	16.67
Koryakskiy auton. okrug				
Magadanskaya oblast	4.96	11.78	13.01	27.78
Chukotskaya AO				
Sakhalinskaya oblast	4.21	25.03	12.52	53.00
Sakha (Yakutia) republic	10.23	14.65	9.77	10.00
Kaliningradskaya oblast	4.51	10.18	10.49	21.26
Russian Federation	5.01	12.62	8.78	22.70
Standard deviation	1.2	6.1	3.5	12.2
Maximum	10.2	42.3	21.8	63.6
Minimum	3.6	3.6	1.5	2.0
Average	5.3	13.3	8.5	22.9
Coefficient of variation	0.2	0.5	0.4	0.5

Source: Ministry of Agriculture of the Russian Federation; IMF.

ANNEX 5

Regional Data

Table 1	Regional Budgets, 1991
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Table 1. Regional Budgets, Actual: 1991
(In thousands of rubles)

	Popul.	Revenue	Per capita revenue	Expend.	Per capita Expend.	Balance	Per capita Balance
Adygeya republic	437	295,802	676.9	392,859	899.0	(97,057)	(222.1)
Aginsky-Buriatsky AO	78	74,303	952.6	108,960	1,396.9	(34,657)	(444.3)
Altayskiy krai	2,655	1,940,107	730.7	2,633,866	992.0	(693,759)	(261.3)
Amurskaya oblast	1,074	1,562,947	1,455.3	1,674,043	1,558.7	(111,096)	(103.4)
Arkhangelskaya oblast	1,522	1,501,173	986.3	1,902,643	1,250.1	(401,470)	(263.8)
Astrakhanskaya oblast	1,007	1,186,563	1,178.3	1,194,056	1,185.8	(7,493)	(7.4)
Bashkortostan republic	3,984	4,378,923	1,099.1	4,086,550	1,025.7	292,373	73.4
Belgorodskaya oblast	1,401	1,240,939	885.8	1,350,950	964.3	(110,011)	(78.5)
Bryanskaya oblast	1,464	1,482,751	1,012.8	1,574,356	1,075.4	(91,605)	(62.6)
Buryatia republic	1,056	1,072,213	1,015.4	1,517,389	1,436.9	(445,176)	(421.6)
Checheno-Ingush republic	1,307	479,310	366.7	866,978	663.3	(387,668)	(296.6)
Chelyabinskaya oblast	3,641	3,758,480	1,032.3	3,810,969	1,046.7	(52,489)	(14.4)
Chitinskaya oblast	1,314	927,525	705.9	1,440,004	1,095.9	(512,479)	(390.0)
Chukotskaya AO	154	654,141	4,247.7	691,148	4,488.0	(37,007)	(240.3)
Chuvashia republic	1,346	1,281,726	952.2	1,437,693	1,068.1	(155,967)	(115.9)
Dagestan republic	1,854	1,259,961	679.6	1,569,272	846.4	(309,311)	(166.8)
Evenkiyskiy AO	25	52,001	2,080.0	71,289	2,851.6	(19,288)	(771.5)
Gorniy Altay republic	196	142,326	726.2	222,559	1,135.5	(80,233)	(409.4)
Irkutskaya oblast	2,725	3,171,543	1,163.9	3,606,921	1,323.6	(435,378)	(159.8)
Ivanovskaya oblast	1,317						
Kabardino-Balkaria republic	777	696,876	896.9	817,236	1,051.8	(120,360)	(154.9)
Kaliningradskaya oblast	887	839,398	946.3	900,772	1,015.5	(61,374)	(69.2)
Kalmykia republic	328	345,937	1,054.7	525,813	1,603.1	(179,876)	(548.4)
Kalushskaya oblast	1,080	843,997	781.5	967,380	895.7	(123,383)	(114.2)
Kamchatskaya oblast	433	800,892	1,849.6	909,213	2,099.8	(108,321)	(250.2)
Karachaevo-Cherkessia rep.	427	272,591	638.4	363,836	852.1	(91,245)	(213.7)
Karelia republic	799	1,088,531	1,362.4	1,157,291	1,448.4	(68,760)	(86.1)
Kemerovskaya oblast	3,180	3,790,760	1,192.1	3,956,361	1,244.1	(165,601)	(52.1)
Khabarovskiy krai	1,631	2,341,563	1,435.7	2,537,008	1,555.5	(195,445)	(119.8)
Khakasskaya AO	577	723,447	1,253.8	627,975	1,088.3	95,472	165.5
Khanty-Mansiyskiy AO	1,314	2,834,674	2,157.3	2,406,429	1,831.4	428,245	325.9
Kirovskaya oblast	1,700	1,622,485	954.4	1,824,946	1,073.5	(202,461)	(119.1)
Komi republic	1,265	1,904,292	1,505.4	1,975,659	1,561.8	(71,367)	(56.4)
Komi-Permyatskaya AO	160	113,128	707.1	154,163	963.5	(41,035)	(256.5)
Koryakskiy AO	40	82,265	2,056.6	133,369	3,334.2	(51,104)	(1,277.6)
Kostromskaya oblast	813	661,370	813.5	749,784	922.2	(88,414)	(108.8)
Krasnodarskiy krai	4,738	3,921,575	827.7	4,345,726	917.2	(424,151)	(89.5)
Krasnoyarskiy krai	2,969	3,381,520	1,138.9	3,432,315	1,156.1	(50,795)	(17.1)
Kurgunskaya oblast	1,110	839,979	756.7	1,167,193	1,051.5	(327,214)	(294.8)
Kurskaya oblast	1,336	1,234,061	923.7	1,375,865	1,029.8	(141,804)	(106.1)
Leningradskaya oblast	1,670	1,168,433	699.7	1,504,332	900.8	(335,899)	(201.1)
Lipetskaya oblast	1,234	1,094,250	886.8	1,246,369	1,010.0	(152,119)	(123.3)
Magadanskaya oblast	380	1,595,209	4,197.9	1,415,568	3,725.2	179,641	472.7
Mari-El republic	758	489,252	645.5	810,936	1,069.8	(321,684)	(424.4)
Mordovia republic	964	887,711	920.9	1,013,439	1,051.3	(125,728)	(130.4)
Moskovskaya oblast	6,718	4,684,804	697.4	5,075,426	755.5	(390,622)	(58.1)
Moscow	9,003	13,429,366	1,491.7	12,601,794	1,399.7	827,572	91.9

	Popul.	Revenue	Per capita revenue	Expend.	Per capita Expend.	Balance	Per capita Balance
Murmanskaya oblast	1,159	2,001,440	1,726.9	1,868,415	1,612.1	133,025	114.8
Nenetskiy AO	55	126,207	2,294.7	142,631	2,593.3	(16,424)	(298.6)
Nizhegorodskaya oblast	3,712	3,469,154	934.6	2,753,034	741.7	716,120	192.9
Northern Osetia republic	643	620,358	964.8	713,938	1,110.3	(93,580)	(145.5)
Novgorodskaya oblast	755	744,650	986.3	910,800	1,206.4	(166,150)	(220.1)
Novosibirskaya oblast	2,796	2,400,519	858.6	2,690,377	962.2	(289,858)	(103.7)
Omskaya oblast	2,163	1,731,030	800.3	2,103,188	972.3	(372,158)	(172.1)
Orenburgskaya oblast	2,194	2,018,452	920.0	2,069,082	943.1	(50,630)	(23.1)
Orlovskaya oblast	901	863,623	958.5	1,029,582	1,142.7	(165,959)	(184.2)
Penzenskaya oblast	1,512	1,157,062	765.3	1,264,334	836.2	(107,272)	(70.9)
Permskaya oblast	2,950	2,666,052	903.7	2,697,104	914.3	(31,052)	(10.5)
Primorskiy Krai	2,299	1,929,181	839.1	2,414,338	1,050.2	(485,157)	(211.0)
Pskovskaya oblast	845	909,470	1,076.3	1,006,498	1,191.1	(97,028)	(114.8)
Rostovskaya oblast	4,348	3,058,865	703.5	3,348,207	770.1	(289,342)	(66.5)
Ryazanskaya oblast	1,349	1,288,693	955.3	1,287,502	954.4	1,191	0.9
Sakha (Yakutia) republic	1,109	4,377,041	3,946.8	4,627,240	4,172.4	(250,199)	(225.6)
Sakhalinskaya oblast	717	1,604,295	2,237.5	1,711,384	2,386.9	(107,089)	(149.4)
Samarskaya oblast	3,290	3,121,033	948.6	3,116,433	947.2	4,600	1.4
Saratovskaya oblast	2,708	1,770,692	653.9	2,262,589	835.5	(491,897)	(181.6)
Smolenskaya oblast	1,166	1,078,891	925.3	1,170,854	1,004.2	(91,963)	(78.9)
Stavropolskiy krai	2,499	2,333,168	933.6	2,407,597	963.4	(74,429)	(29.8)
St. Petersburg	5,035	8,103,287	1,609.4	7,830,120	1,555.1	273,167	54.3
Sverdlovskaya oblast	4,730	4,890,558	1,033.9	5,172,310	1,093.5	(281,752)	(59.6)
Tambovskaya oblast	1,315	861,350	655.0	1,192,837	907.1	(331,487)	(252.1)
Tatarstan republic	3,679	3,452,733	938.5	3,832,670	1,041.8	(379,937)	(103.3)
Taymyrskiy/Dolgano-Nenetskiy	54	111,797	2,070.3	127,827	2,367.2	(16,030)	(296.9)
Tomskaya oblast	1,012	1,271,413	1,256.3	1,445,907	1,428.8	(174,494)	(172.4)
Tul'skaya oblast	1,855	1,743,261	939.8	1,686,312	909.1	56,949	30.7
Tuva republic	307	379,600	1,236.5	606,579	1,975.8	(226,979)	(739.3)
Tverskaya oblast	1,676	1,612,380	962.0	1,506,627	898.9	105,753	63.1
Tyumenskaya oblast	1,349	2,358,208	1,748.1	2,316,825	1,717.4	41,383	30.7
Udmurtia republic	1,628	1,873,250	1,150.6	1,782,566	1,094.9	90,684	55.7
Ulyanovskaya oblast	1,430	1,386,572	969.6	1,740,241	1,217.0	(353,669)	(247.3)
Ust-Ordynskiy Buryatskiy AO	138	116,613	845.0	176,706	1,280.5	(60,093)	(435.5)
Vladimirskaya oblast	1,660	1,558,874	939.1	1,508,961	909.0	49,913	30.1
Volgogradskaya oblast	2,632	1,619,192	615.2	1,958,852	744.2	(339,660)	(129.1)
Vologodskaya oblast	1,361	1,469,141	1,079.5	1,539,260	1,131.0	(70,119)	(51.5)
Voronezhskaya oblast	2,475	1,323,837	534.9	1,842,649	744.5	(518,812)	(209.6)
Yamalo-Nenetskaya republic	493	1,540,226	3,124.2	1,423,859	2,888.2	116,367	236.0
Yaroslavl'skaya oblast	1,476	1,432,820	970.7	1,290,251	874.2	142,569	96.6
Yevreyskaya AO	220	318,663	1,448.5	356,799	1,621.8	(38,136)	(173.3)
Total	148,543	154,844,751		165,081,988		(10,237,237)	
Standard deviation	1,507	1,837,858	718	1,764,762	729	237,362	227
Maximum	9,003	13,429,366	4,248	12,601,794	4,488	827,572	473
Minimum	25	52,001	367	71,289	663	(693,759)	(1,278)
Range	8,978	13,377,365	3,881	12,530,505	3,825	1,521,331	1,750
Average	1,688	1,779,825	1,198	1,897,494	1,340	(117,669)	(143)
Coeff. of variation	0.89	1.03	0.60	0.93	0.54	(2.02)	(1.59)

Source: Ministry of Finance, staff estimates.

Table 2. Regional Budgets, Actual: 1992

	Populat. (In thous.)	Revenue (In thous. R)	Per capita revenue (R)	Expenditure (In thous. R)	Per capita expend. (R)	Balance (In thous. R)	Per capita balance (R)	Privat. revenues (In thous. R)	Per capita privat. revenues (R)	Subvention (In thous. R)	Per capita Subvention (R)	Memo item: 1/	
												Soc. exp. of ent.'s (In thous. R)	Per capita soc. exp. of ent.'s (R)
Arkhangelskaya oblast	1,517	18,381,816	12,117.2	19,358,917	12,761	(977,101)	(644)	407,298	268.5	263,454	173.7	5,170,000	3,408
Nenetskiy auton. okrug	54	641,604	11,882	2,656,126	49,188	(2,014,522)	(37,306)	118	2.2	1,048,436	19,415.5		
Vologodskaya oblast	1,382	20,305,266	14,908	20,463,576	15,025	(158,310)	(116)	315,181	231.4			4,131,000	3,033
Murmanskaya oblast	1,148	25,876,874	22,367	24,933,420	21,719	743,454	648	682,612	594.6	1,351,567	1,177.3	7,350,000	6,402
Karelia republic	800	15,027,547	18,784	21,150,326	26,438	(6,122,779)	(7,653)	258,472	323.1			4,036,000	5,045
Komi republic	1,255	26,905,627	21,439	26,402,525	21,038	503,302	401	337,728	269.1	974,806	778.7		
St. Petersburg	5,004	60,240,381	12,038	62,953,201	12,581	(2,712,820)	(542)	1,827,700	365.2	1,475,411	294.8	9,332,000	1,865
Leningradskaya oblast	1,673	20,487,173	12,246	19,934,493	11,915	552,680	330	509,914	304.8	123,413	73.8	5,757,000	3,441
Novgorodskaya oblast	752	8,683,875	11,548	11,559,795	15,372	(2,875,920)	(3,824)	225,494	299.9	3,029,041	4,028.0	1,461,000	1,943
Pskovskaya oblast	841	7,220,388	8,585	11,987,065	14,230	(4,746,677)	(5,644)	168,887	200.8	3,644,014	4,333.0	946,000	1,125
Bryanskaya oblast	1,484	12,049,198	8,230	13,529,064	9,241	(1,479,858)	(1,011)	446,710	305.1	1,633,381	1,115.7	1,565,000	1,069
Vladimirskaya oblast	1,656	21,085,654	12,733	17,932,744	10,829	3,152,910	1,904	1,203,298	726.6			4,510,000	2,723
Ivanovskaya oblast	1,312	14,316,691	10,912	14,131,289	10,771	185,362	141	399,812	304.7			3,387,000	2,582
Tverskaya oblast	1,668	15,891,702	9,527	15,184,758	9,104	706,944	424	799,189	479.1			2,557,000	1,533
Kaluzhskaya oblast	1,081	8,887,122	8,221	9,905,140	9,183	(1,018,018)	(942)	254,516	235.4	485,570	449.2	1,378,000	1,275
Kostromskaya oblast	812	8,895,526	10,955	10,338,768	12,732	(1,443,242)	(1,777)	195,024	240.2	1,856,522	2,286.4	1,620,000	1,895
Moscow	8,957	183,386,937	20,474	178,164,972	19,891	5,221,965	583	4,077,545	455.2			52,063,000	5,813
Moskovskaya oblast	6,707	74,832,255	11,128	61,206,391	9,126	13,425,864	2,002	1,831,935	273.1			17,811,000	2,658
Orlovskaya oblast	903	9,019,448	9,968	11,349,342	12,568	(2,329,894)	(2,580)	557,229	617.1	1,876,217	2,077.8	1,192,000	1,320
Ryazanskaya oblast	1,344	15,801,810	11,757	14,392,811	10,709	1,408,999	1,048	199,874	148.7			3,851,000	2,940
Smolenskaya oblast	1,163	13,004,901	11,182	12,693,548	10,914	311,353	268	430,845	370.5	164,803	141.7	2,193,000	1,888
Tutskaya oblast	1,844	22,058,969	11,963	19,050,090	10,331	3,008,899	1,632	384,672	208.6			4,114,000	2,231
Yaroslavl'skaya oblast	1,472	26,336,213	17,891	23,397,861	15,895	2,938,352	1,996	650,253	441.7			5,804,000	3,943
Nizhegorodskaya oblast	3,704	56,248,635	15,185	49,339,206	13,321	6,907,429	1,865	1,467,282	396.1			15,484,000	4,180
Kirovskaya oblast	1,700	18,903,584	11,120	19,088,408	11,228	(184,824)	(109)	320,872	188.7	774,069	455.3	3,070,000	1,806
Mari-El republic	782	5,018,805	6,586	10,250,462	13,462	(5,231,657)	(6,866)	171,985	225.7	4,517,005	5,927.8	703,000	923
Mordovia republic	984	7,875,552	7,982	13,279,758	13,776	(5,404,206)	(5,813)	132,451	137.4	5,869,847	6,089.1	1,996,000	2,071
Chuvashia republic	1,353	10,717,053	7,921	15,888,734	11,743	(5,171,681)	(3,822)	349,106	257.3	4,657,861	3,442.6	2,544,000	1,880
Belgorodskaya oblast	1,408	20,992,327	14,909	20,675,046	14,684	317,281	225	508,970	360.1	503,272	357.4	3,127,000	2,221
Voronezhskaya oblast	2,475	23,000,244	9,293	23,045,634	9,311	(45,390)	(18)	535,265	216.3	2,325,915	939.8	3,111,000	1,257
Kurskaya oblast	1,335	17,520,577	13,124	15,225,220	11,405	2,295,357	1,719	472,684	354.1	383,293	287.1	2,756,000	2,084
Lipetskaya oblast	1,234	18,385,763	14,899	16,403,115	13,293	1,982,638	1,607	283,330	229.6			4,301,000	3,485
Tambovskaya oblast	1,310	11,536,667	8,807	13,518,091	10,319	(1,981,424)	(1,513)	368,798	281.5	450,670	344.0	1,879,000	1,282
Astrakhanskaya oblast	1,010	7,930,499	7,852	10,761,646	10,655	(2,831,147)	(2,803)	196,306	194.4	2,669,678	2,643.2	908,000	899
Volgogradskaya oblast	2,643	35,585,719	13,464	33,098,850	12,523	2,486,869	941	1,244,188	470.7			5,206,000	1,970
Samarskaya oblast	3,296	69,518,995	21,092	58,667,629	17,800	10,851,366	3,292	791,006	240.0			18,203,000	5,523

	Populat. (in thous.)	Per capita			Per capita balance (in thous. \$)	Per capita		Subvention (in thous. \$)	Per capita Subventions (in thous. \$)	Memo item: If	
		Revenue (in thous. \$)	Expenditure (in thous. \$)	Private revenues (in thous. \$)		Private revenues (in thous. \$)	Spec. exp. of ent.'s (in thous. \$)			Per capita spec. exp. of ent.'s (in thous. \$)	
Penzenskaya oblast	1,514	11,341,103	12,901,945	6,522	(1,560,842)	381,141	251.7	988,001	652.6	1,944,000	1,284
Saratovskaya oblast	2,711	28,148,709	26,594,129	9,799	1,594,580	360,770	133.1	377,096	139.1	3,835,000	1,415
Ulyanovskaya oblast	1,444	18,384,494	17,938,497	12,423	445,997	205,888	142.6	790,667	547.6	3,131,000	2,168
Kalmykia republic	327	1,952,865	5,619,094	17,184	(3,666,229)	14,858	45.4	3,484,637	10,656.4	90,000	275
Tatarstan republic	3,696	104,949,382	82,167,484	22,237	22,461,898	9,538	2.6			12,859,000	3,479
Krasnodarskiy krai	4,797	47,389,207	45,625,810	9,511	1,763,397	1,116,773	232.8	892,672	186.1	7,077,000	1,475
Adygeya republic	442	3,543,956	4,828,346	10,924	(1,284,392)	54,653	123.6	1,285,964	2,909.4	378,000	855
Stavropolekiy krai	2,538	18,920,053	7,303	7,282	52,279	21	859,983	338.7	107.2	2,500,000	986
Karachaevo-Cherkessia republic	431	2,774,619	4,217,158	9,795	(1,442,545)	198,141	459.7	1,249,911	2,899.8	416,000	965
Rostovskaya oblast	4,363	47,449,860	43,877,993	10,057	3,571,867	822,166	211.4			6,585,000	1,509
Dagestan republic	1,890	4,795,013	2,537	11,238	(16,444,197)	16,812	8.9	14,425,572	7,632.6	730,000	386
Kabardino-Balkaria republic	794	4,610,216	7,790,019	9,998	(3,179,803)	6,892	8.4	3,042,519	3,890.8	706,000	899
Northern Ossetia republic	695	5,160,436	9,699,893	13,942	(4,529,447)			2,847,080	4,096.5	728,000	1,047
Checheno-Ingush rep.	1,308	4,978,995	6,640,354	5,077	(1,663,359)	6,750	5.2	2,899,534	2,209.1	427,000	326
Kurganskaya oblast	1,115	10,595,683	12,758,761	11,443	(2,163,078)	318,361	285.5	3,125,785	2,803.4	1,569,000	1,407
Orenburgskaya oblast	2,204	28,623,951	25,885,130	11,745	2,738,821	504,669	229.0	363,261	164.8	6,344,000	2,878
Perm'skaya oblast	2,949	46,645,430	43,690,925	14,816	2,954,505	361,711	122.7			14,441,000	4,897
Komi-Permyatskaya auton. oblast	160	799,648	1,607,029	11,919	(1,107,381)	14,545	90.9	969,075	6,244.2	83,000	519
Sverdlovskaya oblast	4,719	79,423,965	73,911,170	15,962	5,512,495	1,061,991	222.9			24,408,000	5,172
Chelybinskaya oblast	3,638	60,459,909	66,660,604	18,296	(6,100,695)	1,064,665	292.6			12,711,000	3,494
Bashkortostan republic	4,008	142,239,692	86,178,208	21,502	56,061,484	523,998	130.7			12,743,000	3,179
Udmurtia republic	1,637	20,629,890	20,761,620	12,683	(131,830)	609,311	372.2	213,008	130.1	3,622,000	2,213
Altayskiy krai	2,668	23,618,390	30,697,228	11,491	(8,990,868)	517,670	194.2	2,058,106	10,394.5	3,255,000	1,221
Gorniy Altay republic	198	973,262	3,065,390	15,431	(2,082,128)	48,359	244.2			61,000	308
Kemerovskaya oblast	3,181	61,925,004	63,719,325	20,031	(1,794,321)	803,216	252.5			11,693,000	3,678
Novosibirskaya oblast	2,803	26,034,143	28,949,745	10,328	(2,915,602)	1,225,177	437.1	2,865,341	1,329.7	5,524,000	1,971
Omskaya oblast	2,170	28,223,413	31,528,599	14,529	(3,305,176)	1,187,202	547.1			3,593,000	1,656
Tomskaya oblast	1,012	13,906,097	13,942	13,904	(163,701)	309,299	304.6	503,009	497.0	4,660,000	4,805
Tyumen'skaya oblast	1,353	23,703,942	27,761,269	20,518	(4,057,327)	620,010	458.2	4,665,551	3,463.1	1,962,000	1,450
Khanty-Mansiyskiy auton.okrug	1,305	87,395,762	66,797,953	51,179	20,607,839	810,091	620.7			36,665,000	28,066
Yamalo-Nenetskaya republic	479	32,950,735	29,696,956	61,998	3,253,779	14,614	30.5			8,687,000	18,136
Krasnoyarskiy krai	2,973	59,401,466	53,000,160	17,827	6,401,306	596,110	200.5			20,767,000	6,985
Khakasskaya auton. oblast	581	7,530,133	7,460,473	12,941	69,660	466,706	803.3			1,673,000	2,880
Taymyrskiy Dolgano-Nenetsk. AO	53	1,167,916	1,970,854	37,186	(802,938)	7,257	136.9	665,746	12,561.2	9,880,000	3,609
Evenskiy auton. okrug	25	330,314	1,018,445	40,738	(688,131)	30,328	1213.0	597,350	23,894.0	43,000	307
Irkutskaya oblast	2,732	50,223,094	50,418,249	18,283	(195,255)	596,563	216.4			1,925,000	1,467
Ust-Ordynskiy Buryatskiy AO	140	508,969	2,029,217	14,494	(1,520,258)	3,803	27.2	1,491,170	10,651.2		
Chitinskaya oblast	1,312	11,878,942	16,168,564	12,324	(4,288,622)	552,616	421.2	3,670,083	2,797.3	1,825,000	1,467
Aginskiy Buryatskiy aut.okrug	79	210,434	1,679,888	21,264	(1,469,454)	2,768	35.0	1,357,481	17,163.3	53,000	671

	Populat. (in thous.)	Revenue (in thous.F)	Per capita revenue (F)	Expenditure (in thous.F)	Per capita expend. (F)	Balance (in thous.F)	Per capita balance (F)	Privat. revenues (in thous.F)	Per capita privat. revenues (F)	Subvention (in thous.F)	Per capita Subvention (F)	Memo item: 1/	
												Soc. exp. of ent.'s (in thous.F)	Per capita soc. exp. of ent.'s (F)
Buryatia republic	1,059	9,112,282	8,605	16,198,921	15,296	(7,086,639)	(6,692)	5,395	5.1	6,539,462	6,175.1	1,576,000	1,488
Tuva republic	306	1,083,441	3,541	6,574,946	21,487	(5,491,505)	(17,946)	13,875	45.3	4,650,876	15,198.9	50,000	163
Primorsky krai	2,309	29,268,971	12,676	31,790,386	13,768	(2,521,415)	(1,092)	1,637,857	709.3	700,000	303.2	6,869,000	2,975
Khabarovskiy krai	1,634	28,407,400	17,385	30,296,419	18,541	(1,889,019)	(1,156)	845,027	394.8	479,708	293.6	5,510,000	3,372
Yevreyskaya auton. oblast	221	1,867,083	8,448	3,299,664	14,931	(1,432,581)	(6,482)	30,382	137.5	1,515,480	6,857.4	344,000	1,557
Amurskaya oblast	1,075	12,428,275	11,561	14,471,248	13,462	(2,042,973)	(1,900)	331,141	308.0	2,536,178	2,359.2	2,380,000	2,214
Kamchatskaya oblast	433	6,798,134	15,700	11,665,719	26,711	(4,767,585)	(11,011)			4,298,216	9,926.6	714,000	1,649
Koryakskiy auton. okrug	39	438,917	11,254	3,156,960	80,948	(2,718,043)	(69,693)			1,955,500	50,141.0	52,000	1,333
Magadanskaya oblast	363	12,940,699	35,649	14,378,116	39,609	(1,437,417)	(3,960)	56,374	155.3	1,896,893	5,225.6	4,274,000	11,774
Chukotskaya auton. oblast	148	4,481,060	30,555	9,964,633	68,182	(5,493,573)	(37,627)	11,824	81.0	2,045,517	14,010.4	1,128,000	7,728
Sakhalinskaya oblast	719	12,706,122	17,672	18,157,221	26,644	(6,451,099)	(8,972)	476,917	663.3	5,015,952	3,976.3	1,678,000	2,335
Sakha (Yakutia) republic	1,093	96,578,853	88,361	91,446,319	83,665	5,132,534	4,696	156,147	142.9			12,498,000	11,435
Kaliningradskaya oblast	894	9,311,347	10,415	10,130,242	11,331	(818,895)	(916)	589,731	659.7	40,727	45.6	1,025,000	1,147
<i>(Unallocated)</i>												2,314,000	
Total	148,704	2,280,368,675		2,253,382,133		26,984,542		43,351,280		142,520,431		471,575,000	
Standard deviation	1,506	31,146,619	13,017	26,381,194	14,686	7,905,551	10,603	577,202	207	2,464,594	7,780	7,977,420	3,853
Maximum	8,957	183,398,937	88,361	178,164,972	83,685	56,081,484	15,791	4,077,545	1,213	14,425,572	50,141	52,063,000	28,096
Minimum	25	210,434	2,537	1,018,445	5,077	(16,444,197)	(69,693)	118	2	40,727	46	43,000	163
Range	8,932	183,178,503	85,824	177,146,527	78,589	72,505,681	85,485	4,077,427	1,211	14,384,845	50,095	52,020,000	27,932
Average	1,690	25,913,258	14,796	25,606,615	18,409	306,843	(3,623)	510,015	287	2,298,717	4,961	5,586,440	3,034
Coefficient of variation	0.89	1.20	0.86	1.03	0.80	25.78	(2.93)	1.13	0.72	1.07	1.57	1.43	1.27
Weighted average			15,335		15,153		181		292		958		3,171

Source: Ministry of Finance, State Tax Service, staff estimates.

1/ Social expenditures of enterprises are determined by the State Tax Services for tax purposes, and include housing fund and social activities.

Table 3. Regional Budgets, 1991-1992 1/
(Per capita, in 1991 prices)

	Revenue		Expenditure		Balance	
	1991	1992	1991	1992	1991	1992
Adygeya republic	676.9	595.7	899.0	811.6	(222.1)	(215.9)
Aginsky Buryatskiy AO 1/	952.6	208.5	1,396.9	1,648.4	(444.3)	(1,441.9)
Altayskiy krai	730.7	741.0	992.0	960.4	(261.3)	(219.4)
Amurskaya oblast	1,455.3	771.3	1,558.7	898.2	(103.4)	(126.8)
Arkhangel'skaya oblast	986.3	826.5	1,250.1	870.4	(263.8)	(43.9)
Astrakhanskaya oblast	1,178.3	658.0	1,185.8	892.9	(7.5)	(234.9)
Bashkortan republic	1,099.1	2,729.8	1,025.7	1,653.9	73.4	1,075.9
Belgorodskaya oblast	885.8	1,102.8	964.3	1,086.2	(78.5)	16.7
Bryanskaya oblast	1,012.8	671.1	1,075.4	753.5	(62.6)	(82.4)
Buryatia republic	1,015.4	674.7	1,436.9	1,199.4	(421.5)	(524.7)
Checheno-Ingushetia republic	366.7	473.3	663.3	631.5	(296.6)	(158.2)
Chelybinskaya oblast	1,032.3	1,174.8	1,046.7	1,293.4	(14.4)	(118.5)
Chitinskaya oblast	705.9	702.7	1,095.9	956.4	(390.0)	(253.7)
Chukotskaya AO 1/	4,247.7	1,910.2	4,488.0	4,262.5	(240.3)	(2,352.3)
Chuvashia republic	952.2	671.6	1,068.1	995.7	(115.9)	(324.1)
Dagestan republic	679.6	218.4	846.4	967.4	(166.8)	(749.0)
Evenkiyskiy AO 1/	2,080.0	869.6	2,851.6	2,681.0	(771.6)	(1,811.4)
Gorniy Altay republic 1/	726.2	364.3	1,135.5	1,143.7	(409.3)	(779.4)
Irkutskaya oblast	1,163.9	1,276.4	1,323.6	1,281.3	(159.8)	(5.0)
Ivanovskaya oblast						
Kabardino-Balkaria republic	896.9	525.3	1,051.8	887.6	(154.9)	(362.3)
KalinIngradskaya oblast	948.3	766.4	1,015.5	833.8	(69.2)	(67.4)
Kalmykia republic	1,054.7	419.6	1,603.1	1,207.3	(548.4)	(787.7)
Kaluzhskaya oblast	781.5	644.6	895.7	718.4	(114.2)	(73.8)
Kamchatskaya oblast	1,849.8	1,101.6	2,099.8	1,874.2	(250.2)	(772.6)
Karachaev-Cherkessia rep. 1/	638.4	477.2	852.1	725.2	(213.7)	(248.1)
Karelia republic	1,362.4	1,132.7	1,448.4	1,594.3	(86.0)	(461.5)
Kemerovskaya oblast	1,192.1	1,517.0	1,244.1	1,560.9	(52.0)	(44.0)
Khabarovskiy krai	1,435.7	1,136.6	1,555.5	1,212.1	(119.8)	(75.6)
Khakasskaya AO 1/	1,253.8	960.6	1,088.3	951.7	165.5	8.9
Khanty-Mansiyskiy 1/	2,157.3	6,399.6	1,831.4	4,890.6	325.9	1,509.0
Kirovskaya oblast	954.4	765.7	1,073.5	773.2	(119.1)	(7.5)
Komi republic	1,505.4	1,541.8	1,561.8	1,512.9	(56.4)	28.8
Komi-Permyatskaya AO 1/	707.1	335.1	963.5	799.0	(256.4)	(464.0)
Koryakskiy AO 1/	2,056.6	789.6	3,334.2	5,679.7	(1,277.6)	(4,890.1)
Kostromskaya oblast	813.5	750.6	922.2	872.3	(108.7)	(121.8)
Krasnodarskiy krai	827.7	802.6	917.2	772.7	(89.5)	29.9
Krasnoyarskiy krai	1,138.9	1,314.9	1,156.1	1,173.2	(17.2)	141.7
Kurganskaya oblast	756.7	731.1	1,051.5	880.3	(294.8)	(149.2)
Kurskaya oblast	923.7	1,004.1	1,029.8	872.6	(106.1)	131.6
Leningradskaya oblast	699.7	970.3	900.8	944.2	(201.1)	26.2
Lipetskaya oblast	886.8	1,121.9	1,010.0	1,001.0	(123.2)	121.0
Magadanskaya oblast	4,197.9	2,228.7	3,725.2	2,476.3	472.7	(247.6)
Mari-El republic	645.5	537.2	1,069.8	1,097.1	(424.3)	(559.9)
Mordovia republic	920.9	785.7	1,051.3	1,359.4	(130.4)	(573.7)
Moscovskaya oblast	697.4	1,015.8	755.5	833.1	(58.1)	182.7
Moscow	1,491.7	1,648.0	1,399.7	1,601.1	92.0	46.9

	Revenue		Expenditure		Balance	
	1991	1992	1991	1992	1991	1992
Murmanskaya oblast	1,726.9	1,515.4	1,612.1	1,471.5	114.8	43.9
Nenetskiy AO	2,294.7	810.5	2,593.3	3,355.1	(298.6)	(2,544.6)
Nizhegorodskaya oblast	934.6	1,065.9	741.7	935.0	192.9	130.9
Northern Osetia republic	964.8	562.9	1,110.3	1,057.0	(145.5)	(494.1)
Novgorodskaya oblast	986.3	891.2	1,206.4	1,186.4	(220.1)	(295.2)
Novosibirskaya oblast	858.6	664.8	962.2	739.2	(103.6)	(74.4)
Omskaya oblast	800.3	859.1	972.3	959.7	(172.0)	(100.6)
Orenburgskaya oblast	920.0	1,097.0	943.1	992.1	(23.1)	105.0
Orlovskaya oblast	958.5	845.4	1,142.7	1,063.8	(184.2)	(218.4)
Penzanskaya oblast	765.3	809.3	836.2	693.2	(70.9)	(83.9)
Permskaya oblast	903.7	1,060.4	914.3	993.2	(10.6)	67.2
Primorskiy krai	839.1	693.6	1,050.2	753.4	(211.1)	(59.8)
Pskovskaya oblast	1,076.3	940.8	1,191.1	1,559.2	(114.8)	(618.4)
Rostovskaya oblast	703.5	815.3	770.1	753.9	(66.6)	61.4
Ryazanskaya oblast	955.3	920.0	954.4	838.0	0.9	82.0
Sakha (Yakutia) republic	3,946.8	5,766.5	4,172.4	5,460.1	(225.6)	306.5
Sakhalinskaya oblast	2,237.5	1,305.3	2,386.9	1,968.0	(149.4)	(662.7)
Samarskaya oblast	948.6	1,489.8	947.2	1,257.3	1.4	232.5
Saratovskaya oblast	653.9	824.7	835.5	778.3	(181.6)	46.4
Smolenskaya oblast	925.3	805.7	1,004.2	786.4	(78.9)	19.3
Stavropolskiy krai	933.6	578.9	963.4	577.2	(29.8)	1.6
St. Petersburg	1,609.4	893.7	1,555.1	934.0	54.3	(40.2)
Sverdlovskaya oblast	1,033.9	1,240.8	1,093.5	1,154.7	(59.6)	86.1
Tambovskaya oblast	655.0	689.3	907.1	807.7	(252.1)	(118.4)
Tatarstan republic	938.5	2,469.5	1,041.8	1,939.4	(103.3)	530.1
Taymyrskiy/Dolgano-Nenetsk. AO 1	2,070.3	1,450.2	2,367.2	2,447.2	(296.9)	(997.0)
Tomskaya oblast	1,256.3	1,404.9	1,428.8	1,421.5	(172.5)	(16.7)
Tulskaya oblast	939.8	884.7	909.1	764.1	30.7	120.7
Tuva republic	1,236.5	272.4	1,975.8	1,652.9	(739.3)	(1,380.6)
Tverskaya oblast	962.0	875.2	898.9	836.3	63.1	38.9
Tyumenskaya oblast	1,748.1	1,674.2	1,717.4	1,960.7	30.7	(286.6)
Udmurtia republic	1,150.6	917.7	1,094.9	923.5	55.7	(5.9)
Ulyanovskaya oblast	969.6	1,014.1	1,217.0	989.5	(247.4)	24.6
Ust-Ordynskiy Buryatskiy AO 1/	845.0	252.4	1,280.5	1,006.5	(435.5)	(754.1)
Vladimirskaya oblast	939.1	868.3	909.0	738.5	30.1	129.8
Volgogradskaya oblast	615.2	978.7	744.2	910.3	(129.0)	68.4
Vologodskaya oblast	1,079.5	1,122.8	1,131.0	1,131.6	(51.5)	(8.8)
Voronezhskaya oblast	534.9	801.7	744.5	803.3	(209.6)	(1.6)
Yamalo-Nenetskaya republic 1/	3,124.2	6,551.5	2,888.2	5,904.6	236.0	647.0
Yaroslavl'skaya oblast	970.7	1,477.1	874.2	1,312.3	96.5	164.8
Yevreyskaya AO	1,448.5	584.7	1,621.8	1,033.4	(173.3)	(448.7)
Standard deviation	717.7	1,065.7	729.1	1,072.6	227.5	754.0
Average	1,197.7	1,133.4	1,340.5	1,390.1	(142.8)	(256.7)
Coefficient of variation	0.60	0.94	0.54	0.77	(1.59)	(2.94)
Weighted average	1,042.4	1,185.4	1,111.3	1,168.8	(68.9)	16.6

Source: Ministry of Finance, Goskometat, staff calculations.

1/ Inflation rates in autonomous okrugs are assumed equal to the neighboring territories. For some republics, which were unable to calculate inflation rates, average for Russia is taken.

Table 4. Regional Wages, 1992
(Average monthly wage—November, 1992; in rubles)

	Populat. (in thous.)	Average mon. wages
Arkhangelskaya oblast	1,517	13,091
Nenetskiy auton. okrug	54	
Vologodskaya oblast	1,362	11,277
Murmanskaya oblast	1,148	20,396
Karelia republic	800	12,022
Komi republic	1,255	19,990
St.Petersburg	5,004	8,812
Leningradskaya oblast	1,673	9,330
Novgorodskaya oblast	752	8,045
Pskovskaya oblast	841	6,879
Bryanskaya oblast	1,464	7,248
Vladimirskaya oblast	1,656	8,216
Ivanovskaya oblast	1,312	7,179
Tverskaya oblast	1,668	8,155
Kaluzhskaya oblast	1,081	6,889
Kostromskaya oblast	812	7,627
Moscow	8,957	10,138
Moscovskaya oblast	6,707	8,271
Orlovskaya oblast	903	7,436
Ryazanskaya oblast	1,344	7,462
Smolenskaya oblast	1,163	8,019
Tulskaya oblast	1,844	8,702
Yaroslavl'skaya oblast	1,472	9,262
Nizhegorodskaya oblast	3,704	9,008
Kirovskaya oblast	1,700	8,913
Mari-El republic	762	6,572
Mordovia republic	964	6,572
Chuvashia republic	1,353	7,355
Belgorodskaya oblast	1,408	9,730
Voronezhskaya oblast	2,475	7,153
Kurskaya oblast	1,335	8,201
Lipetskaya oblast	1,234	8,301
Tambovskaya oblast	1,310	6,855
Astrakhanskaya oblast	1,010	6,991
Volgogradskaya oblast	2,643	8,770
Samarskaya oblast	3,296	11,833
Penzenskaya oblast	1,514	6,125
Saratovskaya oblast	2,711	7,720
Ulyanovskaya oblast	1,444	8,622
Kalmykia republic	327	5,306
Tatarstan republic	3,696	9,457
Krasnodarskiy krai	4,797	8,061
Adygeya republic	442	6,682
Stavropolskiy krai	2,536	7,144
Karachaevo-Cherkessia republic	431	5,462
Rostovskaya oblast	4,363	7,503
Dagestan republic	1,890	3,718
Kabardino-Balkaria republic	784	5,791

	Populat. (In thous.)	Average mon. wages
Northern Osetia republic	695	5,676
Ingushetia & Chechnya republic	1,308	5,564
Kurganskaya oblast	1,115	8,640
Orenburgskaya oblast	2,204	11,665
Permskaya oblast	2,949	11,275
Komi-Permyatskaya auton.oblast	160	
Sverdlovskaya oblast	4,719	11,989
Chelybinskaya oblast	3,638	11,878
Bashkorstan republic	4,008	10,599
Udmurtia republic	1,637	9,075
Altayskiy krai	2,666	8,191
Gorniy Altay republic	198	7,705
Kemerovskaya oblast	3,181	17,976
Novosibirskaya oblast	2,803	8,515
Omskaya oblast	2,170	9,923
Tomskaya oblast	1,012	11,661
Tyumenskaya oblast	1,353	28,065
Khanty-Mansiyskiy auton.okrug	1,305	
Yamalo-Nenetskaya republic	479	
Krasnoyarskiy krai	2,973	15,745
Khakasskaya auton. oblast	581	12,305
Taymyrskiy/Dolgano-Nenetsk. AO	53	
Evenkiyskiy auton. okrug	25	
Irkutskaya oblast	2,732	15,343
Ust-Ordynskiy Buryatskiy AO	140	
Chitinskaya oblast	1,312	11,071
Aginskiy Buryatskiy aut.okrug	79	
Buryatia republic	1,059	10,730
Tuva republic	306	6,273
Primorskiy krai	2,309	12,315
Khabarovskiy krai	1,634	14,451
Yevreyskaya auton. oblast	221	
Amurskaya oblast	1,075	13,055
Kamchatskaya oblast	433	19,715
Koryakskiy auton. okrug	39	
Magadanskaya oblast	363	28,371
Chukotskaya auton. oblast	146	
Sakhalinskaya oblast	719	15,467
Sakha (Yakutia) republic	1,093	21,765
Kaliningradskaya oblast	894	8,145
Standard deviation	1,506	4,691
Maximum	8,957	28,371
Minimum	25	3,718
Range	8,932	24,653
Average	1,690	10,201
Coefficient of variation	0.89	0.46

Source: Goskomstat of RF, and staff calculations.

Table 5. Regional Rural Population, 1992

	Populat. (In thous.)	Rural populat. (In thous.)	(Rural pop. in % of total popul.)
Arkhangelskaya oblast	1,517	400	26.4
Nenetskiy auton. okrug	54	21	38.9
Vologodskaya oblast	1,362	463	34.0
Murmanskaya oblast	1,148	89	7.8
Karelia republic	800	143	17.9
Komi republic	1,255	307	24.5
St. Petersburg	5,004	0	0.0
Leningradskaya oblast	1,673	566	33.8
Novgorodskaya oblast	752	222	29.5
Pskovskaya oblast	841	300	35.7
Bryanskaya oblast	1,464	460	31.4
Vladimirskaya oblast	1,656	334	20.2
Ivanovskaya oblast	1,312	240	18.3
Tverskaya oblast	1,668	466	27.9
Kaluzhskaya oblast	1,081	285	26.4
Kostromskaya oblast	812	253	31.2
Moscow	8,957	1	0.0
Moscovskaya oblast	6,707	1,373	20.5
Orlovskaya oblast	903	334	37.0
Ryazanskaya oblast	1,344	445	33.1
Smolenskaya oblast	1,163	359	30.9
Tulskaya oblast	1,844	339	18.4
Yaroslavskaya oblast	1,472	269	18.3
Nizhegorodskaya oblast	3,704	827	22.3
Kirovskaya oblast	1,700	497	29.2
Mari-El republic	762	288	37.8
Mordovia republic	964	404	41.9
Chuvashia republic	1,353	543	40.1
Belgorodskaya oblast	1,408	502	35.7
Voronezhskaya oblast	2,475	948	38.3
Kurskaya oblast	1,335	538	40.3
Lipetskaya oblast	1,234	446	36.1
Tambovskaya oblast	1,310	559	42.7
Astrakhanskaya oblast	1,010	331	32.8
Volgogradskaya oblast	2,643	639	24.2
Samarskaya oblast	3,296	631	19.1
Penzenskaya oblast	1,514	562	37.1
Saratovskaya oblast	2,711	690	25.5
Ulyanovskaya oblast	1,444	399	27.6
Kalmykia republic	327	175	53.5
Tatarstan republic	3,696	977	26.4
Krasnodarskiy krai	4,797	2,185	45.5
Adygeya republic	442	209	47.3
Stavropolskiy krai	2,536	1,158	45.7
Karachaevo-Cherkessia republic	431	218	50.6
Rostovskaya oblast	4,363	1,268	29.1
Dagestan republic	1,890	1,060	56.1
Kabardino-Balkaria republic	784	303	38.6

	Populat. (in thous.)	Rural populat. (in thous.)	(Rural pop. in % of total popul.)
Northern Osetia republic	695	224	32.2
Ingushetia & Chechniya republic	1,308	721	55.1
Kurganskaya oblast	1,115	501	44.9
Orenburgskaya oblast	2,204	770	34.9
Permskaya oblast	2,949	588	19.9
Komi-Permyatskaya auton.oblast	160	112	70.0
Sverdlovskaya oblast	4,719	601	12.7
Chelybinskaya oblast	3,638	665	18.3
Bashkorstan republic	4,008	1,417	35.4
Udmurtia republic	1,637	488	29.8
Altayskiy krai	2,666	1,190	44.6
Gorniy Altay republic	198	145	73.2
Kemerovskaya oblast	3,181	403	12.7
Novosibirskaya oblast	2,803	704	25.1
Omskaya oblast	2,170	696	32.1
Tomskaya oblast	1,012	317	31.3
Tyumenskaya oblast	1,353	540	39.9
Khanty-Mansiyskiy auton.okrug	1,305	112	8.6
Yamalo-Nenetskaya republic	479	83	17.3
Krasnoyarskiy krai	2,973	802	27.0
Khakasskaya auton. oblast	581	160	27.5
Taymyrskiy/Dolgano-Nenetsk. AO	53	17	32.1
Evenkiyskiy auton. okrug	25	18	72.0
Irkutskaya oblast	2,732	439	16.1
Ust-Ordynskiy Buryatskiy AO	140	114	81.4
Chitinskaya oblast	1,312	423	32.2
Aginskiy Buryatskiy aut.okrug	79	53	67.1
Buryatia republic	1,059	429	40.5
Tuva republic	306	159	52.0
Primorskiy krai	2,309	518	22.4
Khabarovskiy krai	1,634	315	19.3
Yevreyskaya auton. oblast	221	76	34.4
Amurskaya oblast	1,075	362	33.7
Kamchatskaya oblast	433	64	14.8
Koryakskiy auton. okrug	39	24	61.5
Magadanskaya oblast	363	55	15.2
Chukotskaya auton. oblast	146	39	26.7
Sakhalinskaya oblast	719	106	14.7
Sakha (Yakutia) republic	1,093	367	33.6
Kaliningradskaya oblast	894	189	21.1
Standard deviation	1,506	369	15
Maximum	8,957	2,185	81
Minimum	25	0	0
Range	8,932	2,185	81
Average	1,690	444	33
Coefficient of variation	0.89	0.83	0.47

Source: Goskomstat of RF.

Table 6. Regional Budgetary Revenues: 1992 1/

	Popul. (In thous.)	Revenue actuals (In thous.R)	Revenue (per cap.) (R)	(Per Capita)					
				Property tax (R)	VAT (R)	Excises (R)	Profit tax (R)	Income tax (R)	Sales tax (R)
Arkhangelskaya oblast	1,517	18,381,816	12,117	244.0	2,236.9	361.1	4,679.6	3,234.0	15.2
Nenetskiy auton. okrug	54	641,604	11,882	257.1	3,824.3	79.8	2,324.1	4,503.8	
Vologodskaya oblast	1,362	20,305,266	14,908	333.8	2,381.8	1,341.1	6,140.9	3,141.0	27.4
Murmanskaya oblast	1,148	25,676,874	22,367	849.6	4,426.4	111.8	10,597.9	5,406.9	68.9
Karelia republic	800	15,027,547	18,784	268.1	5,633.3	1,663.0	6,334.4	3,569.4	24.5
Komi republic	1,255	26,905,827	21,439	604.9	4,032.3	541.2	6,328.9	6,413.2	11.5
St.Petersburg	5,004	60,240,381	12,038	348.8	1,846.9	963.2	5,540.2	2,503.5	75.4
Leningradskaya oblast	1,673	20,487,173	12,246	264.9	1,269.1	38.2	7,801.0	2,034.1	13.2
Novgorodskaya oblast	752	8,683,875	11,548	260.7	2,945.4	1,159.1	4,152.9	2,164.1	14.8
Pskovskaya oblast	841	7,220,388	8,585	153.0	2,738.2	77.1	3,259.9	1,780.5	22.2
Bryanskaya oblast	1,464	12,049,196	8,230	165.0	1,954.4	497.1	3,301.1	1,691.1	25.5
Vladimirskaya oblast	1,656	21,085,654	12,733	252.4	2,404.0	1,061.3	6,048.7	2,387.0	37.3
Ivanovskaya oblast	1,312	14,316,661	10,912	266.6	2,278.6	520.5	5,347.6	2,052.9	81.6
Tverskaya oblast	1,668	15,891,702	9,527	222.6	1,939.4	722.0	3,969.6	1,919.9	47.8
Kaluzninskaya oblast	1,081	8,887,122	8,221	151.6	1,711.5	723.4	3,107.2	1,899.9	24.7
Lipetskaya oblast	812	8,895,526	10,955	217.1	1,999.2	1,309.3	4,255.0	2,062.9	45.1
Moscow	8,957	183,386,937	20,474	1,069.2	2,946.6	854.4	10,895.7	4,154.6	
Moscovskaya oblast	6,707	74,632,255	11,128	346.5	2,034.4	250.9	5,530.7	2,220.4	
Orlovskaya oblast	903	9,019,448	9,988	187.4	2,443.7	897.8	3,623.5	1,969.3	31.2
Ryazanskaya oblast	1,344	15,801,810	11,757	262.4	2,299.3	1,250.4	5,418.3	1,933.0	27.0
Smolenskaya oblast	1,163	13,004,901	11,182	329.7	2,465.2	768.4	4,856.4	2,003.7	26.9
Tul'skaya oblast	1,844	22,058,959	11,963	251.2	2,162.1	713.5	5,786.8	2,413.3	30.6
Yaroslavl'skaya oblast	1,472	26,336,213	17,891	325.9	3,317.8	2,295.3	8,231.2	2,667.9	32.3
Nizhegorodskaya oblast	3,704	56,246,635	15,185	313.9	3,968.2	936.0	6,936.2	2,373.2	20.3
Kirovskaya oblast	1,700	18,903,584	11,120	194.7	2,567.4	1,013.2	3,964.5	2,116.5	24.3
Mari-El republic	762	5,018,805	6,586	146.2	2,120.0	405.9	2,000.1	1,510.5	8.4
Mordovia republic	964	7,675,552	7,962	246.8	2,262.6	500.1	3,011.9	1,573.4	23.4
Chuvashia republic	1,353	10,717,053	7,921	210.4	1,721.8	347.6	3,314.6	1,680.2	25.7
Belgorodskaya oblast	1,408	20,992,327	14,909	146.5	2,326.1		8,189.2	2,622.1	29.1
Voronezhskaya oblast	2,475	23,000,244	9,293	187.7	2,178.5	700.8	3,502.1	1,738.2	24.1
Kurskaya oblast	1,335	17,520,577	13,124	390.0	2,633.8	898.6	5,691.3	2,086.3	85.0
Lipetskaya oblast	1,234	18,385,753	14,899	359.8	2,353.0	682.0	8,234.1	2,393.4	25.3
Tambovskaya oblast	1,310	11,536,667	8,807	155.0	2,245.2	776.7	3,420.9	1,714.3	16.5
Astrakhanskaya oblast	1,010	7,930,499	7,852	175.3	2,391.8	526.3	2,276.1	1,598.8	14.7
Volgogradskaya oblast	2,643	35,585,719	13,464	300.3	2,391.9	828.1	6,490.0	2,282.7	17.5
Samarskaya oblast	3,296	69,518,995	21,092	410.7	4,192.9	914.8	10,677.3	3,203.0	37.0
Penzenskaya oblast	1,514	11,341,103	7,491	142.2	2,007.6	510.8	2,728.6	1,455.8	29.1
Saratovskaya oblast	2,711	28,148,709	10,383	191.1	2,442.2	335.3	4,871.0	1,958.1	17.2
Ulyanovskaya oblast	1,444	18,384,494	12,732	243.2	3,162.0	723.1	5,462.7	2,194.7	0.0
Kalmykia republic	327	1,952,865	5,972	177.1	2,057.2	55.7	1,436.1	1,374.3	107.9
Tatarstan republic	3,696	104,649,382	28,314	321.7	9,598.0	2,724.7	10,769.6	2,314.9	76.4
Krasnodarskiy krai	4,797	47,389,207	9,879	270.4	2,274.0	460.1	4,020.0	2,024.8	31.4
Adygeya republic	442	3,543,956	8,018	87.9	1,370.3	1,290.2	2,634.8	1,470.9	35.4
Stavropolskiy krai	2,536	18,520,053	7,303	214.0	1,672.9	450.2	2,761.5	1,536.7	36.5
Karachaevo-Cherkessia rep	431	2,774,613	6,438	142.7	1,469.2	11.0	3,313.6	1,044.9	77.5
Rostovskaya oblast	4,363	47,449,860	10,876	275.3	2,506.7	708.1	4,114.8	2,135.7	41.4
Dagestan republic	1,890	4,795,013	2,537	60.7	569.0	311.1	773.2	497.7	29.9
Kabardino-Balkaria republic	784	4,610,216	5,880	124.8	1,891.9	273.6	1,977.2	964.4	54.2
Northern Osetia republic	695	5,160,436	7,425	150.5	1,210.0	359.6	2,401.7	1,055.8	51.7
Checheno-Ingush republic	1308	4,976,995	3,805	197.6	909.5	162.5	1,338.7	489.5	25.6
Kurganskaya oblast	1,115	10,595,683	9,503	167.7	3,123.7	402.6	3,101.9	1,978.5	

	Popul. (In thous.)	Revenue actuals	Revenue (per cap.)	(Per Capita)					
		(In thous.R)	(R)	Property tax (R)	VAT (R)	Excises (R)	Profit tax (R)	Income tax (R)	Sales tax (R)
Orenburgskaya oblast	2,204	28,623,851	12,987	465.7	2,037.9	346.0	6,514.7	2,625.9	22.2
Permskaya oblast	2,949	46,645,430	15,817	435.9	3,150.9	507.4	7,710.8	2,974.3	15.1
Komi-Permyatskaya auton.o	160	799,648	4,998	113.0	1,286.5	4.9	1,539.5	1,330.2	5.2
Sverdlovskaya oblast	4,719	79,423,665	16,831	365.1	2,569.5	703.4	8,101.0	3,357.2	37.2
Chelybinskaya oblast	3,638	60,459,909	16,619	419.6	3,743.7	875.4	7,292.5	3,325.5	31.9
Bashkortan republic	4,008	142,239,692	35,489	294.1	15,256.0	1,953.3	11,483.5	2,535.4	82.4
Udmurtia republic	1,637	20,629,990	12,602	280.8	3,463.4	592.6	4,660.7	2,262.4	
Altayskiy krai	2,666	23,616,360	8,858	182.1	1,791.0	973.2	3,017.0	2,275.2	34.8
Gorniy Altay republic	198	973,262	4,915	77.9	1,499.7	102.2	1,108.1	1,445.1	49.4
Kemerovskaya oblast	3,181	61,925,004	19,467	373.7	3,037.0	722.2	7,404.1	5,158.5	39.7
Novosibirskaya oblast	2,803	26,034,143	9,288	226.8	2,367.7	581.7	3,154.2	2,245.4	94.6
Omskaya oblast	2,170	28,223,413	13,006	261.5	3,671.2	857.1	4,711.1	2,447.7	25.5
Tomskaya oblast	1,012	13,806,067	13,642	375.7	3,439.8	107.7	5,301.0	3,267.3	25.3
Tyumenskaya oblast	1,353	23,703,942	17,520	508.6	3,411.8	821.8	3,787.4	3,217.9	
Khanty-Mansiyskiy auton.ok	1,305	87,395,792	66,970	1,531.0	18,351.2	39.5	20,369.3	14,874.4	
Yamalo-Nenetskaya republ	479	32,950,735	68,791	2,352.7	14,288.5	85.5	19,873.1	15,932.5	
Krasnoyarskiy krai	2,973	59,401,466	19,980	493.6	3,107.5	752.8	8,529.7	4,829.3	23.1
Khakasskaya auton. oblast	581	7,530,133	12,961	361.8	2,627.8	90.0	5,357.0	3,414.4	32.3
Taymyrskiy/Dolgoro-Nenets	53	1,167,916	22,036	947.6	8,516.9	47.4	1,552.8	10,092.4	10.7
Evenkiyskiy auton. okrug	25	330,314	13,213	290.2	3,328.2	1.6	1,669.0	4,930.3	
Irkutskaya oblast	2,732	50,223,094	18,383	390.2	2,224.2	697.6	7,294.6	4,325.4	19.8
Ust-Ordynskiy Buryatskiy A	140	508,959	3,635	53.9	401.8	17.0	480.8	1,712.7	19.2
Chitinskaya oblast	1,312	11,878,942	9,054	253.2	1,699.7	4.8	2,761.9	2,437.0	19.4
Aginskiy Buryatskiy aut.okru	79	210,434	2,664	49.2	445.8	4.6	366.0	934.1	32.2
Buryatia republic	1,059	9,112,282	8,605	209.8	2,084.0	699.4	2,073.1	2,575.2	32.0
Tuva republic	306	1,083,441	3,541	105.1	778.4	120.3	1,809.7	0.6	14.1
Primorskiy krai	2,309	29,268,971	12,676	435.7	2,813.1	611.3	4,364.8	3,643.7	41.7
Khabarovskiy krai	1,634	28,407,400	17,385	317.5	4,240.1	474.5	5,229.4	3,978.1	54.1
Yevreyskaya auton. oblast	221	1,867,083	8,448	65.8	2,734.4	20.8	2,127.3	2,648.3	25.9
Amurskaya oblast	1,075	12,428,275	11,561	241.6	2,548.5	538.6	3,326.5	3,195.6	26.0
Kamchatskaya oblast	433	6,798,134	15,700	174.4	5,122.7	688.6	3,573.0	5,065.7	70.8
Koryakskiy auton. okrug	39	438,917	11,254	94.8	2,252.6	776.7	1,678.6	5,601.7	29.8
Magadanskaya oblast	363	12,940,699	35,649	732.8	6,493.9	1,074.7	7,013.3	8,504.7	115.4
Chukotskaya auton. oblast	146	4,461,060	30,555	678.1	4,997.9	190.4	6,705.8	9,898.1	
Sakhalinskaya oblast	719	12,706,122	17,672	381.3	4,250.4	775.0	3,995.4	5,123.9	47.2
Sakha (Yakutia) republic	1,093	96,578,853	88,361	774.3	10,793.5	1,303.5	20,214.7	8,955.0	10.5
Kaliningradskaya oblast	894	9,311,347	10,415	240.2	1,897.1	816.7	3,911.9	2,174.6	38.0
Standard deviation	1,506	31,146,619	13,017	315	2,932	501	3,773	2,639	23
Maximum	8,957	183,386,937	88,361	2,353	18,351	2,725	20,369	15,933	115
Minimum	25	210,434	2,537	49	402	2	366	1	0
Range	8,932	183,176,503	85,824	2,304	17,949	2,723	20,003	15,932	115
Average	1,690	25,913,258	14,786	332	3,269	626	5,193	3,146	36
Coefficient of variation	0.89	1.20	0.88	0.95	0.90	0.80	0.73	0.24	0.66
Weighted average			15,335	368	3,350	746	6,197	2,901	32

Source: Ministry of Finance, staff calculations.

1/ Excluding privatization proceeds.

Table 7. Regional Budgetary Expenditures: 1992

	Population (In thous.)	Total expenditure 1/ (in thous. R)	Total exp. (per capita) (R)	Per capita												
				National economy (R)	Total soc. act. (R)	Benefits to multi- children families										Wages 2/ (in thous. R)
						Ovr. Capital investm. (R)	Food Subsidies 2/ (R)	Ovr. Educat. (R)	Health (R)	Soc. sec. (R)	Culture (R)	Science (R)	Law enforc. (R)	Administ. (R)		
Arkhangelskaya oblast	1,517	19,358,917	12,761	4,261	1,919	394.0	6,897.7	3,314	3,018	0.02	224.8	341.1	5.3	17.4	449.5	3,539,774
Nenetskiy auton. okrug	54	2,656,126	49,188	10,901	7,323	458.7	19,415.3	9,641	5,895		2,757.6	1,122.0	28.6		1,183.1	359,607
Vologodskaya oblast	1,382	20,469,578	15,025	5,198	2,730	367.0	7,737.9	3,503	2,906	0.08	778.3	550.5	6.9	11.8	548.3	3,523,947
Murmanskaya oblast	1,148	24,933,420	21,719	8,663	2,626	209.7	11,460.1	5,513	5,110		512.9	325.0	7.6		493.2	4,911,565
Karelia republic	800	21,150,326	26,438	5,623	12,525	184.9	8,761.0	4,063	3,693		457.7	546.7	10.0	1.1	462.5	2,550,353
Komi republic	1,256	26,402,525	21,038	6,580	2,754	25.7	9,737.1	4,691	4,237	0.03	293.7	615.4	4.6	7.1	489.5	4,016,194
St. Petersburg	5,004	62,953,201	12,581	6,995	2,209	243.8	4,413.4	1,970	1,955	0.02	198.4	289.5	15.0	12.5	176.9	4,487,627
Leningradskaya oblast	1,873	19,934,493	11,915	4,857	2,226	28.5	5,613.0	2,248	2,609	0.03	273.6	482.7	5.9	0.2	369.1	2,104,972
Novgorodskaya oblast	752	11,559,795	15,372	7,878	3,046	747.4	6,015.1	2,331	2,516	0.02	484.7	703.0	5.9	0.2	534.0	1,469,357
Pskovskaya oblast	841	11,967,065	14,230	6,461	3,144	179.5	6,236.0	2,521	2,347	0.03	469.2	898.1	4.2	0.0	452.6	2,324,745
Bryanskaya oblast	1,464	13,529,054	9,241	3,584	1,277	153.5	4,250.3	1,853	1,919	0.09	235.5	243.2	3.1		323.2	2,344,105
Vladimirskaya oblast	1,656	17,932,744	10,829	4,302	1,720	189.8	5,084.4	2,188	2,289	0.01	343.3	264.1	2.4	71.4	498.7	2,672,122
Ivanovskaya oblast	1,312	14,131,299	10,771	4,297	1,261	155.4	5,031.8	2,038	2,285	0.01	398.1	341.2	4.2	3.8	300.3	2,238,316
Tverskaya oblast	1,668	15,184,758	9,104	3,524	1,173	215.8	4,279.1	1,912	1,803	0.18	271.8	292.0	3.1	3.0	378.0	2,504,738
Kaluzhskaya oblast	1,081	9,905,140	9,163	3,396	1,788	145.7	4,367.3	1,930	1,875	0.04	278.9	283.6	6.5	0.8	475.5	1,575,041
Kostromskaya oblast	812	10,338,768	12,732	5,610	1,971	124.5	5,838.3	2,474	2,327	0.03	375.8	361.6	7.3		586.2	1,611,283
Moscow	8,957	178,164,972	19,891	11,243	4,022	450.6	7,434.8	3,542	3,253		278.8	360.4	205.6		208.5	15,894,185
Moskovskaya oblast	6,707	61,206,391	9,126	3,428	1,481	128.4	4,219.4	1,824	2,053	0.07	176.7	165.2	12.5	20.1	273.5	9,624,899
Orlovskaya oblast	903	11,349,342	12,568	6,096	2,589	272.3	4,852.1	2,236	1,961	0.00	348.7	306.1	29.0	1.0	478.6	1,482,136
Ryazanskaya oblast	1,344	14,392,811	10,709	3,901	1,822	222.8	5,204.2	2,059	2,454	0.02	300.4	390.4	3.2	41.7	384.6	2,202,092
Smolenskaya oblast	1,163	12,693,548	10,914	4,886	2,232	386.1	4,879.2	2,131	1,772	0.20	550.6	426.3	4.4		336.0	2,020,763
Tul'skaya oblast	1,844	19,050,090	10,331	4,317	1,367	324.0	4,860.4	1,889	2,211	0.00	537.0	223.9	7.3	10.3	436.0	3,133,572
Yaroslavl'skaya oblast	1,472	23,397,861	15,895	8,240	3,447	349.9	6,313.8	2,718	2,458		798.8	338.3	6.4	82.2	456.2	2,819,522
Nizhegorodskaya oblast	3,704	49,339,206	13,321	5,900	2,136	148.6	5,090.0	2,248	2,307	0.03	229.9	305.0	3.3	5.4	393.5	5,389,331
Kirovskaya oblast	1,700	19,088,408	11,228	4,206	1,379	130.6	5,548.3	2,319	2,413		499.0	316.9	4.5		360.9	3,059,587
Mari-El republic	752	10,250,462	13,452	5,020	2,519	201.9	7,038.2	3,301	2,827		378.7	531.4	8.4		293.1	1,552,148
Mordovia republic	964	13,279,758	13,776	6,244	2,152	256.6	6,196.2	2,729	2,494		618.9	358.3	10.8	1.5	404.3	1,764,763
Chuvashia republic	1,353	15,888,734	11,743	4,428	1,817	333.0	5,887.1	2,898	2,329		197.2	462.3	10.3		313.1	2,041,950
Belgorodskaya oblast	1,408	20,675,046	14,684	5,821	2,796	383.6	5,650.5	2,630	2,291		366.1	363.5	1.8	0.2	449.1	2,748,610
Voronezhskaya oblast	2,475	23,045,634	9,311	3,595	849	395.0	4,718.5	1,971	2,255	0.03	229.9	263.4	1.5	1.3	289.9	4,981,661
Kurekaya oblast	1,335	15,225,220	11,405	4,051	1,441	303.8	4,833.9	2,221	2,037	0.01	268.6	307.9	5.8	25.4	451.2	2,452,156
Lipetskaya oblast	1,234	16,403,115	13,293	5,550	1,216	899.9	5,771.5	2,199	2,869	0.02	406.0	297.3	4.1		542.2	3,038,245

	Total exp. (in thous.Ft)		Total exp. (per capita)		Per capita										Wages & Administ. (in thous.Ft)
	Total expenditure / (in thous.Ft)	Total exp. (per capita)	National economy (Ft)	Total exp. (per capita)	Other Capital Investm. (Ft)	Food Subsidies / (Ft)	Other Educat. (Ft)	Health (Ft)	Benefits to multi-children families (Ft)	Culture (Ft)	Science (Ft)	Law (Ft)	Administ. (Ft)		
Tambovskaya oblast	13,518,091	10,319	3,389	198.3	857	198.3	2,352	2,132	398.6	355.3	4.0	2.8	432.6	2,061,457	
Astrakhanskaya oblast	10,761,046	10,655	4,757	797.2	1,019	797.2	1,990	2,034	303.9	248.0	3.0	18.3	321.9	1,774,497	
Volgogradskaya oblast	33,098,850	12,523	6,224	938.8	2,112	938.8	2,018	2,215	278.1	241.7	3.0	6.4	348.6	4,248,663	
Samarakaya oblast	59,687,629	17,800	8,549	2,008.4	3,333	2,008.4	3,065	2,683	369.2	298.3	2.6	58.8	332.7	6,775,924	
Penzenskaya oblast	12,901,845	8,522	3,111	185.8	935	185.8	1,896	1,867	217.2	266.0	2.1	2.6	323.5	2,192,398	
Saratovskaya oblast	26,564,129	9,799	3,594	390.8	1,444	390.8	2,253	2,141	234.3	438.0	2.8	9.0	309.6	3,782,808	
Ulyanovskaya oblast	17,938,497	12,423	5,827	1,198.1	2,474	1,198.1	2,608	2,406	187.7	258.0	2.5	0.5	319.2	2,593,200	
Kalmykia republic	5,618,094	17,184	6,871	117.8	3,270	117.8	4,272	2,688	240.4	590.3	27.5	554.9	554.9	928,686	
Tatarstan republic	82,187,484	22,237	13,385	1,792.6	4,451	1,792.6	3,090	2,957	119.1	488.6	8.1	4.8	484.5	9,289,713	
Krasnodarskiy kraj	45,625,810	9,511	3,954	599.6	1,083	599.6	1,858	2,019	313.7	198.1	3.1	0.2	225.0	6,677,392	
Adygeya republic	4,828,348	10,924	4,442	392.2	1,582	392.2	2,235	1,982	285.6	518.4	26.0	564.8	564.8	808,261	
Stavropolskiy kraj	18,467,774	7,282	2,304	162.7	545	162.7	1,917	1,562	178.1	139.4	1.6	4.9	228.8	3,338,168	
Karachaev-Cherkessia re	4,217,158	9,785	3,462	164.9	2,122	164.9	2,789	1,877	124.7	377.9	10.2	7.1	308.4	654,237	
Rostovskaya oblast	43,877,983	10,057	4,564	692.5	687	692.5	1,828	1,928	177.8	226.7	1.7	1.5	247.0	6,609,047	
Dagestan republic	21,239,210	11,238	3,898	1,217.1	1,527	1,217.1	2,703	1,516	89.0	272.8	4.6	69.4	218.0	3,652,541	
Kabardino-Balkaria republi	7,790,019	9,938	3,085	188.9	1,261	188.9	2,424	2,005	122.7	232.7	14.1	139.2	335.0	1,233,562	
Northern Osetia republic	9,699,883	13,942	5,628	674.8	1,555	674.8	2,043	2,097	212.2	489.3	19.3	0.2	251.2	1,164,388	
Checheno-Ingush republic	6,640,354	5,077	1,367	37.3	351	37.3	2,734	2,392	45.2	201.3	22.6	254.8	80.1	1,426,057	
Kurganskaya oblast	12,758,761	11,443	4,079	232.2	2,307	232.2	2,582	2,841	381.2	395.5	4.8	51.8	429.6	2,232,502	
Orenburgskaya oblast	25,885,130	11,745	3,782	291.8	1,121	291.8	2,582	2,841	274.3	288.5	9.8	45.9	402.6	5,285,638	
Perm'skaya oblast	43,690,925	14,816	6,157	88.9	2,478	88.9	3,346	3,131	341.4	332.4	4.8	45.9	402.6	7,249,097	
Komi-Permyatskaya auton.	1,907,029	11,919	3,015	224.2	1,847	224.2	3,756	2,163	46.2	433.9	2.1	2.1	499.0	470,208	
Sverdlovskaya oblast	73,911,170	15,662	5,853	982.1	2,218	982.1	3,576	3,607	324.2	265.0	7.3	28.5	380.9	10,070,172	
Chelybinskaya oblast	66,560,604	18,296	7,769	100.0	4,284	100.0	3,539	3,862	406.0	359.2	5.6	87.1	523.4	7,716,987	
Bashkortan republic	86,178,208	21,502	10,656	1,296.4	5,298	1,296.4	3,813	3,774	243.7	682.2	32.4	4.5	533.4	9,262,898	
Udmurtia republic	20,761,620	12,683	4,998	624.4	1,758	624.4	3,150	2,331	320.4	378.3	4.4	0.1	373.7	3,419,430	
Altayskiy kraj	30,607,228	11,481	3,885	273.6	1,055	273.6	2,713	2,472	320.2	381.2	1.8	452.2	452.2	5,536,632	
Gorniy Altay republic	3,056,390	15,431	4,596	132.1	1,376	132.1	4,689	3,268	225.4	638.0	22.6	752.8	752.8	663,106	
Kemerovskaya oblast	53,719,325	20,031	8,312	195.7	2,084	195.7	4,015	3,801	534.8	509.8	2.2	60.7	329.2	8,195,142	
Novosibirskaya oblast	28,949,745	10,328	4,317	201.7	883	201.7	2,195	1,987	225.7	295.7	1.7	13.8	329.2	4,635,049	
Novosibirskaya oblast	31,528,569	14,529	5,573	331.9	1,136	331.9	3,078	3,068	276.3	460.1	2.7	2.2	390.4	5,087,742	
Omskaya oblast	13,968,768	13,804	4,423	345.6	1,368	345.6	4,099	2,730	391.2	415.7	6.5	27.8	560.2	2,716,067	
Tomskaya oblast	27,761,269	20,518	6,946	666.7	2,278	666.7	3,881	3,817	541.7	607.1	11.0	88.9	809.6	4,753,815	
Tyumen'skaya oblast	66,787,953	51,179	20,838	469.7	6,153	469.7	8,411	7,964	617.0	1,133.3	14.1	806.7	1,832.6	9,833,968	
Khanty-Mansiyskiy auton.o	29,686,956	61,988	27,875	1,130.7	12,379	1,130.7	10,952	7,126	22.47	6,759.7	14.8	931.5	2,239.5	3,860,972	

	Population (in thous.)	Total exp. (in thous. R)		Total subsid. (R)		Per capita		Wages of (in thous. R)							
		National economy		Total		Business									
		Total exp. (in thous. R)	(per capita)	Total subsid. (R)	Food subsidies ^{2/} (R)	Other Invest. (R)	Health (R)		Education (R)	Law enforc. (R)	Administ. (R)				
Krasnoyarskiy krai	2,873	53,000,160	17,827	6,793	1,801	694.5	9,233.7	4,297	3,945	0.07	378.9	614.5	14.1	640.9	9,608,109
Khakasskaya auton. oblast	581	7,480,473	12,841	4,793	1,963	329.2	6,367.0	2,824	2,684		382.4	376.1	24.5	488.8	1,374,138
Taymyrskiy Dolgano-Nenets	53	1,870,854	37,186	10,091	6,295	309.5	23,006.6	12,817	6,749		1,861.0	2,080.2	10.2	1,284.6	332,082
Evenkiyskiy auton. okrug	25	1,018,445	40,738	13,819	6,968	242.2	17,442.2	9,991	5,638		301.4	1,514.8	25.3	1,700.3	191,373
Irkutskaya oblast	2,782	50,418,349	18,455	7,025	3,189	598.8	7,230.7	3,507	3,208	0.05	203.0	312.8	4.1	635.6	9,224,830
Ust-Ordynskiy Buryatskiy A	140	2,029,217	14,494	3,147	1,397	98.3	9,172.7	5,507	2,220		701.8	743.5	3.1	882.9	828,487
Chitinskaya oblast	1,312	16,169,564	12,324	3,785	7,764	405.7	6,595.7	3,242	2,693		244.4	408.2	5.6	438.5	3,308,410
Aginskaya Buryatskiy auton. okr.	79	1,679,888	21,264	8,175	5,091	274.2	8,732.6	5,290	2,842		52.4	548.5	3.3	976.3	288,722
Buryatskiy republic	1,069	16,186,921	15,296	5,252	1,681	87.0	7,815.3	4,348	2,631	0.03	248.5	588.3	6.9	833.6	3,051,598
Tuva republic	306	6,574,946	21,487	9,044	3,298	1,096.1	10,811.6	5,460	4,128	0.40	521.9	701.8	32.8	581.3	1,202,168
Primorskiy krai	2,309	31,790,396	13,768	5,639	1,770	247.7	6,339.3	3,068	2,805		199.5	270.1	8.7	391.5	4,788,613
Khabarovskiy krai	1,634	30,296,419	18,541	8,034	2,578	907.6	8,582.3	3,853	3,844		451.3	433.7	5.6	602.2	5,189,680
Yevreyskaya auton. oblast	221	3,299,684	14,931	5,869	2,453	354.5	7,133.5	3,249	2,824		535.7	524.4	6.7	648.9	563,345
Amurskaya oblast	1,075	14,471,248	13,462	4,929	1,588	162.1	6,631.5	3,275	2,673	0.01	318.3	366.1	3.4	618.4	2,714,040
Kamchatskaya oblast	433	11,665,719	26,711	11,142	4,390	1,142.4	12,263.5	6,685	4,754		175.9	639.2	13.3	704.4	1,883,440
Koryatskiy auton. okrug	39	3,156,960	90,948	28,441	10,369	1,263.7	35,669.9	17,785	11,759		2,668.9	3,447.1	8.6	3,478.5	615,764
Magadanakaya oblast	363	14,378,116	39,609	16,821	2,379	1,784.2	15,365.3	7,985	6,437		297.9	1,245.3	7.9	1,297.0	1,812,199
Chukotskaya auton. oblast	146	9,954,633	68,182	16,747	1,925	1,181.3	22,524.7	11,238	8,984		215.0	2,107.5	9.5	2,030.4	1,126,721
Sakhalinskaya oblast	719	19,157,221	26,644	9,693	2,890	659.1	12,596.2	5,719	5,334	0.01	911.4	630.8	15.9	799.1	2,729,630
Sakha (Yakutia) republic	1,093	91,448,319	83,685	44,350	15,538	869.6	28,694.6	17,054	8,467	0.00	1,167.8	1,995.2	498.7	2,326.0	14,811,708
Kalinigradskaya oblast	894	10,130,242	11,331	4,892	1,485	274.7	4,860.7	2,368	2,093		233.4	278.0	3.2	344.3	1,533,635
Standard deviation	1,506	28,381,194	14,696	6,029	2,640	426	5,681	3,013	1,794	3	798	492	56	582	3,080,042
Maximum	9,957	178,164,972	83,665	44,350	15,588	2,009	35,670	17,785	11,759	22	6,759	3,447	487	3,478	15,894,185
Minimum	25	1,018,445	5,077	1,367	351	26	2,588	1,313	1,039	0	45	139	1	80	191,373
Range	9,932	177,146,527	78,589	42,982	15,237	1,984	33,072	16,453	10,720	22	6,713	3,308	485	3,398	15,702,812
Average	1,690	25,608,615	18,409	7,060	2,842	472	8,090	3,895	3,170	1	486	539	17	594	3,673,304
Coefficient of variation	0.89	1.03	0.80	0.85	0.83	0.90	0.70	0.77	0.57	5.05	1.64	0.91	3.58	2.78	0.94
Weighted average			15,153	6,479	2,444	469	6,534	3,025	2,791	0.2	337	382	23	424	

Source: Ministry of Finance, Territories Department, staff estimates.

1/ In thousands of rubles.

2/ Only food subsidies have been extracted from national economy by the Ministry of Finance.

3/ Includes wages from the social sphere, law enforcement, administration and science.

Table 8. Regional Social Expenditures of Enterprises, 1992
(Per capita, in descending order)

	Popul. (In thous.)	Ent. Soc. Expend. (R)
Khanty-Mansiyskiy auton.okrug	1,305	28,095.8
Yamalo-Nenets'kaya republic	479	18,135.7
Magadanskaya oblast	363	11,774.1
Sakha (Yakutia) republic	1,093	11,434.6
Chukotskaya auton. oblast	146	7,726.0
Krasnoyarskiy krai	2,973	6,985.2
Murmanskaya oblast	1,148	6,402.4
Moscow	8,957	5,812.5
Samarskaya oblast	3,296	5,522.8
Sverdlovskaya oblast	4,719	5,172.3
Karelia republic	800	5,045.0
Permskaya oblast	2,949	4,836.9
Tomskaya oblast	1,012	4,604.7
Nizhegorodskaya oblast	3,704	4,180.3
Yaroslavskaya oblast	1,472	3,942.9
Kemerovskaya oblast	3,181	3,675.9
Irkutskaya oblast	2,732	3,609.1
Chelybinskaya oblast	3,638	3,494.0
Lipetskaya oblast	1,234	3,485.4
Tatarstan republic	3,696	3,478.9
Leningradskaya oblast	1,673	3,441.1
Arkhangelskaya oblast	1,517	3,408.0
Khabarovskiy krai	1,634	3,372.1
Bashkorstan republic	4,008	3,179.4
Vologodskaya oblast	1,362	3,033.0
Primorskiy krai	2,309	2,974.9
Ryazanskaya oblast	1,344	2,939.7
Khakasskaya auton. oblast	581	2,879.5
Orenburgskaya oblast	2,204	2,878.4
Vladimirskaya oblast	1,656	2,723.4
Moscovskaya oblast	6,707	2,655.6
Ivanovskaya oblast	1,312	2,581.6
Sakhalinskaya oblast	719	2,335.2
Tul'skaya oblast	1,844	2,231.0
Belgorodskaya oblast	1,408	2,220.9
Amurskaya oblast	1,075	2,214.0
Udmurtia republic	1,637	2,212.6
Ulyanovskaya oblast	1,444	2,168.3
Mordovia republic	964	2,070.5
Kurskaya oblast	1,335	2,064.4
Kostromskaya oblast	812	1,995.1
Novosibirskaya oblast	2,803	1,970.7
Volgogradskaya oblast	2,643	1,969.7
Novgorodskaya oblast	752	1,942.8
Smolenskaya oblast	1,163	1,885.6
Chuvashia republic	1,353	1,880.3
St.Petersburg	5,004	1,864.9
Kirovskaya oblast	1,700	1,805.9

	Popul. (In thous.)	Ent. Soc. Expend. (R)
Omskaya oblast	2,170	1,655.8
Kamchatskaya oblast	433	1,649.0
Yevreyskaya auton. oblast	221	1,556.6
Tverskaya oblast	1,668	1,533.0
Rostovskaya oblast	4,363	1,509.3
Buryatia republic	1,059	1,488.2
Krasnodarskiy krai	4,797	1,475.3
Chitinskaya oblast	1,312	1,467.2
Tyumenskaya oblast	1,353	1,450.1
Saratovskaya oblast	2,711	1,414.6
Kurganskaya oblast	1,115	1,407.2
Koryakskiy auton. okrug	39	1,333.3
Orlovskaya oblast	903	1,320.0
Penzenskaya oblast	1,514	1,284.0
Tambovskaya oblast	1,310	1,281.7
Kaluzhskaya oblast	1,081	1,274.7
Voronezhskaya oblast	2,475	1,257.0
Altayskiy krai	2,666	1,220.9
Kaliningradskaya oblast	894	1,146.5
Pskovskaya oblast	841	1,124.9
Bryanskaya oblast	1,464	1,069.0
Northern Osetia republic	695	1,047.5
Stavropolskiy krai	2,536	985.8
Karachaevo-Cherkessia republic	431	965.2
Mari-El republic	762	922.6
Kabardino-Balkaria republic	784	899.2
Astrakhanskaya oblast	1,010	899.0
Adygeya republic	442	855.2
Aginskiy Buryatskiy aut.okrug	79	670.9
Komi-Permyatskaya auton.oblast	160	518.8
Dagestan republic	1,890	386.2
Checheno-Ingush republic	1,308	326.5
Gorniy Altay republic	198	308.1
Ust-Ordynskiy Buryatskiy AO	140	307.1
Kalmykia republic	327	275.2
Tuva republic	306	163.4
Taymyrskiy/Dolgano-Nenetsk. AO	53	NA
Evenkiyskiy auton. okrug	25	NA
Komi republic	1,255	NA
Nenetskiy auton. okrug	54	NA
Standard deviation		3,853
Maximum		28,096
Minimum		163
Range		27,932
Average		3,034
Coefficient of variation		1.3
Weighted average		3,171

Source: State Tax Services of the RF; staff calculations.

Note: Social expenditures of enterprises are determined by the State Tax Services for tax deduction purposes, and include the housing fund and social activities.

Table 9. Regional Total Fiscal Expenditures, 1992 1/

	Popul. (In thous.)	Total fiscal expenditure (per capita) (R)	Budget balance (per capita) (R)	Tot. exp. + balance (per capita) (R)
<u>(In descending order)</u>				
Sakha (Yakutia) republic	1,093	95,100	4,696	99,796
Koryakskiy AO	39	82,281	(69,693)	12,588
Yamalo-Nenetskaya republic	479	80,134	6,793	86,926
Khanty-Mansiyskiy AO	1,305	79,274	15,791	95,066
Chukotskaya AO	146	75,908	(37,627)	38,281
Magadanskaya oblast	363	51,383	(3,960)	47,423
Karelia republic	800	31,483	(7,653)	23,829
Sakhalinskaya oblast	719	28,979	(8,972)	20,007
Kamchatskaya oblast	433	28,360	(11,011)	17,349
Murmanskaya oblast	1,148	28,121	648	28,769
Tatarstan republic	3,696	25,716	6,077	31,793
Moscow	8,957	25,704	583	26,287
Krasnoyarskiy krai	2,973	24,812	2,153	26,966
Bashkorstan republic	4,008	24,681	13,987	38,668
Kemerovskaya oblast	3,181	23,707	(564)	23,143
Samarskaya oblast	3,296	23,322	3,292	26,615
Irkutskaya oblast	2,732	22,064	(71)	21,992
Tyumenskaya oblast	1,353	21,968	(2,999)	18,970
Aginskiy Buryatskiy aut.okrug	79	21,935	(18,601)	3,335
Khabarovskiy krai	1,634	21,913	(1,156)	20,757
Chelybinskaya oblast	3,638	21,790	(1,677)	20,113
Tuva republic	306	21,650	(17,946)	3,704
Sverdlovskaya oblast	4,719	20,835	1,168	22,003
Yaroslavskaya oblast	1,472	19,838	1,996	21,834
Permskaya oblast	2,949	19,712	1,002	20,714
Tomskaya oblast	1,012	18,409	(162)	18,247
Vologodskaya oblast	1,362	18,058	(116)	17,941
Nizhegorodskaya oblast	3,704	17,501	1,865	19,366
Kalmykia republic	327	17,459	(11,212)	6,247
Novgorodskaya oblast	752	17,315	(3,824)	13,491
Belgorodskaya oblast	1,408	16,905	225	17,130
Buryatia republic	1,059	16,785	(6,692)	10,093
Lipetskaya oblast	1,234	16,778	1,607	18,385
Primorskiy krai	2,309	16,743	(1,092)	15,651
Yevreyskaya auton. oblast	221	16,487	(6,482)	10,005
Omskaya oblast	2,170	16,185	(1,523)	14,662
Arkhangelskaya oblast	1,517	16,169	(644)	15,525
Mordovia republic	964	15,846	(5,813)	10,033
Gorniy Altay republic	198	15,739	(10,516)	5,224
Khakasskaya auton. oblast	581	15,720	120	15,840
Amurskaya oblast	1,075	15,676	(1,900)	13,775
Leningradskaya oblast	1,673	15,357	330	15,687
Pskovskaya oblast	841	15,354	(5,644)	9,710
Northern Osetia republic	695	14,990	(6,517)	8,473
Udmurtia republic	1,637	14,895	(80)	14,815
Ust-Ordynskiy Buryatskiy AO	140	14,802	(10,859)	3,943
Kostromskaya oblast	812	14,728	(1,777)	12,950

	Popul. (In thous.)	Total fiscal expenditure (per capita) (R)	Budget balance (per capita) (R)	Tot. exp. + balance (per capita) (R)
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(In descending order)

Orenburgskaya oblast	2,204	14,623	1,243	15,866
Ulyanovskaya oblast	1,444	14,591	309	14,900
Volgogradskaya oblast	2,643	14,493	941	15,434
St.Petersburg	5,004	14,445	(542)	13,903
Mari-El republic	762	14,375	(6,866)	7,509
Obl'skaya oblast	903	13,889	(2,580)	11,308
Chitinskaya oblast	1,312	13,791	(3,270)	10,521
Ryazanskaya oblast	1,344	13,649	1,048	14,697
Chuvashia republic	1,353	13,624	(3,822)	9,801
Vladimirskaya oblast	1,656	13,552	1,904	15,456
Kurskaya oblast	1,335	13,469	1,719	15,188
Ivanovskaya oblast	1,312	13,352	141	13,494
Kirovskaya oblast	1,700	13,034	(109)	12,926
Kurganskaya oblast	1,115	12,850	(1,940)	10,910
Smolenskaya oblast	1,163	12,800	268	13,068
Altayskiy krai	2,666	12,702	(2,622)	10,079
Tul'skaya oblast	1,844	12,562	1,632	14,194
Kaliningradskaya oblast	894	12,478	(916)	11,562
Komi-Permyatskaya auton.oblast	160	12,438	(6,921)	5,517
Novosibirskaya oblast	2,803	12,299	(1,040)	11,259
Moscovskaya oblast	6,707	11,781	2,002	13,783
Adygeya republic	442	11,779	(2,906)	8,873
Dagestan republic	1,890	11,624	(8,701)	2,923
Tambovskaya oblast	1,310	11,601	(1,513)	10,088
Rostovskaya oblast	4,363	11,566	819	12,385
Astrakhanskaya oblast	1,010	11,554	(2,803)	8,751
Saratovskaya oblast	2,711	11,213	585	11,798
Krasnodarskiy krai	4,797	10,987	368	11,354
Kabardino-Balkaria republic	784	10,835	(4,056)	6,780
Karachaevo-Cherkessia republic	431	10,750	(3,347)	7,403
Tverskaya oblast	1,668	10,637	424	11,060
Voronezhskaya oblast	2,475	10,568	(18)	10,550
Kaluzhskaya oblast	1,081	10,438	(942)	9,496
Bryanskaya oblast	1,464	10,310	(1,011)	9,299
Penzenskaya oblast	1,514	9,806	(1,031)	8,775
Stavropolskiy krai	2,536	8,268	21	8,289
Checheno-Ingush republic	1,308	5,403	(1,272)	4,131
Standard deviation		16,904		16,683
Maximum		95,100		99,796
Minimum		5,403		2,923
Range		89,697		96,873
Average		20,556		17,708
Coefficient of variation		0.82		0.94

1\ Total expenditure=budget expenditure+enterprise expenditure on soc. activities.

Note: Based on 84 regions due to missing data for: Nenetskiy AO, Komi republic, Taymyrskiy/Doigano-Nenetskiy AO, Evenkiyskiy AO.

Table 10. Regional Privatization Proceeds, 1992
(In descending order)

	Popul. (In thous.)	Privat. proceeds (In thous.R)	Privat. proceeds (per capita) (R)
Evenkiyskiy AO	25	30,326	1213.0
Khakasskaya AO	581	466,706	803.3
Vladimirskaia oblast	1,656	1,203,298	726.6
Primorskiy krai	2,309	1,637,857	709.3
Sakhalinskaya oblast	719	476,917	663.3
Kaliningradskaya oblast	894	589,731	659.7
Khanty-Mansiyskiy AO	1,305	810,061	620.7
Orlovskaya oblast	903	557,229	617.1
Murmanskaya oblast	1,148	682,612	594.6
Omskaya oblast	2,170	1,187,202	547.1
Tverskaya oblast	1,668	799,189	479.1
Volgogradskaya oblast	2,643	1,244,188	470.7
Karachaevo-Cherkessia rep.	431	198,141	459.7
Tyumenskaya oblast	1,353	620,010	458.2
Moscow	8,957	4,077,545	455.2
Yaroslavskaia oblast	1,472	650,253	441.7
Novosibirskaya oblast	2,803	1,225,177	437.1
Chitinskaya oblast	1,312	552,616	421.2
Nizhegorodskaya oblast	3,704	1,467,282	396.1
Khabarovskiy krai	1,634	645,027	394.8
Udmurtia republic	1,637	609,311	372.2
Smolenskaya oblast	1,163	430,845	370.5
St.Petersburg	5,004	1,827,700	365.2
Belgorodskaya oblast	1,408	506,970	360.1
Kurskaya oblast	1,335	472,684	354.1
Stavropolskiy krai	2,536	858,983	338.7
Karelia republic	800	258,472	323.1
Amurskaya oblast	1,075	331,141	308.0
Bryanskaya oblast	1,464	446,710	305.1
Leningradskaya oblast	1,673	509,914	304.8
Ivanovskaya oblast	1,312	399,812	304.7
Tomskaya oblast	1,012	308,299	304.6
Novgorodskaya oblast	752	225,494	299.9
Chelybinskaya oblast	3,638	1,064,655	292.6
Kurganskaya oblast	1,115	318,361	285.5
Tambovskaya oblast	1,310	368,798	281.5
Moscovskaya oblast	6,707	1,831,935	273.1
Komi republic	1,255	337,728	269.1
Arkhangelskaya oblast	1,517	407,298	268.5
Chuvashia republic	1,353	348,106	257.3
Kemerovskaya oblast	3,181	803,216	252.5
Penzenskaya oblast	1,514	381,141	251.7
Gorniy Altay rep.	198	48,359	244.2
Kostromskaya oblast	812	195,024	240.2
Samarskaya oblast	3,296	791,006	240.0
Kaluzhskaya oblast	1,081	254,516	235.4
Krasnodarskiy krai	4,797	1,116,773	232.8

	Popul. (In thous.)	Privat. proceeds (In thous.R)	Privat. proceeds (per capita) (R)
Vologodskaya oblast	1,362	315,181	231.4
Lipetskaya oblast	1,234	283,330	229.6
Orenburgskaya oblast	2,204	504,669	229.0
Mari-El republic	762	171,985	225.7
Sverdlovskaya oblast	4,719	1,051,991	222.9
Irkutskaya oblast	2,732	596,563	218.4
Voronezhskaya oblast	2,475	535,265	216.3
Rostovskaya oblast	4,363	922,166	211.4
Tulskaya oblast	1,844	384,672	208.6
Pskovskaya oblast	841	168,887	200.8
Krasnoyarskiy krai	2,973	596,110	200.5
Astrakhanskaya oblast	1,010	196,306	194.4
Altayskiy krai	2,666	517,670	194.2
Kirovskaya oblast	1,700	320,872	188.7
Magadanskaya oblast	363	56,374	155.3
Ryazanskaya oblast	1,344	199,874	148.7
Sakha (Yakutia) rep.	1,093	156,147	142.9
Ulyanovskaya oblast	1,444	205,888	142.6
Yevreyskaya AO	221	30,382	137.5
Mordovia republic	964	132,451	137.4
Taymyrskiy/Dolgano-Nenetsk. AO	53	7,257	136.9
Saratovskaya oblast	2,711	360,770	133.1
Bashkorstan rep.	4,008	523,998	130.7
Adygeya republic	442	54,653	123.6
Permskaya oblast	2,949	361,711	122.7
Komi-Permyatskaya AO	160	14,545	90.9
Chukotskaya AO	146	11,824	81.0
Kalmykia republic	327	14,858	45.4
Tuva republic	306	13,875	45.3
Aginskiy Buryatskiy AO	79	2,766	35.0
Yamalo-Nenetskaya rep.	479	14,614	30.5
Ust-Ordynskiy Buryatskiy AO	140	3,803	27.2
Dagestan republic	1,890	16,812	8.9
Kabardino-Balkaria rep.	784	6,592	8.4
Checheno-Ingush republic	1,308	6,750	5.2
Buryatia republic	1,059	5,395	5.1
Tatarstan republic	3,696	9,538	2.6
Nenetskiy AO	54	118	2.2
Northern Osetia rep.	695	NA	NA
Koryakskiy AO	39	NA	NA
Kamchatskaya oblast	433	NA	NA
Standard deviation	1,506	577,202	207
Maximum	8,957	4,077,545	1,213
Minimum	25	118	2
Range	8,932	4,077,427	1,211
Average	1,690	510,015	287
Coefficient of variation	0.89	1.13	0.72
Weighted average			292

Table 11. Regional Unemployment, 1992
(In descending order)

	Populat. (actual)	Unempl. (actual)	Unempl. (In % to total popul.)
Yaroslavskaia oblast	1,472,000	30,784	2.09
Ivanovskaya oblast	1,312,000	26,461	2.02
Kostromskaya oblast	812,000	13,379	1.65
Pskovskaya oblast	841,000	13,532	1.61
Dagestan republic	1,890,000	29,633	1.57
Komi-Permyatskaya AO	160,000	2,218	1.39
Vladimirskaya oblast	1,656,000	21,258	1.28
Chuvashia republic	1,353,000	16,407	1.21
Mordovia republic	964,000	11,448	1.19
Arkhangelskaya oblast	1,517,000	17,821	1.17
Udmurtia republic	1,637,000	17,593	1.07
Sakhalinskaya oblast	719,000	7,701	1.07
Kirovskaya oblast	1,700,000	16,996	1.00
Kalmykia republic	327,000	3,175	0.97
Murmanskaya oblast	1,148,000	10,956	0.95
Mari-El republic	762,000	7,243	0.95
Kaliningradskaya oblast	894,000	8,011	0.90
Adygeya republic	442,000	3,828	0.87
Leningradskaya oblast	1,673,000	14,046	0.84
Karelia republic	800,000	6,365	0.80
St. Petersburg	5,004,000	38,313	0.77
Penzenskaya oblast	1,514,000	11,383	0.75
Komi republic	1,255,000	9,266	0.74
Nenetskiy AO	54,000	379	0.70
Northern Osetia rep.	695,000	4,717	0.68
Kurganskaya oblast	1,115,000	7,432	0.67
Magadanskaya oblast	363,000	2,338	0.64
Koryakskiy AO	39,000	250	0.64
Astrakhanskaya oblast	1,010,000	6,382	0.63
Nizhegorodskaya oblast	3,704,000	23,173	0.63
Chukotskaya AO	146,000	902	0.62
Tambovskaya oblast	1,310,000	8,085	0.62
Kamchatskaya oblast	433,000	2,566	0.59
Altayskiy krai	2,666,000	15,254	0.57
Bryanskaya oblast	1,464,000	8,002	0.55
Sverdlovskaya oblast	4,719,000	25,727	0.55
Saratovskaya oblast	2,711,000	14,597	0.54
Novgorodskaya oblast	752,000	3,827	0.51
Chelybinskaya oblast	3,638,000	18,399	0.51
Vologodskaya oblast	1,362,000	5,961	0.44
Permskaya oblast	2,949,000	12,395	0.42
Tverskaya oblast	1,668,000	6,867	0.41
Novosibirskaya oblast	2,803,000	11,458	0.41
Irkutskaya oblast	2,732,000	10,902	0.40
Tomskaya oblast	1,012,000	4,014	0.40
Moscovskaya oblast	6,707,000	26,056	0.39
Orlovskaya oblast	903,000	3,488	0.39
Yevreyskaya AO	221,000	832	0.38

	Populat. (actual)	Unempl. (actual)	Unempl. (In % to total popul.)
Kabardino-Balkaria rep.	784,000	2,933	0.37
Taymyrskiy/Dolgano-Nenetsk. AO	53,000	195	0.37
Khakasskaya auton. oblast	581,000	2,075	0.36
Ulyanovskaya oblast	1,444,000	4,933	0.34
Ryazanskaya oblast	1,344,000	4,379	0.33
Gorniy Altay republic	198,000	615	0.31
Yamalo-Nenetskaya rep.	479,000	1,459	0.30
Primorskiy krai	2,309,000	6,711	0.29
Kaluzhskaya oblast	1,081,000	3,111	0.29
Amurskaya oblast	1,075,000	3,052	0.28
Evenkiyskiy auton. okrug	25,000	69	0.28
Khabarovskiy krai	1,634,000	4,396	0.27
Krasnodarskiy krai	4,797,000	12,144	0.25
Tul'skaya oblast	1,844,000	4,607	0.25
Lipetskaya oblast	1,234,000	2,975	0.24
Ust-Ordynskiy Buryatskiy AO	140,000	324	0.23
Buryatia republic	1,059,000	2,395	0.23
Kemerovskaya oblast	3,181,000	7,058	0.22
Krasnoyarskiy krai	2,973,000	6,530	0.22
Bashkortan republic	4,008,000	8,783	0.22
Omskaya oblast	2,170,000	4,735	0.22
Khanty-Mansiyskiy AO	1,305,000	2,687	0.21
Voronezhskaya oblast	2,475,000	5,069	0.20
City of Moscow	8,957,000	17,688	0.20
Stavropolskiy krai	2,536,000	4,757	0.19
Rostovskaya oblast	4,363,000	8,011	0.18
Tyumenskaya oblast	1,353,000	2,414	0.18
Kurskaya oblast	1,335,000	2,337	0.18
Chitinskaya oblast	1,312,000	2,222	0.17
Tuva republic	306,000	517	0.17
Aginskiy Buryatskiy AO	79,000	131	0.17
Karachaevo-Cherkessia rep.	431,000	694	0.16
Smolenskaya oblast	1,163,000	1,776	0.15
Orenburgskaya oblast	2,204,000	3,327	0.15
Volgogradskaya oblast	2,643,000	3,688	0.14
Belgorodskaya oblast	1,408,000	1,912	0.14
Samarskaya oblast	3,296,000	4,419	0.13
Sakha (Yakutia) rep.	1,093,000	1,185	0.11
Tatarstan republic	3,696,000	3,602	0.10
Checheno-Ingush rep.	1,308,000	522	0.04
Centralized part		4,851	
Total	148,704,000	717,108	
Memo item:			
Standard deviation	1,505,777	7,994	0.44
Maximum	8,957,000	38,313	2.09
Minimum	25,000	69	0.04
Range	8,932,000	38,244	2.05
Average	1,689,818	8,094	0.56
Coefficient of variation	0.89	0.99	0.79
Weighted average			0.48

Source: Authorities, staff calculations.

Definition of Regression Variables

Variable	Definition
1 BALANCE	budget revenue (excl. privatization proceeds) minus budget expenditure
2 LENTEXP	social expenditure of enterprises
3 LEXPEND	budget expenditure
4 LFOODSUB	budget expenditure for food subsidies
5 LNATECON	budget expenditure for national economy
6 LNEDUCAT	budget education expenditure, non per capita
7 LNHEALTH	budget health expenditures, non per capita
8 LNWAGES	budget wage bill, non per capita
9 LOBLWAGE	average monthly wage; Nov. 1992
10 LPRIVAT	budget privatization proceeds
11 LPROFTAX	profit tax
12 LREVENUE	budget revenue
13 LRURPOP	share of rural population to total population
14 LSOCACT	budget expenditure for social activities
15 LSUBVENT	subventions
16 LUNEMPL	unemployment
17 LVAT	VAT
18 SUBVENT	subventions

Note: L=log.

REGRESSIONS

(All variables are in per capita terms, unless indicated)

Dependent variable	Constant	Independent variable 1	Independent variable 2	2	
				R	N
1 LREVENUE	1.85	-0.25 LRURPOP (-2.26)	0.91 LOBLWAGE (7.86)	0.653	75
2 LOBLWAGE	11.07	-0.57 LRURPOP (-6.28)		0.351	75
3 SUBVENT	1,278.65	-0.61 BALANCE (-25.27)		0.881	88
4 LSUBVENT	33.48	-3.01 LREVENUE (-5.35)		0.250	88
5 LSUBVENT	1.00	0.44 LEXPEND (.58)		0.004	88
6 LSUBVENT	30.78	1.72 LVAT (2.82)	-4.69 LPROFTAX (-8.67)	0.538	88
7 LSUBVENT	-3.79	-4.94 LNATECON (-4.04)	5.86 LSOCACT (4.24)	0.181	88
8 LNATECON	2.62	0.64 LREVENUE (9.53)		0.514	88
9 LSOCACT	4.81	0.43 LREVENUE (5.97)		0.293	88
10 LNHEALTH (non p.c.)	-1.46	1.11 LNWAGES (non p.c.) (44.53)		0.958	88
11 LNEDUCAT (non p.c.)	0.44	0.99 LNWAGES (non p.c.) (53.32)		0.971	88

Dependent variable	Constant	Independent variable 1	Independent variable 2	² R	N
12 LFOODSUB	0.93	0.52 LREVENUE (3.49)		0.124	88
13 LREVENUE	4.60	0.63 LENTEXP (19.42)		0.821	84
14 LPRIVAT	0.74	0.48 LREVENUE (2.24)		0.057	85
15 LENTEXP	6.33	0.24 LPRIVAT (2.90)		0.096	81
16 LPRIVAT	5.65	-0.07 LFOODSUB (-0.48)		0.003	85
17 LUNEMPL	0.90	.098 LPRIVAT (1.41)		0.023	85

Note: T-statistics are shown in parenthesis.

Source: Estimated from data provided by the Ministry of Finance, State Tax Service, Goskomstat of RF.



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RUSSIAN FEDERATION REGIONAL BUDGET EXPENDITURE PER CAPITA, 1992

REGIONAL BUDGET EXPENDITURE
PER CAPITA, 1992 (Rb):

- 5,077 - <10,051
- 10,051 - <15,296
- 15,296 - <49,481
- 49,481 - 83,665

- OBLAST, KRAI OR REPUBLIC BOUNDARIES
- AUTONOMOUS OBLAST, OKRUG OR REPUBLIC BOUNDARIES*
- ⊕ MOSCOW (16)
- INTERNATIONAL BOUNDARIES

*Including Republics of Adygeya, Altai, Karachai-Cherkess and Khakasia.



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