Prime Minister Shoots Down Plan to End Maternity Subsidies

By [The Moscow Times](#)

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A plan to scrap Russia's maternity capital multiple-child subsidies to save billions for the over-stretched budget was shot down on Wednesday by the prime minister's office.

The subsidy was introduced in 2007 to combat Russia's post-Soviet demographic decline. It grants mothers who have more than one child a lump sum payment of 428,408 rubles (about $11,000).

The Kommersant newspaper reported on Wednesday that the Economic Development Ministry had proposed to ax the subsidy, saying it would save the government 300 billion rubles ($7.5 billion) a year at a time when Russia is a hair's breadth away from recession and squeezed by Western sanctions over Ukraine.

But later in the day the prime minister's press secretary, Natalya Timakova, told news agency RIA Novosti that the idea was "inadvisable" and "ill-timed."

"At the moment the question of canceling maternity capital is not in the government's plans," RIA quoted her as saying.

More than 5.5 million families have so far received the stipend since its implementation in 2007, according to Russia's state pension fund.

Russia suffered major population falls in the aftermath of the Soviet Union's collapse. The number of births exceeded deaths for the first time in over two decades in 2013, when the birth rate reached a high of 1.7 children per woman, according to Russia's health ministry.

Economic Development Minister Alexei Ulyukayev argued that the subsidy is ineffective at increasing the birth rate, telling Kommersant that it only "shifts the birth calendar," meaning a family might decide to have another child earlier than planned to take advantage of extra funding.

Ulyukayev is part of a government committee scrutinizing a range of government programs for possible savings, including health, transport and science spending, Kommersant reported.