



# HUMAN DEVELOPMENT REPORT

Kazakhstan 2000





HUMAN DEVELOPMENT REPORT  
REPUBLIC OF KAZAKHSTAN 2000

"FIGHTING POVERTY  
FOR A BETTER FUTURE"



Commissioned  
By the United Nations  
Development Programme

ALMATY, 2001

**MESSAGE FROM KASYMZHOMART TOKAYEV,  
THE PRIME MINISTER OF THE REPUBLIC OF KAZAKHSTAN**

*This year, Kazakhstan celebrates its 10th year of independence. During these years colossal changes occurred in all of the spheres of our community's life. Tremendous work has been done in public construction, economic reforms and liberalisation of the political system.*

*In particular, I would like to emphasise the qualitative changes in the socio-economic sphere. Of course, there are still a range of problems in this area. One can already see some positive changes - a market infrastructure has formed, all necessary conditions to encourage commercial initiatives have been created, large volumes of foreign investment have been brought in, and modern system of social protection is under development.*

*Today, we see stable economic growth, a revival of national production, living standards on the rise for a significant part of the population, and the integration of our economy into the global economic system.*

*Economic stabilisation over the past two years has given us the opportunity to enhance the social orientation of the economy. Encouraging development of human potential, social protection and support have become the main priorities of our current policy. In these terms, the sixth National Human Development Report, commissioned by the United Nations Development Programme and devoted to the poverty reduction problem, is very timely.*

*The value of this Report lies in its broadened understanding of poverty. Today, the entire world understands that poverty reduction must address not only the issue of raising incomes, but also that of realisation of personal potential, access to education and health care, guarantees for a normal ecological environment, i.e. to include all the necessary conditions for development of human potential.*

*I sincerely hope that this Report will contribute to a deeper understanding of the poverty issue and to identification of effective ways for overcoming poverty. In the nearest future this is one of the key challenges that our country will face.*

 Kasymzhomart Tokayev



**FOREWORD BY SELVAKUMARAN RAMACHANDRAN,  
UNDP RESIDENT REPRESENTATIVE, a.i. IN KAZAKHSTAN**

*I am proud to present Kazakhstan's Sixth National Human Development Report. Since the start of this tradition in 1995, our National Human Development Reports (NHDR) have received much recognition for their analytical and substantive documentation of the socio-economic situation in the country, besides introducing the concept of human development. The NHDR themes have covered a number of critical issues pertinent to the development of the country, while attempting to make valuable contributions towards policy and project implementation.*

*The theme of the National Human Development Report 2000 "Fighting poverty for a better future" touches on a very important issue in Kazakhstan.*

*The term "poverty" has many uses. A narrow definition is the lack of access to the basic goods and services that constitute minimally acceptable needs and standards. Traditionally, poverty has also been defined in terms of shortfalls in consumption or income. Income poverty lines are often determined in terms of meeting the cost of a basic diet for a group, and/or the combination of basic dietary needs and a few extra non-food essential items. One commonly used income poverty definition is based on the number of people subsisting on US\$1 per day or less. While these approaches may give us a good measure of poverty, it is not all encompassing in capturing the definition of poverty as there are other dimensions to poverty.*

*The global Human Development Report 1997 introduced the concept of human poverty with a view to look beyond just income poverty. Dimensions of human poverty are also rooted in other forms of deprivations, including ability to determine their own future and the possibility to access the necessary skills to do this. The concept of human poverty also covers many other specific dimensions of human poverty that are difficult to measure - lack of political freedom, inability to participate in decision-making processes, lack of personal security, inability to participate fully in community life, inter/intra-generational equity and threats to sustainability.*

*In 2001, Kazakhstan celebrates the tenth anniversary of its independence. During its transition period over the past one decade the country has recorded many accomplishments amidst various challenges and constraints. For example, the Human Development Index for Kazakhstan in 1999 was 0.755, as compared to 0.726 in 1995. This reflects a positive overall change in human development achieved by the country since its independence in 1991. The government has also made considerable efforts in designing and implementing pro-poor policies, as well as making structural*

and financial sector reforms towards a market based economy and a transition towards democracy. The scene for the achievement of national goals are formally set out in its Strategy 2030. In this context, poverty alleviation efforts have received the attention of the government and remain on the top of its national agenda. However, in reality, much more needs to be done to fight poverty effectively.

The NHDR 2000 is a part of UNDP's continued and concerted effort to contribute towards a better understanding of poverty and ways to eradicate it. This report provides a comprehensive account and evaluation of the poverty problem, its causes, its consequences and attempts to identify strategic priorities in addressing poverty reduction in Kazakhstan.

As elsewhere in the world, this report has been prepared by a group of national researchers, coordinated by the Kazakhstan Institute of Strategic Research (KISR), under the able leadership of its director, Mr. Ashimbayev. Its preparation has included consultations with members of the local NHDR consultative board, and also representatives of government, civil society, institutions of higher learning, development agencies, donors, and the poor themselves. The UNDP NHDR 2000 team collaborated closely with the KISR in completing this report. I would like to take this opportunity to thank the authors group, all concerned individuals for their respective contributions and others who made this report possible. I would also like take this opportunity to single out the valuable contributions made by Mr. Fikret Akcura to the preparation of the NHDR. Special thanks go to Tengizchevroil, CITIBANK, Ispat Karmet and OKIOC for their contribution to the publishing of the NHDR 2000.

We hope that this NHDR will add value to the process and effort being undertaken by the government in combating the poverty phenomenon in Kazakhstan. It is my hope that this report encompasses the broader issues relating to poverty, be it from the views of policy makers or the grassroots poor. We also attempt to reach a much wider audience in promoting a better understanding of poverty, and to bring different partners together to realize poverty eradication in many of its dimensions here in Kazakhstan.



**Selvakumaran Ramachandran**

## MESSAGE FROM THE AUTHORS OF THE NHDR 2000

*This year's National Human Development Report for Kazakhstan 2000 (NHDR) continues the tradition of comprehensive study of the basic trends in human development in the country.*

*At the same time, the concept of the present National Report differs significantly from previous reports. The present Report focuses upon the reduction of poverty and, as such, is practically oriented. The title itself, "Fighting Poverty for A Better Future," says it all.*

*What caused this change? The first reason is that the issue of poverty reduction is at the centre of attention all over the world today. At present, poverty is recognised as one of the most complicated and acute global problems. Hence, the United Nations pays ever-increasing attention to the issue of overcoming poverty as a global problem.*

*Addressing global challenges of poverty reduction in the world will hinge on close collaboration of national and international programmes. Development and implementation of effective national programmes for poverty reduction serves as one of the premises for successfully overcoming poverty as a global problem. This was one of the main reasons behind issuing this report.*

*Secondly, the new conceptual approach of the report comes about as a result of our feeling that, currently, perceptions of the poverty problem in our country, based mainly on the income approach, remain too narrow.*

*At the same time, more people have come to understand that poverty is a multidimensional issue. Besides income level, poverty can be measured by educational level, health, and environmental conditions. For instance, a person can be well provided for, but still be uneducated, unhealthy or suffer from polluted environment. These can also be considered indicators of deprivation and, therefore, indicators of poverty. The National Human Development Report 2000 is devoted entirely to the poverty problem and attempts to consider poverty in terms of existing world approaches.*

*Thirdly, our country is facing a new phase of development, with an economic situation on the upswing. This will create the necessary basic conditions for the resolution of social problems and improvement of the conditions of the population.*

*Based on a comprehensive analysis of poverty and its specifics in Kazakhstan, as well as upon world experience, the Report attempts to identify strategic priorities in poverty reduction.*

*The authors of the Report aimed to provide a comprehensive evaluation of the poverty problem, to conduct a complex analysis of this social issue, to identify its causes and possible consequences for society, and to develop ways to overcome poverty in Kazakhstan. The authors also attempted to formulate relevant recommendations on anti-poverty strategies for all stakeholders.*

*During the development of the Report, comprehensive research was conducted. In particular, huge amounts of statistical data over the last decade were analysed, a series of social research was conducted, the experience of other countries was examined, and international indices on poverty measurement adapted to Kazakhstan. It is my feeling that the authors, through their joined efforts, have met the objectives listed above.*

*In conclusion, I would like to express my sincere gratitude to all members of the working group, advisory board, officers of UNDP. I also wish to personally thank Mr. Selvakumaran Ramachandran, UNDP Resident Representative, a.i. in Kazakhstan, for his assistance and support during the process of development of the NHDR 2000.*

*I hope that this Report will contribute to the reduction of poverty in Kazakhstan.*



**M. Ashimbayev,  
Director of the Kazakhstan  
Institute of Strategic Research  
under the President of  
Kazakhstan**

## ABBREVIATIONS

ADB	Asian Development Bank
CEDAW	Convention on Elimination of Discrimination Against Women
CIS	Commonwealth of Independent States
CMSPR	Comprehensive Mid-term Strategy on Poverty Reduction for 2003-2007
EBRD	European Bank of Reconstruction and Development
EPC	European Programme of Comparisons
EU	European Union
GAV	Gross Added Value
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GNP	Gross National Product
GII	Gender-related Income Index
HIV	Human Immunodeficiency Virus
HDI	Human Development Index
HDR	Human Development Report
HPI	Human Poverty Index
ILO	International Labour Organisation
IMF	International Monetary Fund
MES	Ministry of Education and Science of the RK
NEAP	National Environment Action Plan
NGO	Non-Governmental Organisation
NHDR	National Human Development Report
OSCE	Organisation for Security and Co-operation in Europe
PPP	Purchasing Power Parity
SPC	Social Personal Code
STC	WHO Strategy on Tuberculosis Control
TACIS	Technical Assistance to CIS countries
UN	United Nations
UNAIDS	United Nations Programme on AIDS
UNDP	United Nations Development Programme
UNDAF	United Nations Development Assistance Framework for 2000 -2004
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNODCCP	United Nations Office Drug Control and Crime Prevention
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USIS	United States Information Service
UNSO	United Nations Sudano-Sahelian Office (UN Programme on Desertification)
WB	World Bank
WBRD	World Bank of Reconstruction and Development
WHO	World Health Organisation



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## INTRODUCTION

Poverty is one of the world's most acute problems today. As noted in the World Development Report 2001/2001, "The world has deep poverty amid plenty. Of the world's 6 billion people, 2.8 billion - almost half - live on less than USD2 a day, and 1.2 billion - a fifth - live on less than USD1 a day."

The situation is becoming dire particularly in areas not directly related to income statistics: the child mortality rate is increasing, life expectancy is decreasing, environmental degradation of large areas is advancing, the spread of infectious diseases becomes ever more threatening and members of broad social strata throughout the world experience significant difficulties in gaining access to education.

The paradox lies in the fact that growing prosperity in the world is accompanied by a considerable rise in poverty. Due to the growth of global wealth, global connectivity and technological capacity, the human condition has improved more rapidly in the last decade than in the entire preceding period of human history. However, poverty persists in many regions of the world, thus proving that global gains are distributed unequally.

Several UN conferences in the 1990s have been devoted to this global issue, with the World Summit for Social Development, held in March 1995 in Copenhagen as one of the most important events. The UN has declared 1997-2006 to be the "UN Decade for Poverty Reduction."

The international community has set itself several goals in reducing poverty by 2015. These are:

- Reduce by half the number of people living in extreme income poverty (less than USD1 a day);
- Ensure universal primary education;
- Eliminate gender disparities in primary and secondary education (by 2005);
- Reduce infant and child mortality rates by two-thirds;
- Ensure universal access to reproductive health services; and
- Implement national strategies for sustainable development in all member countries by 2005, in order to reverse the trend towards exhaustion of environmental resources by 2015.

Achieving these goals will assist in reducing the scale of the poverty problem, but its success is dependent upon co-ordination of national and international programmes. The development and implementation of effective national programme steps are therefore seen as crucial premises in fighting poverty as a global problem.

In this context, this, Kazakhstan's Sixth National Development Report, entitled "Fighting Poverty for a

Better Future," should be seen as the first attempt to study poverty in Kazakhstan in all of its dimensions.

The Report, on one hand, continues our tradition of careful analysis of the main trends in human development in Kazakhstan up to the time of publication. On the other hand, this Report takes up a new conceptual line, with regard to content.

Previous Reports focused largely upon changes in the Human Development Index (HDI) and its various components. In the past, our National Human Development Reports have benefited greatly from the authors' efforts to highlight problems, such as poverty, unemployment, low incomes, decreased access to education and health care, as well as a raft of other social problems of concern to Kazakhstani society.

The present Report, however, focuses upon the reduction of poverty and, as such, strives toward the formulation of a national strategy to fight poverty in Kazakhstan.

**The main objectives of the Report are: to provide an opportunity for all stakeholders to express their perceptions of poverty and identify common ground; to develop a strategy for the reduction of poverty in Kazakhstan, and to identify the role of the state and other stakeholders in this struggle.**

Based upon the views of all stakeholders, this Report aims to:

- Provide an accurate measure and evaluation of poverty in Kazakhstan;
- Identify the key areas of difficulty in reducing poverty; and
- Identify the main strategic priorities in the poverty programme.

As the outdated economic/statistical model is unable to meet these demands, this Report applies a new approach to studying the poverty problem, taking into account all dimensions of human development. With this in mind, it is critical to identify the main stakeholders, capable of significantly influencing development and implementing initiatives towards poverty reduction in Kazakhstan. For the purposes of this Report, the following stakeholder groups were identified:

• **The poor.** The voices of the poor were brought to the fore via social research and focus group interviews. The Report contains fragments of interviews and opinions of representatives of the poorest strata of the population, reflecting their perceptions of poverty, as well as potential solutions to the problem.

• **The state.** Representatives of the Presidential Administration, Parliament, Government, Ministries and other agencies, local administration at both Oblast and

<sup>1</sup> "World Development Report 2000 /2001" Oxford University Press, 2000.

Rayon levels were also among the respondents in our social research. The Report also presents an analysis of state programmes and strategies in the area of poverty reduction. This analysis reflects perceptions and approaches to tackling the poverty problem, common among state representatives.

- **Civil society.** This group includes, among others, representatives of NGOs/CBOs. In recent years, this sector, with enormous potential for community mobilisation in the fight against poverty, has seen an upsurge in activity.

- **The private sector.** Large, medium and small businesses, as well as individual entrepreneurs represent this sector. They are capable of playing a significant role in areas, such as employment, economic growth, quality of and access to education and social services, and in the funding of poverty reduction.

- **International organisations.** Needless to say, the role of International Development Agencies, such as the UN family of agencies, Asian Development Bank (ADB), European Bank of Development and Reconstruction (EBDR), World Bank (WB), Islamic Bank of Development and Reconstruction (IDB), Organisation for Security and Co-operation in Europe (OSCE), European Union (EU), and other Technical Assistance and financial institutions in identifying and investigating issues of poverty and its reduction, is crucial. Keeping in mind the global character of poverty, the experience of these organisations has the potential to increase the effectiveness of poverty reduction approaches.

- **The public.** These stakeholders are represented in the Report by members of various strata of the population (workers, rural residents, education and health sector employees and those employed in the media and cultural spheres.)

Identifying the various stakeholders allows us to consider poverty in contemporary Kazakhstan from a variety of perspectives. The National Human Development Report 2000 consists of 5 chapters, analysing poverty from the point of view of the respective stakeholders.

**Chapter 1, "Poverty in Kazakhstan: From Theory to Reality,"** views the significance of the problems of poverty in Kazakhstan. This chapter emphasises the fact that poverty is a global problem, and that transition countries suffer from poverty to a degree somewhat higher than that of those not experiencing socio-economic transition. Also contained in Chapter I is an overview of the various indices by which poverty has been measured (from the different perspectives of income, basic needs and capability), as well as an argument for the necessity of calculating the Human Development Index (HDI). Concrete examples and statistical data help to identify the main causes, sources and parameters of poverty in Kazakhstan, as it has developed over the preceding decade. Chapter I also attempts to shed light upon factors previously hidden and, thus, not considered in human development analysis.

The crucial nature of the recognition that poverty is a vital issue for Kazakhstan is explored here. The recognition of this fact has been a process, evolving from a simple identification of the scale of the problem, to the first attempts at practical application of theory, under

poverty reduction programmes. The role of the United Nations and other international organisations in investigating poverty issues is also outlined in this chapter.

**Chapter 2, "Dimensions of Poverty in Kazakhstan,"** presents existing perceptions of poverty and approaches to its alleviation from a broad range of stakeholders. This chapter uses in its discussion the analysis of data collected during focus group interviews, commissioned specially for the purposes of this Report. Based upon this data, the positions of stakeholders are clearly set out and a broader picture of poverty - noting its perceived underlying causes, forms and dynamics - comes into focus.

The conclusions of this chapter are of great practical significance in understanding the specifics of poverty in Kazakhstan, as well as in identifying the main directions of the struggle against poverty both now and in the future.

**Chapter 3, "Re-defining the Means of Measuring Poverty in Kazakhstan,"** presents the regional differences and dynamics of the HDI in Kazakhstan for the period 1991-1999. Estimated deviations of actual data from previous results are also presented.

One of the sections of this chapter is devoted to introducing the Human Poverty Index (HPI), with specific attention paid to its relevance to Kazakhstan. In general, this chapter allows us to identify the key factors influencing people's lives in Kazakhstan.

**Chapter 4, "Comparative Analysis of Existing Poverty Strategies and Programmes in Kazakhstan"** introduces international experience in poverty reduction and reviews existing programmes and strategies. Emphasis is placed upon analysis of the 2000-2002 Poverty Reduction Programme. This chapter evaluates the effectiveness of programmes and strategies, identifying strengths and weaknesses. Here, the reader will also find a broad framework of overview, examining the results to date of poverty reduction programmes. In conclusion this chapter points out the need to develop and adopt consolidated strategies for poverty reduction, involving all stakeholders, as well as the need to improve co-ordination of programmes, on the national and international levels.

**Chapter 5, "Strategies to Fight Against Poverty"** builds upon the findings of Chapters 2 and 3 and provides some fundamental conclusions and recommendations for further development of a national poverty reduction strategy. These recommendations represent the synthesis of various approaches to poverty reduction, identified during the compilation of this Report, and based upon the responses of the stakeholder groups. Finally, Chapter V outlines the main purpose and priorities of the poverty reduction strategy and suggests ways to harmonise the activities of government, donors, civil society and the private sector, in regions hard-hit by poverty.

## CHAPTER 1

### POVERTY IN KAZAKHSTAN: FROM THEORY TO REALITY

#### 1.1. Poverty is an acute problem in Kazakhstan

In the former USSR, ideological motives kept the poverty issue largely closed to broad discussion and research. In order not to accent the socio-political character of this problem, in place of the standard concept of "poverty," the concept of "neediness" was substituted. Terms, such as "the poverty line" and "the subsistence minimum" came into use in the post Soviet states beginning only in the mid-1990s.

In general, under the USSR's equalising distributive system, relatively full employment of the able-bodied population, broad social welfare system for the disabled, free education and health services, the majority of the population was able to meet its basic needs. Nevertheless, a category of "needy" citizens existed in the USSR.

From 1985 on, a "needy" person in the USSR was defined as one with an average monthly income of 75 roubles. According to this criterion, in 1989 16.3% of workers and civil servants and 27.6% of collective farmers could be classified as "needy," while the percentage of the total population classified as "needy" stood at 11%, with this group distributed unevenly across the USSR. The largest share of needy citizens was observed in the republics of Central Asia and in Azerbaijan. The Baltic republics were considered the regions most well off. **In Kazakhstan in 1989, 15.5% of the population had an average monthly income lower than 75 rubles.** (See Table 1.1).

**In the Soviet period, the main fundamental causes of poverty were family/demographic factors.** More

specifically, these included: loss of the family breadwinner, the pressure exerted upon working family members by a high number of non-working dependants, poor health (disability) and age. There were other minor poverty factors such as poor qualification of workers, disparities in economic development of the various regions and place of residence (the urban-rural factor.)

\* \* \*

Problems of poverty have become particularly acute during the period of transition to the market economy. The 1998 Report of the Regional Bureau for Europe and the CIS states that no region in the world has suffered such reversals in the 1990s, as have the countries of the former Soviet Union and Eastern and Central Europe. The transition has proved to be a complicated and traumatic process for these countries. As a result, GDP decline, hyperinflation and significant decline in incomes have been registered. Systemic economic crisis, poor adaptation to market economics on the part of significant numbers of the population and social stratification have all contributed significantly to the increased visibility of poverty. The number of poor people in the CIS has increased by over 150 million<sup>2</sup> with Human Development Indices in the CIS showing a decline in the human development level over the last decade. Continuous efforts over the years to improve the methodology of HDI calculations in the CIS do not allow for a reliable cumulative analysis of the dynamics of human development. It is, however, possible to analyse these dynamics by comparing HDI the rankings of the CIS countries over the 1991-1999 period (See Figure 1.1.)

The most pronounced drops over the period were experienced by Armenia, which moved down by 40 places; Ukraine - 33 places; Russia - 28 places, and Moldova - 27 places. The least significant shifts were seen in Georgia - four places, and **Kazakhstan - 12 places.**

The HDI decline in Kazakhstan was not as steep as in other CIS countries and this dynamic is a reflection of the cost of transition to human development.

The dynamic of changes in Gross Domestic Product gives a general picture of the difficulties faced by Kazakhstan in the initial stages of transition over the last decade (See Figure 1.2.)

A dramatic fall in GDP accompanied the move to a market economy in the first half of the 1990s. A much steeper decline occurred in 1995, when GDP reached only 61.4% of the 1990 level. The decline in production slowed in 1996, and in 1997 there was limited growth. The world financial crisis that followed, however, slowed this growth down. In 1999, some economic growth was again observed. Results for the year 2000 show GDP growth of 9.5%.

Table 1.1

Data on the poor population in the republics of the former USSR in 1998 (%)

Republics of the former USSR	The share of the population with monthly income below 75 rubles
1. Tadjikistan	51.2
2. Uzbekistan	43.6
3. Turkmenistan	35.0
4. Azerbaijan	33.6
5. Kyrgyzstan	32.9
6. Kazakhstan	15.5
7. Armenia	14.3
8. Georgia	13.0
9. Moldova	11.8
10. Ukraine	6.0
11. Russia	5.0
12. Belarus	3.3
13. Latvia	2.4
14. Lithuania	2.3
15. Estonia	1.9
Total in the USSR	11.0

Source: Agency of the RK on Statistics

<sup>2</sup> Poverty in Transition. Regional Bureau for Europe and the CIS. UNDP, 1998.

## Box 1. Basic approaches to the poverty issue

The poverty problem was studied in detail in the 1997 UNDP Human Development Report.<sup>3</sup> This document emphasised the fact that countries commonly base their approaches to poverty upon income or consumption, thus giving only a partial picture of poverty. An individual can be wealthy, but live quite a short and unhealthy life. Another might be illiterate and thus cut off from learning, while a third may be excluded from participating in the decision-making process affecting his/her life.

There are three perspectives on poverty:

- The income perspective;
- The basic needs perspective; and
- The capability perspective<sup>3</sup>.

According to these perspectives, there are different approaches to understanding poverty.

The *income perspective* - the narrowest approach. A person is poor if his/her income level is below the defined poverty level. Many countries have defined income poverty lines in terms of having enough income for a defined (minimum) amount of food. This is the way to identify absolute poverty.

Some countries determine a subsistence minimum and set the poverty line in relation to this subsistence minimum, based on the economic situation in a country. The subsistence minimum is based upon a consumption "basket" of essential food items plus a few essential non-food items. A survey then establishes the proportion of households with consumption at a rate below this limit.

This approach allows the classification of poverty as a socio-economic situation of people determined by low incomes and lack of basic food and material items.

The *basic needs perspective* is a broader and more diverse approach. This concept goes beyond the income level and identifies the lack of opportunities that have to be provided by the community, in order to prevent people from falling into poverty.

An individual may have a low income, insufficient to provide the consumption basket, but still be able to independently produce foodstuffs on his/her own farm. Other needs can be met with the support of free health and education services provided by the state.

In this context, poverty is defined as limited satisfaction of the material requirements for minimally acceptable fulfilment of human needs, including food. Here, absolute poverty can only be understood as the complete deprivation of these requirements.

The final approach defines poverty from a *capability perspective*. In this point of view, an individual is deprived of opportunity to satisfy his/her minimally acceptable needs in food, clothes and housing. In addition, limits are placed upon access to education and health care and participation in public life. In other words, the individual's choices are limited.

This approach identifies poverty as a denial of choices and opportunities. Absolute poverty, respectively, can be seen as the complete denial of basic needs and opportunities for human development.

It is worthwhile to note that this concept does not conflict with the first two perspectives, but, rather encompasses them, by taking into account low income, as well as limitation of the opportunities to fulfil basic needs.

The human development perspective considers poverty as a multidimensional and deep-rooted social phenomenon, the particular danger of which lies in its capability to reproduce itself in new generations.

This report, therefore, considers the poverty problem from the multidimensional perspective. In analysing this problem and developing ways to cope with poverty, the human development perspective has been used. The opinions of all stakeholders and international experience have similarly been studied.

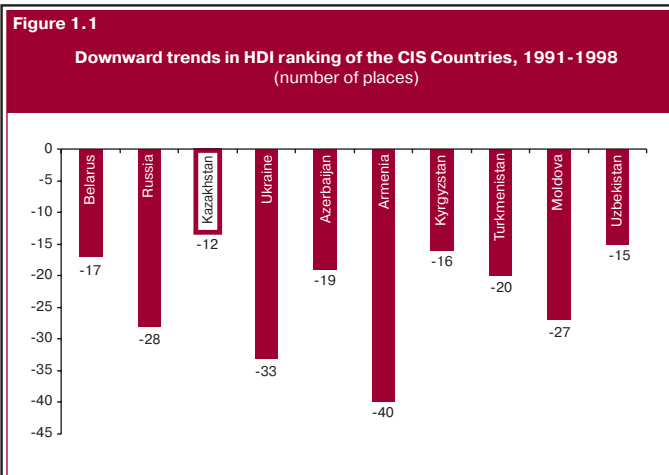
During the transition period numerous enterprises stopped functioning. Consequently, **unemployment** rose dramatically. The number of unemployed persons increased from 70.7 thousand in 1994 to 282.4 thousand in 1996. Currently, there are about 230 thousand registered unemployed persons in the country. These, however, are official unemployment statistics, with the actual total being much higher. As unemployment is considered one of the main causes of poverty during the transition-era in Kazakhstan, with rural areas, in where unemployment is particularly high, can be expected to suffer from this poverty-related factors to a greater degree.

Dynamics of **inflation changes** in Kazakhstan also demonstrate the scale of socio-economic difficulties faced by Kazakhstan over the last decade. The early 1990s saw an unprecedented jump in prices, with inflation rising annually in 1992-1994 by 16-31 times. The situation only stabilised in 1996, when hyperinflation was halted. Currently, inflation is under the strict control of the government and the Central Bank. (See Table 1.2).

While inflation is an essential factor in aggravating the problems of the poor, backlogs in payments of wages, pensions and social allowance debts are more significant causes of poverty. The transition has been especially costly for

the aged, disabled, large families, single mothers, students and women.

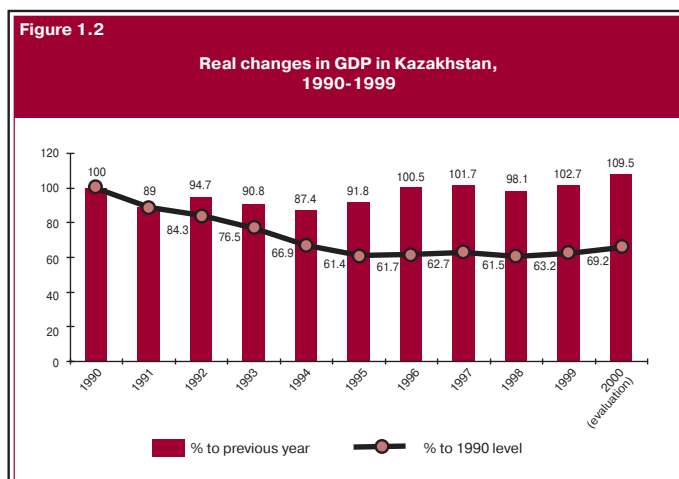
Currently, due to implementation of pension reform, the problem of pension payments has been resolved. Among the CIS countries, Kazakhstan is first to have implemented pension reform.



Source: Agency of the RK on Statistics

<sup>3</sup> Human Development Report 1997. – Oxford University Press, 1997.





Source: Agency of the RK on Statistics

**Table 1.2**  
**Changes in inflation level in Kazakhstan, 1990-1999**

Years	Inflation level, % in a year
1990	4,2
1991	147,1
1992	2960,8
1993	2165,0
1994	1158,3
1995	60,3
1996	28,7
1997	11,2
1998	1,9
1999	17,8
2000	9,8

Source: Agency of the RK on Statistics

Note: For the year 2000 the inflation rate is given for 11 months

**Marginalisation** of the population also influenced the poverty phenomenon in Kazakhstan. The increase in numbers of marginalised persons in Kazakhstan has taken place largely among groups of people weak-prepared for the market economy: rural migrants to urban areas, the unemployed, legal and illegal immigrants, refugees, representatives of the "social bottom" group (transients, the homeless and the neglected), and women with low incomes.

The natural growth of the rural population in the 1990s outstripped that of the urban population by 30-60% in 1990-1992 and by 115-370% in 1993-1997. However, the ratio between the rural and urban populations over the last decade has remained almost the same: in 1990 the urban population in this ratio made up 57.4% and the rural - 42.6% of the total population, the figures for 1999 show urban - 56%, rural - 44%.

Newcomers, among them ethnic Kazakh repatriates from abroad (Mongolia, Iran, Afghanistan, etc.), as well as refugees from conflict zones have caused an increase in marginal group numbers. The number of unregistered repatriates has risen to 360,000 people. In 1999-2000, more than 10,000 refugees came to Kazakhstan from the Northern Caucasus area of conflict alone. The majority of representatives of marginal groups are employed in the "shadow economy," with some of them taking part in criminal activity.

**The social sphere** (the health care system, education, science and the arts) has been seriously affected over the last decade. Lack of funding has led to declining numbers of educational, medical and cultural institutions. As a result of actions undertaken by the state, this negative tendency is being positively addressed. In this year alone, more than 9 billion tenge has been allocated to development in the areas of culture and the arts.

The socio-economic difficulties of the transition period have caused a decline in income for the majority of the Kazakhstan's population. Per capita incomes of more than 62% of the population in 1997-1998 amounted to less than 3,000 tenge per month while one-quarter of the population had a monthly per capita income between 3,001 and 6,000 tenge per month. In 1999 and 2000, the real income of the population grew by 4-5%. The data above reflects **the income-based approach to measuring poverty, previously dominant.**

Other significant poverty factors unrelated to income level have recently been identified, among them limited access to safe water - a serious hazard and limit on quality of life. The situation is still very dangerous in the regions of ecological disasters - the Aral Sea region (Kyzylorda Oblast), and the region of the Semipalatinsk nuclear test range (Eastern Kazakhstan, Pavlodar and Karaganda Oblasts). The situation could also grow more serious in the Caspian Sea area as the drilling for oil could release pollution becoming threatening to people's daily life. For people living in small, outlying districts, access to education and health services is becoming ever more problematic. Additionally, the significant decline in the number of educational and health institutions over the last decade has been felt especially keenly in rural areas.

It should be noted that not enough attention has been paid to the gender aspect of poverty in Kazakhstan. According to the 1999 NHDR, women were paid 25% less than men, and the unemployment level among women was 1.6 times higher than that amongst men. Small social allowances and high public utilities prices add to the serious problems of child malnutrition in single-parent families. In addition, women are often overlooked in recruitment for new positions, due to that they are being seen as likely recipients of special benefits. From the above, it is clear that the last decade has been one in which poverty has become a widespread and acute problem for Kazakhstan.

\* \* \*

In identifying the poverty level, the subsistence minimum is used in Kazakhstan. Some 70% the subsistence minimum is comprised of spending on food. This indicator is being updated regularly, using the inflation index as a base. According to the data of the Kazakhstan Statistics Agency, **in 1997-1998 the share of the population with a monthly income below the subsistence minimum (including natural incomes and transfers) reached 43%, with the corresponding figure for 1999 standing 34.5% (single-minded actions of the state and introduction of the new consumption basket in 1999 caused a decline of the indicator).** (See Table 1.3).

The decline in income for the majority of the population caused by economic crisis has led to social polarisation. Stratification of the population is stark, and the rich-poor cash income gap (between the poorest 10% and the wealthiest



10% of the population) has widened considerably. **In 1998, rich-poor income gap (expressed as a coefficient of income) was 11.3 and in 1999 - 11.0, meaning that in 1999 the wealthiest 10% of the population earned 11.0 times more than the poorest 10%.**

The aforementioned indicators are quite alarming. At the same time, it should be noted that calculating the extent of poverty in Kazakhstan by income might lead to inaccurate figures. This is because a significant part of the population currently earns unreported income in the "shadow" economy. For instance, 30% of the working population is, by strict definition, working illegally. These illegal employees do not have personal social welfare numbers (PSNs) and are, therefore, excluded from national accounts on income. In addition, a large percentage of the population earns income via temporary or seasonal employment and tends to shield its income from taxation. The national statistics on incomes can also be affected by new types of non-monetary incomes, such as the in-kind incomes, common in rural areas.

\* \* \*

Thus, **the economic difficulties faced by Kazakhstan in the last decade of the 20th century are considered by many researchers to be the main causes of poverty for a significant part of the population.** While recognising this point of view as obvious, it is necessary to examine the more complex factors causing poverty in Kazakhstan, which will allow us to tackle the problem of poverty with greater effectiveness.

At the beginning of the 1990s, the economy of Kazakhstan was part of the USSR's planned system. As part of the Soviet Union, Kazakhstan was mainly a supplier of

mineral and agricultural raw material, as well as primary process by-products of these raw materials. The Kazakhstani light, food and processing industries were uncompetitive and oriented solely towards domestic internal consumption. Kazakhstan's enterprises were highly dependent upon raw material suppliers and consumers located in other USSR republics. **It is, therefore, clear, how ill prepared the planned economy of Kazakhstan was to new market conditions,** and how it was doomed to a large-scale systemic crisis.

It is obvious today that the market economic reforms conducted in Kazakhstan in 1990s were vitally important. Retaining administrative-command or planned economic system could have caused even deeper crisis. Although Kazakhstan needed the market reforms, we must realise that reforms were bound to carry a high social cost. The structural transformation of the economy led to the shutdown and bankruptcy of many uncompetitive enterprises, unprofitable in the market economy. This, in turn, led to a rise in unemployment. The market-based distribution of cash incomes among the population sparked the social stratification and material polarisation of society. As a result of state budget shortfalls, civil servants and pensioners found themselves in a difficult situation. It was precisely this that led to the appearance of a category of "economically superfluous persons," or the poor.

Kazakhstan's poor preparation for market conditions was not the only cause of poverty. **An important factor behind the decline in the standard of living of Kazakhstani citizens was the inability of the populace itself to adapt to the new market economic system.**

Over the years since independence, systemic economic and political reforms have been carried out in Kazakhstan. The scale of change over 10 years has been impressive. It is, however, necessary to recognise that, in Kazakhstan, implementation of socio-political and socio-economic institutional reforms has overtaken changes in the public consciousness. Under the Soviet administrative-command system, where the state controlled almost all spheres of life of the society, and gave priority to "top-down" commands or dictates, the majority of the population lost touch with such values as enterprise, initiative and competitiveness. This led to a situation in which - under market conditions - able-bodied people continued to rely upon the state as a source of social welfare and were unable to solve their income shortfall problems independently, slipping, thus, into poverty.

While recognising the necessity of market reforms in Kazakhstan, we must also recognise the inevitability of the numbers of poor people resulting from this transition.

**Table 1.3**  
**Dynamics of the subsistence minimum and the poverty level in Kazakhstan over the period 1996-1999**

Year	The subsistence minimum, tenge	The percentage of the population with income below the subsistence minimum
1996	2861	34,6
1997	3505	43,0
1998	3716	43,4
1999	3394	34,5

Source: Agency of the RK on Statistics



According to this point of view, it is unreasonable to over-dramatise the problems of poverty, since poverty is a by-product of the structural changes in Kazakhstan's economy, and its appearance was inevitable. However, understanding the root causes of poverty in Kazakhstan does not mean that the society cannot, or should not do anything to mitigate its effects. On the contrary, at the present stage it is imperative to take active steps, aimed at raising the living standards of all Kazakhstani people, and at solving the problems of those population groups most vulnerable.

Due to reforms undertaken thus far, the necessary foundation for further development of the market economy is already in place. Beginning at the end of 1999, economic growth was observed in Kazakhstan. The volume of GDP grew by 8% in 2000, with the volume of industrial production up by about 15%, and the volume of investments by 27%.

In recognition of the effective institutional reforms conducted in Kazakhstan, the European Union in 2000 classified Kazakhstan as a country with a market economy. The mentality of the Kazakhstani people has also been changing. The greater part of the population is adapting gradually to new economic conditions, a fact confirmed by statistics for development of private small and medium business in the country. In the beginning of September 2000, more than 1.5 millions persons were employed by small businesses in Kazakhstan (in more than 365 thousand economic entities), thus comprising approximately 24% of the total number of employed. A tendency towards growth in the numbers employed can, therefore, be readily observed.

### 1.2. Main evolutionary stages in the recognition of the poverty problem in Kazakhstan

The government's ability to act on poverty reduction was severely limited by the pressures of economic decline on the budget deficit. However, recognition of the poverty problem has been reflected in all actions undertaken by the government and other agencies. One can identify three clear-cut phases in the evolution of understanding the importance of the poverty issue in Kazakhstan.

The **First Phase (1992-1996)** was marked by the priority placed upon macroeconomic stabilisation issues and strict monetary and credit policy, with the government building a market economy based on social priorities. Internal factors, related to the systemic economic crisis, decline in production and lack of expertise in poverty reduction then limited the government's ability to conduct a poverty reduction strategy as a priority of national policy.

During this period, poverty reduction was focused on attempts to slow the decline of living standards. This period was

marked by attempts to maintain the previous Soviet system of social welfare or, at least, to adapt it to a rapidly changing environment. The government began work on assisting the population in the latter's adaptation to the market economy.

The principles of funding the social sphere began changing in this period, as control over providing social welfare shifted to local governments. It should be noted that his period saw the formation of the legislative basis of social welfare and the formation of new relevant governmental bodies were set up.

An important role in spurring the government's recognition of the importance of the poverty issue belongs to donor-countries and international organisations, such as UNDP, ADB, WB and EBRD. In this period, international organisations began to provide development assistance. In 1992, the WB disbursed Rehabilitation Loans (USD 180 million) and Structural Development Loans (USD 180 million) to support reforms in the financial sector and a privatisation programme. In the period between 1993-1995, the IMF provided financial assistance to the country amounting to USD 460 million to reduce inflation, while the ADB approved a loan to support local governments and private enterprises, as well as to finance critical imports. The EBRD disbursed USD 122 million, aimed at financing a programme for development of small and medium businesses. By 1996, a broad range of projects was being implemented by the IDB and the Canadian, Japanese and Kuwaiti governments.

In 1995, increased collaboration between the government and UNDP confirmed the importance of the development concept. As a result, the first NHDR was issued in that year. Annual National Human Development Reports calculated the Human Development Index and provided recommendations on improving key HDI indicators.

All of these measures slightly improved the situation of the population. Some improvements were noticeable in the labour market, and the rapidly growing involvement of the private sector in education, offered increased educational opportunities for many.

An important step in the recognition of the importance of the poverty problem was the "Living Standards Measurement Survey in Kazakhstan" programme, implemented in 1996 by the WB. From 1996 onward, official statistical reviews began emphasising dangerous trends of growing poverty in the country. Kazakhstan's participation in the World Summit for Social Development, held in Copenhagen in 1995, was of signal importance in the country's struggle against poverty.

The **Second Phase (1997-1999)** demonstrated progress in recognising the importance of poverty reduction in Kazakhstan on the part of all stakeholders and, first and foremost, on the part of the Government of Kazakhstan.

One crucial step in the government's recognition of poverty reduction as one of its main priorities was the adoption of the long-term Strategy "Kazakhstan-2030". This document noted the fundamental contradiction between a development orientation and increased material-based stratification and, for the first time, raised poverty reduction as a key issue. The Strategy identified poverty reduction as one of the main priorities in the government's 1998-2000 agenda. The health, education and well-being of Kazakhstan's people are clearly defined as long-term priorities of this Strategy.

This Strategy adopted as priority areas those of Public Health, Healthy Lifestyle and Healthy Nutrition Concepts, a

National Action Plan on Improving the Status of Women, a National Action Plan on Environment Protection, a State Programme on Small Businesses Development, etc. In addition, quotas for hiring persons in need of social protection, as well as temporary rules on providing targeted social assistance have been established. For the first time, a programme of micro-credits has been designed, and a national fund to cushion the economic shocks for low-income families was established.

In 1998, implementation of pension reform began, making possible payment of the backlog of debt on pension payments and improving the living standard for extensive groups of people.

In the Strategy "Kazakhstan-2030", the role of international organisations is increased. By 1998, multilateral assistance accounted for 80% of all external payments, totalling more than USD 490 million. The IMF and WB disbursements to Kazakhstan amounted to USD 217 and USD 210 million, respectively. Total bilateral assistance to Kazakhstan amounted to USD 109 million, with the largest bilateral donors being the United States, Japanese and Saudi Arabian governments. (See Table 1.4).

UN Agency	1997	1998	1999
UNDP	2,093	2,797	1,910
UNICEF	1,518	1,743	1,360
UNFPA	714	1,180	779
UNODCCP	257	257	225
UNCHR	180	250	400
ILO	50	130	100
UNESCO	170	286	352
WHO	59	165	165
WB	202,330	211,500	206,000
IMF	0	217,000	0
UNAIDS	50	145	180
<b>TOTAL</b>	<b>207,729</b>	<b>435,454</b>	<b>211,471</b>

Source: Development Co-operation Report (DCR)

In 1999, assistance from international organisations was halved, due to decreased non-repayable financing. During this period, research on the scale, structure and specifics of the poverty issue in Kazakhstan were conducted using the UN system's technical assistance.

A range of suggestions, offered in the National Human Development Reports, and striving toward development of the pro-social concept of reforms, were taken into account by the Government. Based on these recommendations the following actions have been implemented by the Government:

- in order to increase effectiveness of unemployment reduction, a programme of micro-crediting has been introduced. Public works are considered an effective means of reducing unemployment;
- new legislative acts have been adopted, determining the "poverty line", "subsistence minimum", "consumption basket", etc.;
- control over the private sector in education has been enhanced and standards of education have been established. These actions will encourage raising educational standards;

- a new, complex approach to the health care sector has been developed. The role of NGOs, media and other local agencies in promoting a healthy lifestyle for the population was enhanced;

- the implementation of a new WHO strategy for reducing cases of tuberculosis is underway;

- the national strategy on lowering incidents of HIV infection has been revised. The new strategy based upon voluntary testing, free consultations and distribution of prophylactics.

The **Third Phase (starting from 2000)** in the recognition of the poverty issues in Kazakhstan arrived with the adoption of the government's Action Plan for 2000-2002, followed by the State Program on Poverty and Unemployment Reduction for 2000-2002.

The reduction of poverty and unemployment are, in these documents, seen as strong political priorities for government action. The Programme aims to reduce poverty, and to shrink unemployment levels by implementing an active employment policy and targeted social assistance. This assistance is provided in the main to the most disadvantaged group of people.

Preliminary results of programme implementation confirm the strong desire of the government to fight poverty. The volumes of free medical services guaranteed were delivered. Medicine, medical equipment and prosthetic and orthopaedic equipment were relieved of VAT. As outlined in the Programme, the government has pledged to establish a centre for the social adaptation of the homeless. In general, new approaches for targeting social assistance are laid out in the Programme. An important role has been reserved for civil society. A moratorium on funds sequestration, as well as mechanism for guaranteeing implementation of social payments on both the republic and regional levels have been established.

The government now, more than ever, has realised the negative consequences of socio-political problems caused by poverty and unemployment (alcoholism, drug addiction, crime, social and political instability, etc.). Government collaboration with international organisations of the UN System is having a greater effect. The United Nations Development Assistance Framework (UNDAF) adopted in February 2000, provides a framework to move from sporadic co-ordination and collaboration to a more systematic programme of actions, devoted to a broad range of human development issues, with poverty reduction chief among them. A more detailed analysis of UNDAF and other international organisations is given in Chapter 3.

To reiterate: the Government of Kazakhstan is well aware of the issues and is taking the necessary active steps to develop systematic policies for poverty reduction.



## CHAPTER 2

### DIMENSIONS OF POVERTY IN KAZAKHSTAN

#### 2.1. Factors contributing to poverty in Kazakhstan

When we talk about reducing poverty in Kazakhstan, we must take into account the fact that the causes of poverty differ according to age, location (region, urban-rural), and gender in many aspects. Thus, poverty reduction is a complex and multidimensional issue. Hence, it is clear that it is impossible to achieve serious positive effects in addressing the poverty problem merely by rendering direct financial or material help to the poor. Social support is also necessary. However, due to the numerous factors causing poverty, it is possible to achieve significant results only by creating opportunities for people, through which they can provide themselves with necessary level of income. Moreover, effective poverty reduction is possible only when the everyday and most pressing problems of the poor are known.

During the preparation of the Report on Human Development in the Republic of Kazakhstan in 2000, the UNDP office in Kazakhstan carried out expert research. The participants in this survey included civil servants of the Presidential Administration, Government, Ministries and other state bodies, representatives of public and political parties and movements, employees of Kazakhstan-based non-governmental and international organisations, commercial structures, as well as leading research institutions of Kazakhstan. In total, 89 individuals were polled.

In addition, this report contains the results of focus group interviews, conducted in four geographical regions: western, southern, south-eastern, and north-eastern. Focus group interviews were carried out in both urban and rural areas. Numerous meetings were held with the rural poor, urban poor, representatives of local Akimats (city halls), NGOs and business.

The main purpose of this social research was to analyse the poverty problem from different points of view, considering the subjective opinions of all social groups - chief among them the poor. During the research, the respondents were asked the question: "In your opinion, what are the main causes of poverty in Kazakhstan today?". Answers of the respondents to this question are presented in Table 2.1.

As reflected in the table above, the opinion of the absolute majority of respondents polled holds that **poverty in Kazakhstan is currently being caused first and foremost by social and economic factors**. Based on the results of the poll, the fundamental causes of poverty in Kazakhstan can be grouped into the following three main sections:

- Involuntary unemployment;
- Low combined incomes of the population - high price of goods and services;
- Weak preparedness of the population for the market economy.

Table 2.1

The main causes of poverty in Kazakhstan in the opinion of survey participants

Answers	Percentage
1. Closure of industrial enterprises, involuntary unemployment	84,2
2. Low pensions, social benefits	66,3
3. Low wages	56,2
4. Weak preparedness for market economy, low social and economic activity, marginalisation of significant parts of the population	47,2
5. High public utilities prices	37,1
6. Long delays in payments of wages, pensions, social allowances	26,9
7. High prices of medical services and drugs	20,2
8. Inflation, rise in prices	18,0
9. Insufficient educational level and qualification of the part of the population	10,1
10. Large families with several children	8,9
11. Discrimination based on age, sex or other social and demographic criteria	7,8
12. Ecological problems	5,6
13. Ethnic discrimination	4,5



Since the "ill preparedness of the population of Kazakhstan for the market economy" was discussed in the previous chapter, we will now move on to consider in detail the other two **basic causes of poverty**.



### Involuntary unemployment

Currently, unemployment is considered one of the main causes of poverty in Kazakhstan, as confirmed by the results of the poll. Such is the point of view of the absolute majority, or 84.2% of the poll respondents.

During the preparation of the Report, a series of focus group interviews was conducted in Atyrau, Zhambyl, Almaty and East Kazakhstan Oblasts, bringing together representatives of the poor population (both urban and rural), NGOs, business representatives and government bodies. Although this methodology makes no claim to statistical perfection, it does allow us to bring out a broad range of opinion prevalent in society on the poverty problem.

As well as the respondents who took part in the social research, **participants of all focus groups conducted throughout Kazakhstan assigned utmost priority to problems of employment and unemployment in the addressing the poverty issue.** For example, a typical, yet representative statement, from the focus group in Atyrau (Atyrau Oblast):

*"As long as there is unemployment, industry will not develop, all funds will be used in passive measures, while allowances are not effective. People need an opportunity to earn money and to support themselves and their families"*

As of end of December 2000, the number of officially registered unemployed persons totalled 231.4 thousand people and official unemployment level reached 3.7% of the able-bodied population of the country. Thus, in comparison to 1999, the level of official unemployment level declined by 0.2%, and the total number of unemployed also fell slightly. (See Figure 2.1).

At the same time, negative trends of recent years have shown an increase in the number of long-term unemployed. Whereas in 1998, the average stood at 6 months, by 1999 the average duration of unemployment had lengthened to 7.4 months. At the end of that latter year, 55.3 thousand persons, or approximately 20% of the total able-bodied population, had been unemployed for 12 months or more, an increase of 59.3% over the previous year. In addition, 75.7 thousand people at the end of 1999 had been looking for a job from 6 to 12 months, a 19.4% increase over the preceding year. (See Figure 2.2).

An additional serious problem for Kazakhstan is that of the phenomenon of hidden unemployment. As of end of 2000 the level of hidden unemployment was equal to 1.3% (1999 - 2.5%). In estimating the scale of hidden unemployment in Kazakhstan, one must take into account the fact that official unemployment statistics are compiled by civil servants of the state's employment agencies. However, due to the rather low incidence (less than 20%) of success in finding employment with the aid of these agencies, few people are motivated to avail themselves of the services of the official labour exchange. In 1999, we observe a decline in the numbers of people applying to the state employment services. (See Figure 2.3).

Conversely, we must note that not all registered unemployed are, in reality, without gainful work. These people often have incomes from the "shadow economy" - performing temporary or occasional work, or working as

traders, seasonal farm workers, domestics, porters, repairmen, providing transport services and other paid services, but remaining off the official employment rolls.

Official unemployment statistics are, therefore, somewhat lower than the real numbers, inasmuch as they do not reflect hidden unemployment. According to the balance of labour force carried out every year by the Kazakhstan Statistics Agency, the level of total (actual) unemployment in 1999 equalled approximately 13% of the total able-bodied population, or three times higher than the number officially given.

The categories most vulnerable to be hit by unemployment are women and youths aged 16-29. At the end of 1999, 59.4% of the officially registered unemployed were women, while 28.9% were youths. (See Figure 2.4).

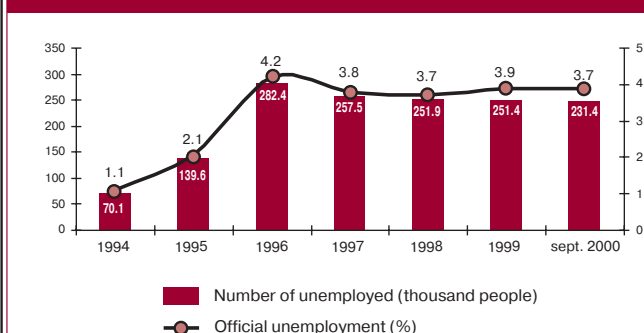
During focus group interviews, the majority of respondents to the question "For whom it is hardest today?" named young people. Many graduates of institutions of higher education, technical schools and colleges cannot find work in their chosen professions, nearly all employers demand prior work experience.

*"Young people have the hardest time..."*

*Participant of Taraz (Zhambyl region) focus group*

Figure 2.1

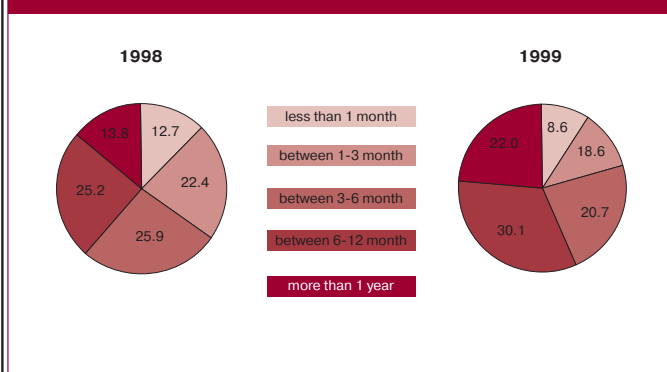
#### Dynamics of the official unemployment level in 1994-2000



Source: Agency of the RK on Statistics

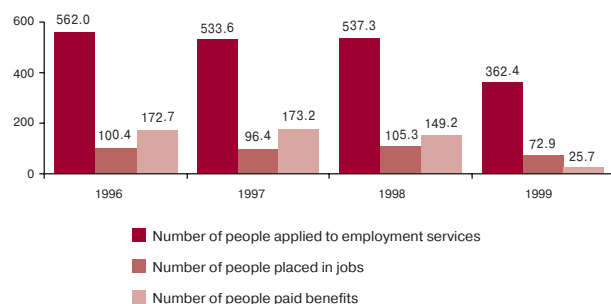
Figure 2.2

#### Distribution of unemployed by duration of unemployment in 1998-1999 (by the end of year, %)



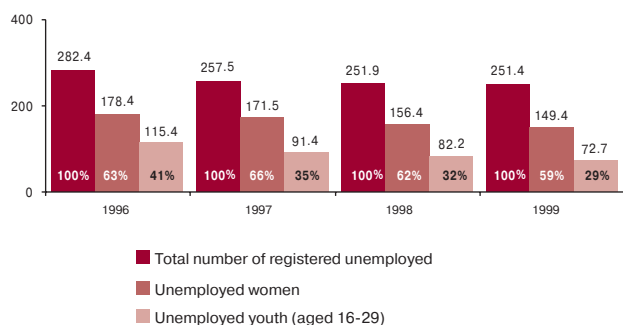
Source: Agency of the RK on Statistics

**Figure 2.3**  
Dynamics of applications to the employment services and payments of unemployment benefits (support maintenance)  
(thousand people)



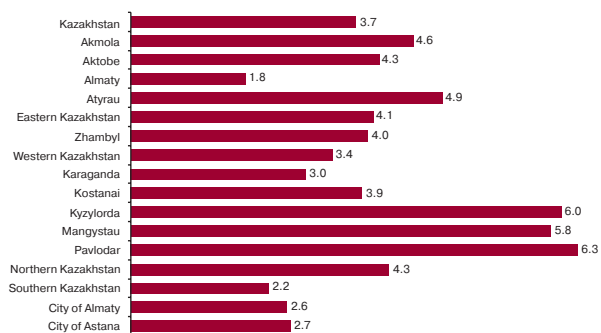
Source: Agency of the RK on Statistics

**Figure 2.4**  
Dynamics of official, female and youth unemployment  
(thousand people)



Source: Agency of the RK on Statistics

**Figure 2.5**  
Officially registered unemployment level for different oblast of Kazakhstan by the end of December 2000 (%)



Source: Agency of the RK on Statistics

At the same time, it is necessary to note that, over the past several years, a positive tendency towards gradual reduction in the share of women and youth unemployment has been observed. In particular, from 1996-1999, the number of officially registered unemployed women fell by 16.2%, with the numbers for youth decreasing by 37.0%.

Women and youths are not the only people suffering from under-employment. People nearing pension age have an equally difficult task in finding employment. At the end of

December 2000 the highest levels of official unemployment level were observed in Pavlodar, Kyzylorda and Mangystau Oblasts. (See Figure 2.5).

With unemployment being one of the chief factors underlying poverty in Kazakhstan, it is clearly imperative that it be one of the key areas to be addressed in reducing poverty.

#### Low income levels

Alongside unemployment, an important cause of poverty in Kazakhstan are the relatively low combined incomes of the population. The results of our poll showed the belief (among 66.3% of respondents) that low rates of pensions and other social payments, low wage rates (56.2% of respondents), long delays in payment of wages, pensions and social allowances (26.9%), as well as high prices on public utilities (37.1%) and medical services (20.2%), and inflation (18.0%) are vital factors in poverty. All of these can be combined into one heading - that of low income.

Many needy, but employed focus group respondents felt that they would not be suffering from poverty, if only they were *"reasonably paid for their work"*.

Despite the fact that considerable problems remain in the area of low incomes, recent years have seen a tendency towards improvement. During 1995-1999, a gradual growth in nominal cash incomes occurred. In 1999, the average annual cash income of the population exceeded by almost 2 times the level of 1995, amounting to 40,896 tenge. In addition, the real income of the population registered growth. Over the six last years, the real cash income of the population has increased by 13.3%. (See Table 2.2).

Table 2.3 gives the distribution of the population, based on average per capita cash income over 1997-1999.

As can be seen from the table, there was a trend - during 1997-1999 - towards **decline in the share of the population with an average per capita cash income of below 3000 tenge**. Over these 3 years, this category of the poorest people decreased by 17%, or approximately 2.3-2.4 million people.

The difference between the incomes of urban and rural population is very considerable. In 1999, whereas the cities' share of the poor population (with average per capita income less than 3000 tenge per month) was 32.2%, that of the countryside stood at 71.8%.

Per capita money incomes vary significantly among the different regions. The highest per capita incomes are found among residents of Almaty and Astana. Over 9 months of 2000, per capita nominal incomes in Almaty and Astana cities were 58.5 and 49.2 thousand tenge, respectively. The lowest incomes are found among residents of Southern Kazakhstan and Almaty Oblasts. (See Figure 2.6).

According to the data of Kazakhstan Statistics Agency, in 1999 the high-income groups began to receive less benefit from the overall redistribution of income. One of the key indicators of income differentiation is the Ginni index. This coefficient shows the extent of uneven distribution of incomes in a given society. If the distribution is even, the coefficient is equal to zero, but an uneven distribution produces a coefficient of one.

The 1998 Gini coefficient for Kazakhstan was equal to 0.347, and - 0.344 for 1999, confirming a slight decline in income disparity. In 1998, the Gini coefficient for Russia was

equal to 0.379, in Kyrgyzstan - 0.353, in Uzbekistan - 0.333 and in Turkmenistan - 0.358.

The analysis of the dynamics of money incomes of the population and the subsistence minimum also confirms the positive tendency in this sphere. Over the last few years average per capita income were below the subsistence minimum. In 1999 these indicators become almost equal. (See Figure 2.7).

In general, the problem of low incomes of the population is related to the lack of economic and legal information. Meetings with the poor showed the extremely low level of knowledge about the social programmes and the ways to overcome income problems.

## 2.2 Perceptions of poverty in Kazakhstan

The basic causes of poverty would seem to be unemployment and low combined incomes of the population. This conclusion is based on the results of expert poll, focus groups interviews and it is confirmed by the statistical information. For the most complete understanding of the problem of poverty in Kazakhstan besides the description of the current conditions and basic causes of low standards of living of the poor, it is useful to consider the perception of poverty of the citizens of Kazakhstan. We sought their opinion on identifying the groups hardest hit by poverty, how this poverty is manifested and what its consequences are, as well as on the means necessary to reduce poverty. The section "Perceptions of poverty in Kazakhstan" is devoted to the consideration of these issues.

The content of this section is based mainly on the results of expert poll and focus groups interviews, which were conducted within the framework of preparation of the Annual report of UNDP on Human Development in the Republic of Kazakhstan in 2000.

### Who are the Kazakhstani poor?

During the expert poll the respondents were asked to define the exact signs of poverty in Kazakhstan. In answering the question, the majority of the respondents stated that today **the Kazakhstani poor are, first of all, people with the low level of incomes or unemployed, who can not afford adequate food, health services of high quality and those who do not have their own accommodation.** (See Figure 2.8).

In the framework of the expert poll and focus group interviews the representatives of the state bodies, NGOs, business and the poor population have been asked to define poverty, wealth and happiness.

In general, as the results showed, poverty definitions vary and depend on the social status and personal experience of people. Quite formal definitions have been given by people who had not faced poverty.

The harder the situation the more emotional opinions have been expressed on poverty. Involvement and the feeling of personal responsibility affected the answers of respondents. For instance, emotional and non-indifferent poverty definitions have been given by representatives of local authorities. They take close to heart the poverty problem, try to find ways to cope with it and make some plans for the future. Akim of one of the cities said that "Poverty is being insecure and the loss of self-confidence. Wealth is being educated, having a job and house". This is an example of the opinion of one of the leaders who believes that socio-economic problems of the

**Table 2.2**  
Dynamics of nominal and real incomes of the population 1995-1999

Year	Average nominal cash income (tenge)	Real cash income	
		In % of 1994	In % of the previous year
1995	20646	99,4	99,4
1996	28450	99,9	100,6
1997	34187	102,9	103,0
1998	36241	102,7	99,8
1999	40896	107,2	104,4
August 2000 (data of 9 months)	34444	113,3	105,7

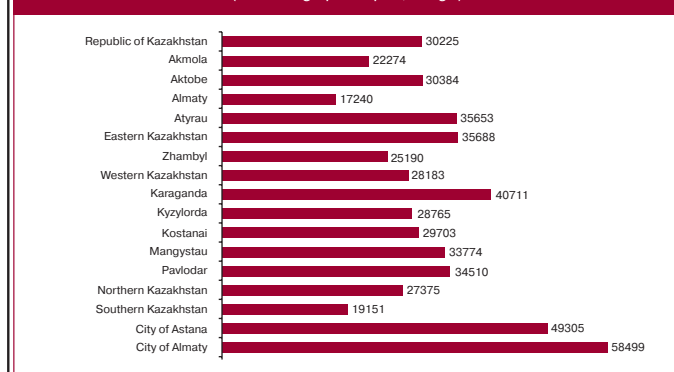
Source: Agency of the RK on Statistics

**Table 2.3**  
Dynamics of the distribution of the population based on average per capita cash income (%)

Average per capita cash income (tenge per month)	1997	1998	1999
Less than 3 000	62,8	62,5	45,9
3 001 – 6 000	25,0	25,6	31,7
6 001 – 9 000	7,4	7,6	11,4
9 001 – 12 000	2,7	2,5	5,0
12 001 – 15 000	1,0	0,9	2,6
15 001 – 18 000	0,4	0,4	1,3
More than 18 000	0,7	0,5	2,1

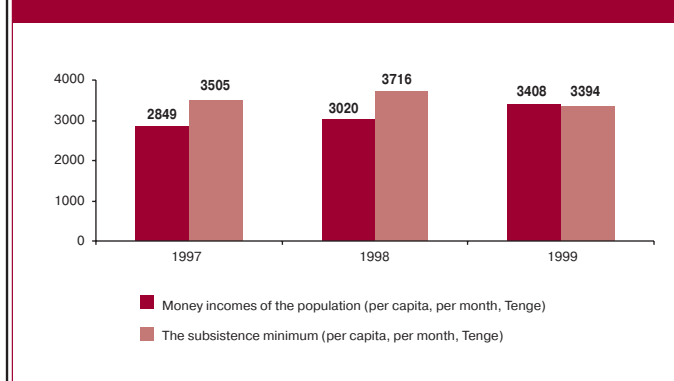
Source: Agency of the RK on Statistics

**Figure 2.6**  
Money incomes of the population for different regions over 9 month in 2000  
(on average per capita, Tenge)



Source: Agency of the RK on Statistics

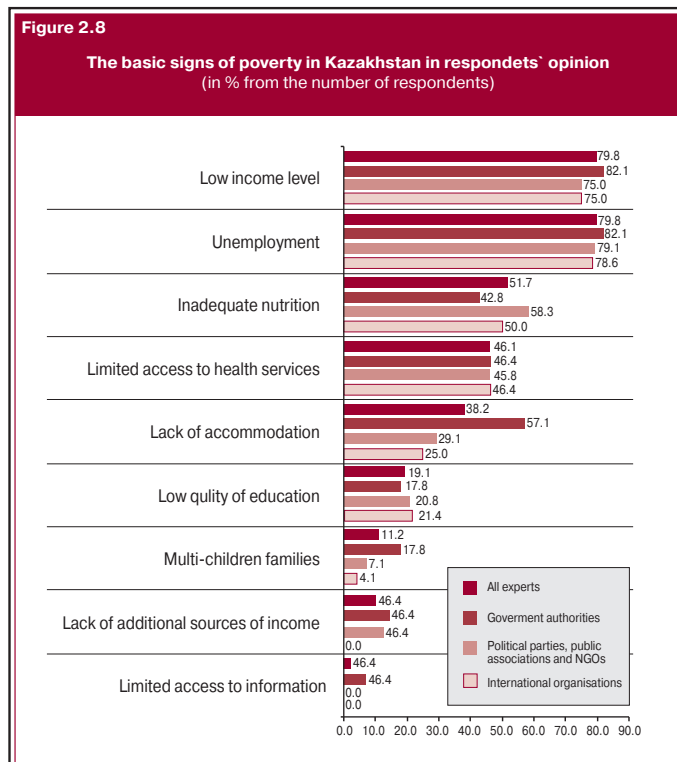
**Figure 2.7**  
Comparative dynamics of the average money incomes per capita and the subsistence minimum



Source: Agency of the RK on Statistics

regions can be solved through improvement of the situation of the poor population. Unfortunately, many other leaders who also face the same problems have more abstract opinions about poverty.

Analysis showed that in the opinion of the majority of respondents, the main causes of poverty are, currently, low income levels and unemployment. 79.8% of all respondents supported this opinion. Other signs of poverty, as identified by the respondents, such as inadequate nutrition and limited access to health services, are the consequences of the low-income level and absence of paid work.



The results of focus group interviews conducted showed that the poor population face such difficulties as malnutrition or unbalanced nutrition, lack of clothes and accommodation.

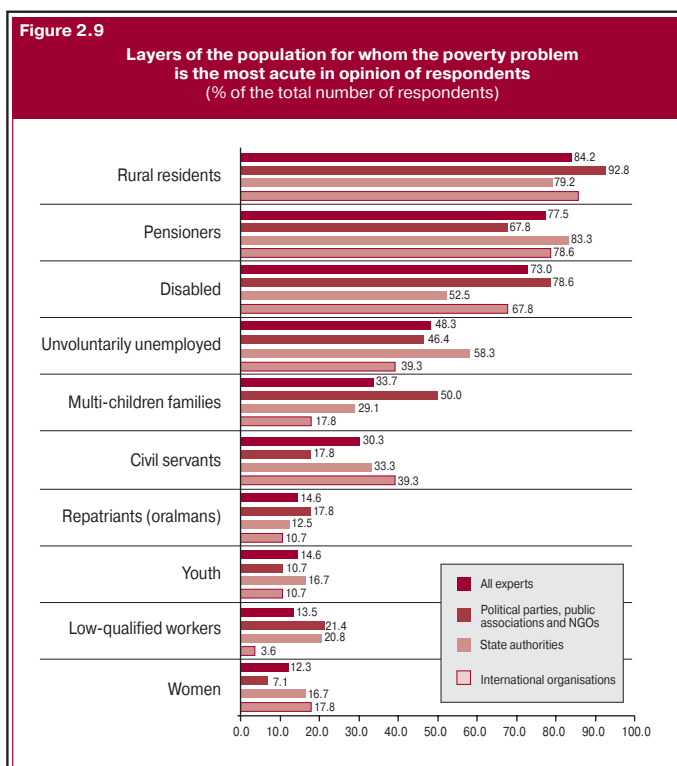
In general, the **consumer baskets** of the poor population of the various regions do not differ from each other significantly. In particular, in the structure of the meal of this social group flour and milk products prevail. There is a severe lack of vitamins, mineral substances, and protein. Those rural and urban residents who have cottages are in a more favourable situation. They have a possibility to vary the diet at the expense of independent cultivation of vegetables and fruits. However, as a rule they cannot compensate totally the low incomes at the expense of own production.

In villages, besides growing their own fruits and vegetables, having dairy cattle and poultry is of great help. For instance, one of the participants of focus groups described the content and the cost of food allowance for the family of five members as follows:

Nº	Type of food ration	Quantity	Total per, tenge
1	Flour	60 kilo	1,200
2	Sugar	12 kilo	720
3	Vegetable oil	3 litres	330
	Total:		2,250
4	Products from their private plots:		
	Beef	2	-
	Chicken	6	-
	Sheep	6	-
	Vegetables, fruits	Grown by themselves	

In this family the food allowance mainly consisted of milk and eggs which could be regularly taken from cows and poultry. But still, due to low money incomes it is much cheaper to cook bread by themselves.

\* \* \*



In general, the indicators of poverty considered above allow exact identification of the poor and answer the question "Who faces the most severe difficulties today in Kazakhstan?". In the opinion of respondents, currently the poverty problem is the most acute for the following groups of the population. (See Figure 2.9).

Thus, the majority of respondents agree that the main "victims" of the transition period are **rural residents** as well as those people who are excluded from industrial production, i.e. the **elderly people, disabled and unemployed**. A further one-third stated that many **large families** are also highly affected by poverty.

The poverty problem in **rural areas** is more acute than in urban areas. Per capita combined cash incomes in rural areas are less than half those in cities. Over 9 months in 2000, the average cash income of rural residents was equal to 29.7 thousand tenge, while urban residents averaged 38.6 thousand tenge. In cities, the income gap coefficient (the coefficient of funds) in 1999 was 10.4 and in rural areas - 18.4.

In recent years, **pensioners and disabled persons** have faced severe difficulties. The majority of these groups lives on very meagre social payments. In total, there are 2.8 million social benefit recipients in Kazakhstan, comprising 18.8% of

the total population. Social benefits do not exceed 5 thousand tenge, and the average pension payment at the end of 1999 was equal to 4.1 thousand tenge.

In recent years, average pension payments were approximately equal to the subsistence minimum. A tendency toward substantial increase in pension payments was, however, observed in 1999 and pension payments exceeded the subsistence minimum by 17.3%. (See Figure 2.10).

A serious problem for Kazakhstan is that of the *serious economic problems faced by large families*. When the combined incomes are low to middling, maintenance becomes a significant factor in a decline in living standards.

Currently, the aggregate share of children of pre-school age, teenagers and students in the population stands at approximately 35%, which confirms the heavy maintenance burden carried by the able-bodied working population, comprising 47% of the total. (See Figure 2.11).

It is thus clear, that a general decline in living standards of the population in Kazakhstan has marked the transition period of the early 1990s. Families with several children have been seriously affected. According to statistical data, the average size of poor Kazakhstani families is 4.5 people, whereas relatively well off families number, on average, 2.9 people.

### What are the key negative consequences of poverty in Kazakhstan?

For a more complete measurement of the problem of poverty in Kazakhstan, it is important to consider negative social consequences, caused by the increase in the numbers of the poor population.

Respondents were asked to itemise the negative consequences of poverty in Kazakhstan. The answers of the respondents were distributed as follows. (See Figure 2.12).

Firstly, in the opinion of the absolute majority of respondents (78.6%), the greatest negative consequence of poverty in Kazakhstan is the **growth of crime**. On the whole, however, it must be noted that, over recent years there has been a stable tendency towards reduction in the number of crimes. For example, in 1999 there were 24.2% fewer crimes registered in Kazakhstan than in 1995. (See Figure 2.13).

At the same time, it is obvious that crime increases among the poor population, the members of which are sometimes "compelled" to seek criminal forms of "earning."

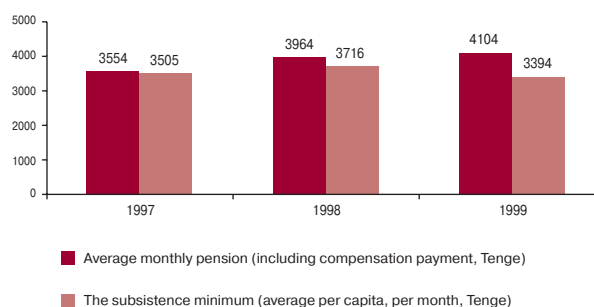
Many participants of focus groups said that people were forced to steal by poverty. If, earlier, people associated thieves with the criminal world, they now normally see a criminal as a man driven to desperation by poverty. In the opinion of the participants, poor citizens commit "non-profitable," but nevertheless widespread types of crimes today, such as dismantling electricity meters in apartment entrances, theft from receptacles for non-ferrous waste, prostitution, theft of goods and foodstuffs from cottages, etc.

The second important negative consequence of poverty in Kazakhstan, in the opinion of 57.3% of the respondents, is **the deteriorating health of the population**.

The low level and quality of life affect negatively the health of the poor population. Unbalanced and inadequate nutrition, absence of warm clothes and footwear, non-observance of sanitary and hygienic norms, shortage of financial assets, preventing timely medical and medicinal interventions, all contribute to the growth of diseases among the poor population.

Figure 2.10

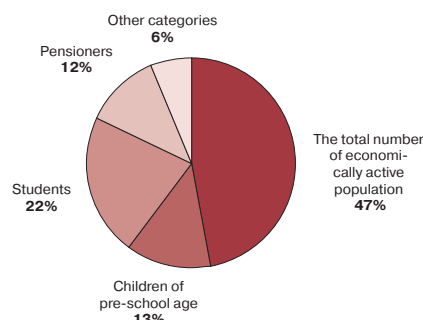
#### Comparative dynamics of the average money income per capita and the subsistence minimum



Source: Agency of the RK on Statistics

Figure 2.11

#### The structure of the population from demographic perspective and the status of occupation (%)



Source: Agency of the RK on Statistics

Figure 2.12

#### Main negative consequences of poverty in Kazakhstan in the view of the respondents

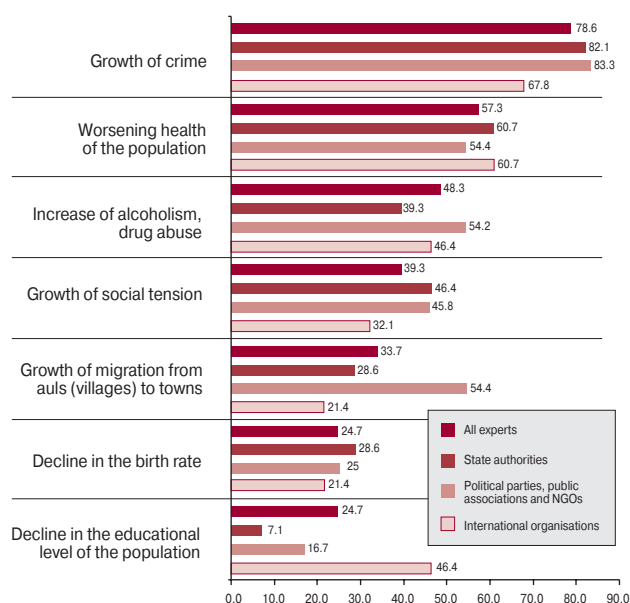
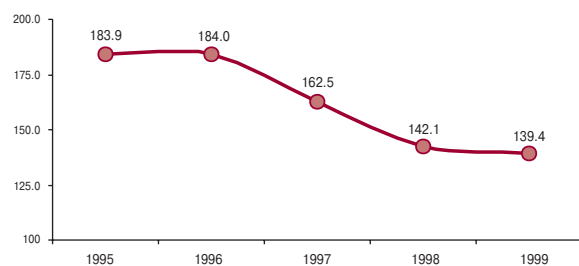




Figure 2.13

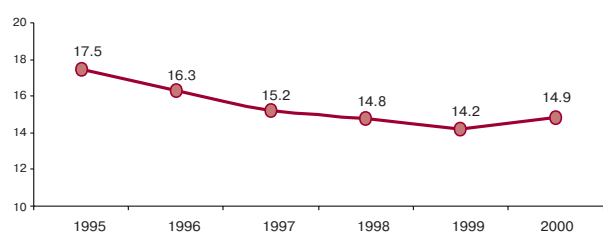
Dynamics of the number of registered crimes in Kazakhstan during 1995-1999 (thousand)



Source: Agency of the RK on Statistics



Figure 2.14

Dynamics of the birth rate in 1995-1999  
(The number of new-born child for 1000 people of the population)

Source: Agency of the RK on Statistics

Table 2.4

Distribution of responsibility for tackling the poverty problem

	Possible ways to solve the problem			
	Independently	The State	Business	Public organisations
Job provision	31	24	15	4
Education	30	27	14	4
Health services	29	33	7	4
Security provision	27	34	8	7
Support of pensioners and disabled	20	33	12	14
Total score	137	151	56	33

In settlements where there are no treatment and preventive facilities, field health stations have been opened. However, these field doctors do not have the necessary medicines, meaning that in order to receive even first aid, a sick person must have his/her own syringe and medicine, or the money to purchase them.

The third consequence of poverty frequently mentioned by respondents is the **growth of alcoholism and drug addiction**. Participants of nearly all focus groups paid special attention to these problems.

The moral fortitude of the population has been harshly tested by seemingly hopeless poverty, which, in turn, causes various forms of deviant behaviour. One of the most obvious signs of declining morale is alcoholism and drug abuse. Nearly all participants of the focus groups said that they had to face these problems personally.

Drug abuse causes the spread of HIV. The total number of HIV-infected people has reached 1300, people with AIDS - 37. There exists a threat of significant growth of this disease by 2003, if preventative and sanitary measures are not stepped up.

The high level of poverty, in the opinion of 39.3% of the respondents, results in **increased social tension in the society**. Many of the respondents and participants of focus groups noted that the growth of tension came about as a result of distrust on the part of the poor population towards government authorities. It is bad enough that the poor consider these authorities incapable of solving the problems of poverty; it is worse when their suffering is met with official indifference, incompetence, and corruption.

The increasing numbers of the poor in Kazakhstani society can lead to a range of **negative social and demographic consequences**. First is the migration of the able-bodied population from the countryside to the cities. According to data from the Ministry of Labour and Social Protection, in September 2000 there were 21 people for every vacancy in urban areas, while in rural areas there were 5 times as many job seekers for every vacancy, or 107 people.

The correlation between poverty and the **decline in the birth rate** was noted by 24.7% of the respondents. It seems logical to infer that one of the main causes of the decline in the birth rate was the decrease in living standards of a significant portion of the population. In 1999, 18.8% fewer infants were born than in 1995. (See Figure 2.14).

Some slight improvements in the socio-economic indicators for 2000 were accompanied by a growth in the number of births per thousand, and in the first 11 months of 2000, an increase of 4.0% over 1999 is visible, with 202.4 thousand births/thousand.

Of the total respondents, 24.7% saw another negative consequence of poverty in the decrease in the educational level of the population. The 1993-1995 tendency towards decrease in the share of students aged 6-24 is illustrative. If in 1992, 80% of educated youths aged of 6-24 were enrolled in some level of education, in 1995 only 73% were.

Positive changes in this sphere were marked in 1996, when 75% of youths 6-24 were in the educational system and, according to data from Kazakhstan Statistics Agency, the numbers for 2000 should be higher.

The results of focus group discussions confirm certain problems in this sphere, as poor people face difficulties in providing education for their children. Parents with low incomes often cannot afford to buy their children the basic

things necessary to study: educational accessories, clothes and meals in school.

Despite the special order of the Department of Education of the Ministry of Education and Sciences, forbidding schools to take money from pupils and their parents, extortion still remains in schools.

Poor teacher qualification is yet another serious problem. The low salaries earned by teachers provide no incentive for re-training and recruitment. A special danger lies in the fact that, if the issues of poor educational standards are not addresses now, in the future poor education will move from being a consequence to become yet another of the varied causes of poverty in Kazakhstan.

### How to fight poverty?

In reflecting upon common perceptions of the poverty problem in Kazakhstan, we must consider separately the most common solutions to poverty offered by the same group of respondents.

While conducting focus groups interviews, participants were asked to identify those people, who should be taking responsibility for tackling poverty. For the most part, the results

*"In order to eliminate poverty it is necessary to have a job and the state should help to get loans and allowances".*

show that people rely on **the state in the first place and then upon themselves. The majority saw the state as responsible for security, care for pensioners and the disabled, and health services. Respondents preferred to address problems in education and employment independently, as expressed below.**

Very few respondents expected help from the business sector and NGOs, with few even knowing about the later and their activities. (See Table 2.4).

### The most common answers in focus group interviews:

*"It is necessary to have a job with reasonable wages";*  
*"The state must help people and provide them with what is guaranteed under law";*  
*"People should receive equipment";*  
*"Low-interest loans should be provided";*  
*"The State must control prices on GSM in agriculture";*  
*"Enterprises should work";*  
*"The State should fight against corruption".*

As the above table shows, traditional belief in the state remains. Table 2.5 shows respondents' suggested measures that the state should undertake, in order to eradicate poverty in Kazakhstan.

These expert poll results correlate with the answers of the poor, observed during the focus group interviews.

The majority of those polled (65.1%) felt that, first of all, the state should undertake a range of activities to reduce poverty, aimed at the **support of private initiative, development of small and medium business.** Expansion and strengthening of the middle class of society - the class most dependent upon business - should be geared towards

small and medium business, promoting to a maximum degree the reduction in the share of the poor population and preservation of stability in society. The same opinion was common among representatives of NGOs and the business sector, as expressed below.

This aspect is also important because it holds that the poor population should independently resolve its financial problems. Representatives of the government, public organisations and business agreed on the opinion that it is necessary to inform the population of the new demands of employers. People are poorly prepared to run their own businesses and suffer from poor knowledge of existing legislation, accounting, taxation, etc.

A second important measure on poverty reduction, according to 42.7% of the respondents, is **targeted social support for the poor.** In comparison to the old "broad social protection," which offered various privileges for varied (and not always poor) groups of the population, a new system should work on an individual basis with poor citizens and should aim to solve their specific problems.

The system of social allowances, and that of registration of the poor, must be improved, in order to streamline the process of receiving social benefits. Focus groups found that many poor people cannot get social allowances due to the complicated bureaucratic procedures and various expenses related to getting numerous documents, etc.

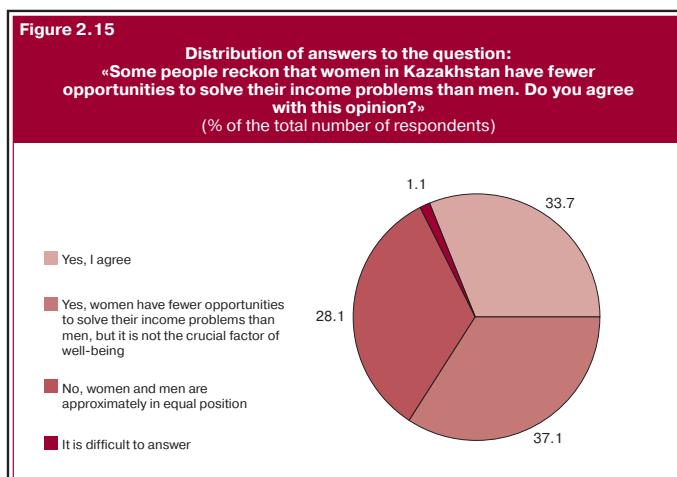
As a result of ineffective criteria for measuring the social status of families, state bodies have unreliable information.

Table 2.5

Measures that should be undertaken by the state in order to eradicate poverty in Kazakhstan in the opinion of respondents

Measures	Participants of expert poll			
	All respondents	Government authorities	Political parties, public associations and NGOs	International organisations
1. Support of private initiatives, development of small and medium business	65.1	64.2	70.8	67.8
2. Targeted social support of the poor	42.7	60.7	29.1	35.7
3. Expansion of the state support to agricultural manufacturers	35.9	60.7	37.5	10.7
4. Development of civil society institutions: NGOs, trade unions, group for protection of interests of the citizens, local self-governance, etc.	31.4	14.3	33.3	42.8
5. Organisation of retraining and improvement of professional skill of the labour force, development of the system of professional retraining of unemployed	30.3	28.6	8.3	50.0
6. Rebuilding the system of broad social protection of the population	25.8	25.0	33.3	10.7
7. Subsidies of public utilities and public health services, with the purpose of reducing prices of services in these spheres	22.5	25.0	20.8	21.4
8. Increase of budget expenditures on public health services, expansion of the range of free medical services	21.3	14.3	37.5	17.8
9. Development of system of education, ensuring 100-percentage school attendance	12.3	14.3	16.6	7.1
10. Increase in availability of higher education	7.8	3.6	8.3	7.1
11. Restoring financial privileges for some categories of the citizens	1.1	-	4.1	-

*"Small and medium business are our hope."*  
 NGO Representative, Almaty Oblast



Representatives of the state bodies and poor people agreed that it is necessary to improve the system of registration of the poor.

The system of targeted social assistance is ineffective, due to insufficient funds allocated to solve the basic needs of the poor: to pay for public utility services and provide adequate nutrition. Assistance, provided in the form of food and clothes is irregular in its delivery.

With average costs for public utility services between 2-4 thousand tenge and the subsistence minimum equal to 3.4 thousand tenge, almost half of the population whose incomes lie below 3 thousand tenge have to choose between buying food and other basic goods, or paying for public utilities.

Another means of decreasing poverty, in the opinion of 35.9% of the respondents, would be to **expand state support for agriculture commodity producers**. In market conditions, the economy of Kazakhstani Auls (villages) are faced with a number of very complicated problems. Chief among them, are low average productivity and low profitability of the agriculture sector, high energy consumption, disparity of prices on industrial and agricultural products, absence of sufficient collateral for receiving loans, poor technical equipment, and harsh natural and climatic conditions.

The participants of focus groups stated that rural residents are most in need of state support.

One of the priority measures of reduction of poverty, noted by almost one-third of respondents, is the **development of institutions of civil society** (NGOs, trade unions, citizens' interests groups, bodies of local self-government, etc). The main mission of the aforementioned institutions of civil society should be to communicate and protect the interests of poor sections of the population, rendering some help in solving financial problems. The activity of NGOs and other subjects of civil society should be directed towards a struggle against negative social and economic tendencies.

**Table 2.6**  
**The role of Kazakhstan non-governmental organisations in the poverty reduction process in Kazakhstan in**  
(% of the total number of respondents)

1. These organisations do a lot to solve the poverty problem	3.4
2. Only some of Kazakhstani NGOs are engaged seriously in this problem	50.5
3. Kazakhstani NGOs are not practically engaged in settlement of the problem of poverty	26.8
4. I know nothing of such NGO activities	10.1
5. It is difficult to say	9.2

Analysis shows that about 200 NGOs out of 1,200 identify poverty reduction as one of their main activities. Unfortunately, it is not possible to evaluate the effectiveness of anti-poverty activity of NGOs in Kazakhstan, due to the lack of a generally accepted system of recording results of activity.

Among all disadvantaged groups of the population, NGOs work mainly with the disabled. About 90 NGOs (i.e., 60%) of 150 work regularly with disabled people. It is, however, difficult to evaluate the volume of finance services provided to the disabled. About 10 NGOs work with refugees, for example the public associations "Otandastar" (Shimkent), "Immigrant," and the "Komek" Centre for ethnic Kazakh repatriates. These NGOs provide assistance in settlement, legal services, social integration, etc. About 30 NGOs provide assistance to farmers in obtaining micro-credits and using them rationally.

The number of NGOs uniting the disadvantaged groups of the population is very small. Among them are the "Association of Unemployed Professionals of Southern Kazakhstan," "Union of Large Families of Almaty" and others. The small number of these NGOs confirms the lack of opportunities for the poor to improve their situation via NGO activity. It is, therefore, important to improve the legislation basis of NGOs.

NGOs have their own place and specific opportunities to reduce poverty. The experience of other countries, where the state collaborates with NGOs, demonstrates that voluntary efforts, mobility, knowledge of specific conditions, and persistence can be a very useful means in poverty reduction. In order to make best use of these opportunities, the state should create the necessary environment including conducive legal, finance and organisational conditions. The state should involve NGOs in various poverty reduction programmes.

Currently, in the respondents' opinion and that of focus groups participants, Kazakhstani NGOs do not effectively implement anti-poverty activities. The majority of respondents (50.5%) stated that only some NGOs work on poverty-related issues. 26.8% of the respondents felt that NGOs do no work whatsoever on the poverty issue. (See Table 2.6)

An important measure of poverty reduction should be the expansion of **retraining and improvement of professional skills of the labour force, as well as the development of a system of professional retraining for the unemployed**.

Of the total respondents, 50% saw this as an effective means to reduce poverty. The necessity of these measures is due to the needs of the unemployed themselves to re-train for professions in demand in the labour market. Business representatives also note that one of the priorities of anti-poverty activity should be retraining and small business training for the poor.

Lastly, all participants expressed the need to root out corruption, in order to reduce poverty. Corruption and poverty correlate with each other: corruption prevents the development of business and causes huge polarisation of the population. Due to corruption, people cannot find employment and, therefore, are deprived of their rights. In this context, the fight against corruption is seen as a vital subset of anti-poverty activity.

We should note that the priority measures indicated by the respondents for reduction of poverty are completely supported by the state, and are already represented in official state social policy. In particular, the state program of

development and support of small business is being implemented; the system of providing targeted social assistance to the poor is being introduced in practice; within the framework of support to agricultural manufacturers the state annually buys at a fixed price a part of the crops, and an active policy is being carried out in the sphere of employment. Among the priority directions of state policy in Kazakhstan are democratisation of the political system and the development of institutions of the civil society. In the Message of the President of the Republic of Kazakhstan to the People "To a free, independent and secure society," expansion of the power of the authorities of local government bodies and development of the system of local self-government are declared as priority directions for further democratisation of Kazakhstani society in 2000-2003. However, refinement of these policy tools may be necessary to really have impact on reducing poverty.

### 2.3. Gender aspects of poverty in Kazakhstan

One of the important aspects of poverty in Kazakhstan is that of the gender problem. According to one-third (33.7%) of the respondents, in comparison to men, women in Kazakhstan have more limited opportunities to solve financial problems. 37.1% more respondents agreed that in comparison to men, women have more limited possibilities, however, in their opinion, it is not a determining factor of their financial well-being. (See Figure 2.15).

Female respondents (42.7% of the total number of respondents) evaluated the existing situation more critically than men. In particular, only 21.6% of the female respondents felt that men and women in Kazakhstan have approximately equal opportunities for solving their financial problems. 33.4% of male respondents, however, agreed with this point of view.

At the same time, it should be noted that among the male and female the number declaring unequivocally the unequal situation of men and women is approximately equal - 33.3% and 35.1%, respectively. The majority of female respondents (43.2%) consider that some disparity between men and women is not a determinant factor in the financial well being of the female population of the country.

*"Women are more adaptable than men, women leave their jobs if there is no payment, they start trading in markets in order to feed their children. Men are not like that".*

*"Women are more adaptable to hard conditions of life, they are more responsible, but men have more maintenance mentality".*

*"Women think about our future."*

Moreover, the results of focus group interviews show that when people lose their jobs, women are more capable of solving their income problems than men. In order to feed their children many women work several jobs and are prepared to take on difficult and non-prestigious work.

Unfortunately, some strong disparities between women and men persist in Kazakhstan. In particular, despite legislation declaring the legal equality of the sexes, women, nevertheless, often have problems in finding employment, often receive lower wages than men for the same work, and cannot break into areas of male-dominated employment.



This is partially the result of widespread stereotypes and prejudices, which hold that women cannot be stable and effective workers because they spend much time looking after children and carrying out other family and household functions; that, in comparison to men, they have limited physical capabilities, etc. Employers often will not offer young women employment, due to the fact that in case of pregnancy, according to the legislation, employers have no rights to dismiss them and are obliged to grant them paid maternity benefits and to hold their positions until their return. In addition, a number of traditional cultural traditions, according to which "the social duties" of women consist largely of looking after family and children, affect the status of women, especially in rural areas.

Due to the aforementioned factors, women are quite often more vulnerable in terms of social security. The statistical data on the number of poor men and poor women confirms this situation. On average, the share of the poor female population with incomes lower than the subsistence minimum is 44.9%, while that of the poor male population - only 33.2%. (See Table 2.7).

**Table 2.7**  
The share of the population with incomes below subsistence minimum  
(from gender and regional perspectives, %)

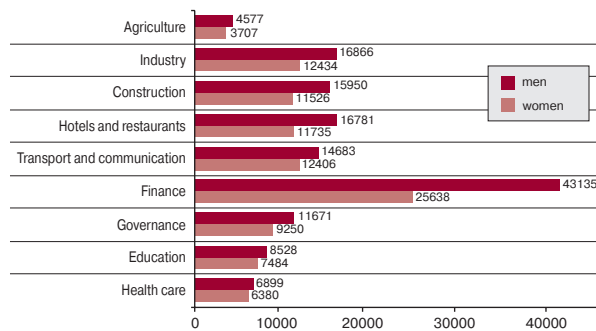
Oblasts	Male	Female	All
1. Akmola	30.1	40.7	35.4
2. Aktobe	20.7	27.9	24.3
3. Almaty	37.6	50.8	44.2
4. Atyrau	42.6	57.6	50.1
5. Eastern Kazakhstan	14.7	19.9	17.3
6. Zhambyl	38.8	52.6	45.7
7. Western Kazakhstan	24.6	33.2	28.9
8. Karaganda	15.6	21.2	18.4
9. Kyzylorda	18.4	25.0	21.7
10. Kostanai	46.8	63.3	55.0
11. Mangystau	32.2	43.6	37.9
12. Pavlodar	40.8	55.2	48.0
13. Northern Kazakhstan	23.1	31.3	27.2
14. Southern Kazakhstan	47.2	63.8	55.5
15. The city of Astana	12.8	17.4	15.1
16. The city of Almaty	11.6	15.8	13.7
Kazakhstan	33.2	44.9	34.5

Source: Agency of the RK on Statistics

Among the regions, the highest level of the poor female population is observed in Southern Kazakhstan (63.8%), Kostanai (63.3%), Atyrau (57.6%), Pavlodar (55.2%), Zhambyl (52.6%) and Almaty (50.8%) Oblasts. (See Table 2.8).

Figure 2.16

The average wage level of men and women for the various types of economic occupation in 1999 (tenge)



Source: Agency of the RK on Statistics

There is a noticeable disparity in wage levels between woman and men. In 1999, the average wage level for men was 1.5 times higher than for women. Even in traditionally "female" spheres of employment, the same tendency is observed. In the educational system, the wage level for women comprised only 87.7% of the wage level for men, and in trading - 79.9%. (See Figure 2.16).

Employment statistics also confirm existing gender disparity. According to statistical data, there are more unemployed women than men. In 1999, the official level of male unemployment was 3.1%, while for women this index reached 4.7%. (See Table 2.8).

Among the regions, the highest level of female unemployment was marked in Mangystau (14.4%), Atyrau (8.8%), Pavlodar (8.4%) and Northern Kazakhstan (8.2%) Oblasts. All of the aspects above underline the necessity for combating female unemployment.

Table 2.8

The official level of registered unemployment  
(From gender and regional perspectives, %)

Oblasts	Male	Female	All
1. Akmola	3.4	5.2	4.3
2. Aktobe	2.9	4.3	3.6
3. Almaty	1.1	1.7	1.4
4. Atyrau	5.8	8.8	7.3
5. Eastern Kazakhstan	3.9	5.9	4.9
6. Zhambyl	2.0	3.0	2.5
7. Western Kazakhstan	2.9	4.3	3.6
8. Karaganda	2.4	3.6	3.0
9. Kyzylorda	3.7	5.5	4.6
10. Kostanai	3.4	5.2	4.3
11. Mangystau	9.6	14.4	12.0
12. Pavlodar	5.6	8.4	7.0
13. Northern Kazakhstan	5.4	8.2	6.8
14. Southern Kazakhstan	2.1	3.1	2.6
15. The city of Astana	1.7	2.5	2.1
16. The city of Almaty	1.7	2.5	2.1
Kazakhstan	3.1	4.7	3.9

Source: the Ministry of Labour and Social Protection  
of the Population of Kazakhstan



## CHAPTER 3

### RE-DEFINING THE MEANS OF MEASURING POVERTY IN KAZAKHSTAN

\* \* \*

#### 3.1. The need to clarify the means of measuring poverty

As noted in Chapter 1, the growing prosperity in the world is accompanied by a considerable increase in poverty. For this reason, poverty reduction has become an overarching goal of international action, with a range of international conferences devoted to the poverty issue.

A natural question arises - what are the most effective ways to measure poverty? Obviously, poverty is not only a lack of income but also a denial of basic needs and opportunities for living a tolerable life. Poverty also means a lack of high-quality education, increase in mortality rate, decline in social security and other dimensions of human development.

To date, a broader range of tools to measure poverty have been established. Poverty has been measured by a series of statistical indicators - the subsistence minimum; the percentage of people with incomes below the subsistence minimum; depth of poverty (measured as the distance between the average income level and the poverty line); severity of poverty (the extent of poverty differentiation); the Gini coefficient (income differentiation); the Fund coefficient (ratio of income of the most wealthy to the poorest section of the population), etc. All of these indicators, however, are narrow and they do not reflect fully the poverty situation in a given country.

The Human Development Report 1997 introduced a Human Poverty Index (HPI) for developing countries, in an attempt to bring together in a composite index the various features of deprivation, and to arrive at an aggregate judgement on the extent of poverty in a community (See technical notes.) The HPI is based on the following indicators:

- the percentage of the population not expected to survive to age 40;
- the percentage of the literate in the adult population;
- the percentage of the population lacking access to safe water;
- the percentage of the population lacking access to health services; and
- the percentages of children under five who are moderately or severely underweight.

For industrialised countries, the Human Development Report 1999 offered a different HPI (See technical notes.) For these countries, the HPI captures the following dimensions:

- deprivation in terms of a long and healthy life, as measured by the percentage of people not expected to survive to age 60;
- deprivation in knowledge measured by the adult functional literacy rate;
- deprivation in economic provisioning as measured by the percentage of people having incomes below the median level of average incomes in the country; and
- deprivation in social inclusion from long term unemployment.

The concept of human poverty supplements the concept of human development. *If human development is defined as the process of enlarging people's opportunities, poverty means that the opportunities and choices most basic to human development are denied - those of leading a long and healthy life, being educated and enjoying a decent standard of living, freedom, dignity and self-respect.*

In other words, **the HDI is an indicator of progress achieved by a given country in the sphere of human development, while the HPI reflects the distribution of progress and identifies the scale of deprivation in the country.**

The Human Development Report 1997 emphasises that many countries used to build their approach to the poverty issue based on income and consumption levels. This approach to the poverty issue is now seen as being very narrow.

As noted in the HDR 1997, the concept of human poverty is broader than any index, including the HPI. The HPI does not capture such important dimensions of poverty as lack of political freedom, opportunity to participate fully in community life, lack of opportunity to participate in decision-making processes and the threat to sustainable development of future generations.

As mentioned above, the concept of poverty from the human development perspective supplements the concept of human development. It can be said that the lower the level of human development, the larger the deprivation of the population in the country. At the same time, while having a high HDI, countries may face differences in human poverty. For instance, in 1998 the USA held the 3rd place in the HDI ranking and the 18th place in the HPI ranking. In that country, 15.8% of the population are considered deprived (based on the four aforesaid indicators.)

Norway holds the 2nd place in the HDI ranking and 1st place in the HPI ranking (7.3% of the population are deprived.) Switzerland holds the 6th place in the HDI ranking and the 2nd place in the HPI ranking (7.3% of the population are deprived); Netherlands holds the 8th and the 3rd places in the HDI and HPI rankings, respectively (8.2 % of the population are deprived), while Finland holds the 11th and the 4th places (8.6% of the population are deprived.)

\* \* \*

In general, the HPI is a very useful tool for implementing broad poverty reduction activity. This index allows us to sum up the total scale of poverty and identify the level of progress achieved each year.

The HDI measures average achievements in the various dimensions of human development. The Human Poverty Index (HPI) allows identification of the percentage of people suffering from deprivation in various dimensions of human life.

It is also important to measure the impact of gender inequality on human development and the role of the various determinants of gender inequality. The HDI allows determination of the average level of human development in the country. The level of the HDI can vary according to region and sex. The Gender-related Development Index (GDI) captures the latter. The greater the gender disparity in basic human development, the lower is the country's GDI compared with its HDI.

### 3.2. The indices of human development in Kazakhstan from regional and gender perspectives

All indices calculated in the framework of the human development concept build a system, which allows the evaluation of various dimensions of human development in the country. Hence, this chapter presents an analysis of human development in Kazakhstan and its various regions during the transition period.

This chapter also evaluates the impact of the gender factor on the HDI and the scale of poverty from the perspective of human development using a modified HPI for Kazakhstan.

#### 3.2.1 Dynamics of basic indicators and indices which determine human development in Kazakhstan, 1991-1999

Table 3.1 presents the dynamics of basic indicators calculated on the basis of a unique methodology for determining the human development level in Kazakhstan during 1991-1999.

The data considered below shows that life expectancy at birth has changed significantly over the study period. Life expectancy has declined by 1.9 years, thus lowering the life expectancy index by 0.032. It should be noted that the lowest point in the decline in life expectancy was in 1995, when it was equal to 63.5 years. This was 4.1 years lower than the level of 1991.

Data on the share of students aged 6-24 from the whole population of this age is re-estimated taking into account a measurement of informal education. Over the last 9 years this indicator has decreased by 1%. Taking into account the growth of the literacy rate of the adult population (from 97.8% in 1991 to 99.5% in 1999) the index for the education level has increased by 0.008.

Per capita GDP declined by USD 509, which led to a decline in the income index by 0.015.

**Over the period 1991-1995 the HDI declined by 0.042. By 1999 it had grown by 0.029. As a result, over the 8 years the HDI declined by 0.013, mainly influenced by the decline of life expectancy at birth (by 8%).** The reduction in the HDI was influenced more by the decline in life expectancy than the decrease in Per capita GDP (40%). However, the growth of the literacy level provided some compensation for the decline in the HDI (20%). To summarise, the HDI declined by 40% due to GDP, and 8% due to life expectancy, but increased by 20% due to the increase in literacy level. Overall a net decrease.

Calculations show that an increase in life expectancy from 65.7 to 75 years (34 countries have a life expectancy between 75 and 80 years) would have increased the life expectancy index from 0.68 to 0.83. Doubling the per capita

#### Box 2. Technical nuances in the calculation of the Human Poverty Index

The Human Development Report 2000 for the Eastern European and CIS countries presents the data on the share of the population not expected to survive to age 60. For Kazakhstan, Russia, Kyrgyzstan, Uzbekistan and Turkmenistan this indicator varies from 25% to 30%, which means that more than a quarter of the population of these countries will be deprived of the opportunity to live till age 60.

It should be noted that the range of indicators that characterise poverty in industrialised countries cannot be used fully for the CIS and Eastern European countries, including Kazakhstan.

From the perspective of deprivation in terms of leading a long life, for the CIS and Eastern European countries it is better to use the indicator used by industrialised countries: the percentage of people not expected to survive to age 60. Developing countries, however, among whom Kazakhstan is numbered, use the percentage of people not expected to survive to age 40.

To measure deprivation in knowledge, for Kazakhstan and other CIS countries, we can use the indicator that determines the range of opportunities to access education offered by the state, which are not used. The Constitution of Kazakhstan guarantees universal compulsory education for all citizens of Kazakhstan. However, the general census of the population in 1999 showed that the proportion of people aged 19 with secondary education, was as low as 83.8%, even lower - 87.1% - among people aged 20-24.

Based upon this, deprivation in knowledge can be measured by the percentage of uneducated youths aged 16. Therefore, it seems incorrect to use for transition countries, such indicators as the percentage of people who have incomes below the median level of average incomes in the country, and the share of the population who have been jobless for more than 12 months, because the significant portion of the population lacks adequate standards of living.

The majority of the countries in transition set a poverty line or other indicators that can be used as the poverty line (i.e., the subsistence minimum). In Kazakhstan, the poverty line has been set as the percentage of the subsistence minimum. However, the poverty line can be considered only as a criterion for payment of social assistance.

The identification of the percentage of the population with incomes below the poverty line allows us to identify only the share of the population whom the state is able to help, but not the total poor population. Hence, those people who have incomes below the subsistence minimum, but higher than the poverty line are excluded from the targeted group.

In order to provide consistency of data over several years, it would be methodologically correct to measure the percentage of the population with incomes or consumption levels below the subsistence minimum. Taking into consideration the important role of the non-cash incomes of the population, this report uses the indicator of the percentage of the population who have incomes below the subsistence minimum.

It should also be noted that in many CIS countries the level of officially registered unemployed is significantly lower than the real unemployment rate. In Kazakhstan, the level of total unemployment is more than 3 times higher than the officially registered unemployment rate (at the end of 1999 these indicators were 13.5% and 3.9%, respectively). The level of total unemployment is based on the balance of total labour resources. Consequently, the percentage of people who are jobless for more than 12 months will be significantly understated. It is, therefore, better to use the share of all officially registered unemployed from the total economically active population.

#### The HPI for Kazakhstan is based on the following indicators:

- the percentage of people not expected to survive to age 60;
- the percentage of uneducated youth aged 16;
- the share of the population whose consumption level is below the subsistence minimum; and
- the officially registered unemployment level.

GDP (to USD 10,500) would have increased the income per capita index from 0.66 to 0.78. These targets are realistically achievable within 10-15 years.

### 3.2.2 Regional differentiation of indicators of human development in Kazakhstan during 1993-1999

Calculations of the HDI in various regions in Kazakhstan in 1999 show significant differentiation in the level of human development (See Table 3.2). According to the HDR 2000, the HDI in various regions of Kazakhstan is consistent with the HDI levels of those countries holding places from 38 to 102 in the HDI ranking in 1998.

Amongst the regions of Kazakhstan Almaty has the highest level of HDI (0.828) which compares to that of Chile (38th HDI ranking in the world). In descending order after Almaty are Atyrau, Mangystau, Pavlodar - HDI 0.79-0.80. This HDI level can be compared to Poland, Croatia and the

Seychelles Islands. These countries were ranked between 45th and 53rd position in the world in 1998.

Aktobe, Western Kazakhstan, Karaganda, Eastern Kazakhstan, Kostanai, Akmola (with Astana city) and Northern Kazakhstan Oblasts have a HDI level between 0.73 and 0.76. The HDI level of these regions is consistent with the HDI of Libya, Brazil, Saint Vincent, Lebanon, Jamaica and Sri Lanka. These countries held places 72-84 in the HDI world ranking system in 1998.

The following regions have the lowest HDI: Kyzylorda, Almaty, Southern Kazakhstan and Zhambyl Oblasts (with an HDI between 0.70 and 0.72). (See Table 3.2). The HDI of these regions is consistent with the HDI of Armenia, Albania, Moldova. These countries held places 93-102 in the HDI world ranking system.

Over the period 1993-1999, the HDI in the majority of regions has declined. However, the HDI of Atyrau, Mangystau and Almaty Oblasts has increased significantly. This increase in HDI is caused by the growth of per capita

**Table 3.1**  
Dynamics of various indicators and indices used to determine the human development in Kazakhstan from 1991-1999

Indicators	1991	1992	1993	1994	1995	1996	1997	1998	1999
Life expectancy at birth, years	67.6	67.4	65.4	64.9	63.5	63.6	64.5	64.5	65.7
Literacy rate of adult population, %	97.8	98.0	98.3	98.5	98.7	98.9	99.1	99.3	99.5
Aggregate share of students aged 6 - 24 years, %	80.0	80.0	77.0	75.0	73.0	75.0	76.0	77.0	79.0
GDP per capita, USD	5758	5563	5206	4713	4508	4682	4921	4969	5195
Life expectancy at birth index	0.710	0.707	0.673	0.665	0.642	0.643	0.650	0.658	0.678
Literacy rate index	0.919	0.920	0.912	0.907	0.901	0.909	0.914	0.919	0.927
Income per capita index	0.677	0.671	0.660	0.643	0.636	0.642	0.650	0.652	0.661
HDI	0.768	0.766	0.748	0.738	0.726	0.732	0.738	0.743	0.755

Source: Agency of the RK on Statistics

**Notes:**

1. Data on the literacy rate of the population has been defined more precisely, based on the results of the National Census of the population in 1999.
2. Data on the overall share of students aged 6-24 has been defined more precisely based on additional data on informal education.
3. Data on Per capita GDP has been defined more precisely based on the results of the research of the European Programme of Comparison in 1996, and the General Census of the population in 1999.
4. The HDI has been revised, taking into account new determinants of this index.

**Table 3.2**  
Dynamics of the HDI in various regions of Kazakhstan over the period 1993-1999

Regions of Kazakhstan	1993	1994	1995	1996	1997	1998	1999
Akmola (with Astana city)	0.739	0.713	0.707	0.704	0.710	0.719	0.734
Aktobe	0.764	0.741	0.734	0.731	0.744	0.750	0.759
Almaty	0.716	0.693	0.694	0.714	0.719	0.715	0.717
Atyrau	0.726	0.753	0.764	0.776	0.786	0.782	0.815
Eastern Kazakhstan	0.744	0.738	0.724	0.719	0.726	0.733	0.739
Zhambyl	0.702	0.675	0.664	0.698	0.691	0.692	0.699
Western Kazakhstan	0.739	0.709	0.704	0.702	0.731	0.732	0.760
Karaganda	0.767	0.769	0.745	0.725	0.735	0.730	0.748
Kyzylorda	0.713	0.695	0.696	0.714	0.716	0.708	0.718
Kostanai	0.769	0.755	0.731	0.731	0.752	0.734	0.739
Mangystau	0.743	0.780	0.778	0.788	0.775	0.772	0.795
Pavlodar	0.789	0.764	0.756	0.757	0.743	0.779	0.787
Northern Kazakhstan	0.773	0.757	0.745	0.753	0.740	0.712	0.734
Southern Kazakhstan	0.711	0.678	0.678	0.702	0.709	0.709	0.714
City of Almaty	0.778	0.784	0.768	0.805	0.823	0.826	0.828
<b>Kazakhstan</b>	<b>0.748</b>	<b>0.738</b>	<b>0.726</b>	<b>0.732</b>	<b>0.738</b>	<b>0.743</b>	<b>0.755</b>

Source: Agency of the RK on Statistics

**Note: Previous data of the HDI in various regions in Kazakhstan has been re-estimated based on the following:**

1. Data on the literacy rate of the population has been defined more precisely based on the results of the National Census of the population in 1999.
2. Data on the overall proportion of students aged 6-24 has been defined more precisely based on additional data on informal education.
3. Data on per capita GDP has been defined more precisely based on the results of the research of the European Programme of Comparison in 1996 and the National Census of the population in 1999.

GDP in these regions by 2-3.2 times, as a result of the increase in oil drilling volume and the development of wholesale markets in Almaty.

Over the period 1996-1999, most of Kazakhstan's regions have seen an increase in HDI, caused by the growth in per capita GDP, as well as by an increase in the life expectancy at birth. The fastest rates of growth of HDI were recorded in Atyrau, Western Kazakhstan and the city of Almaty.

It should be noted that despite the gradual growth in the HDI, the regional variance in this index keeps growing. In 1993, the difference between the maximum and minimum HDI was 12%; in 1999 - 18%.

Firstly, regional disparity in the HDI is caused by differences in their per capita GDP (7.5 times in 1999.) Per capita GDP indices among the regions differ by 0.337. Disparity in the life expectancy (5.7 years) among the regions also contributes to differences in their HDI levels. Disparity in access to education is as high as 0.057. In general, regional disparity in HDI is caused by the varied socio-economic development levels of the respective regions. More advanced regions therefore have higher HDI values.

### 3.2.3. The HDI in Kazakhstan from the gender perspective

In 1998, life expectancy in Kazakhstan was 65.7 years for the population as a whole. For the female population, average life expectancy at birth was 70.4 years, and for men - 59 years. This helps us to determine life expectancy indices of 0.678, 0.715 and 0.608, respectively (See Tables 3.3 and 3.4).

Weighting of indices for women and men (see formula in technical notes,  $w_f = 0.518$ ,  $w_m = 0.482$ ) gives a life expectancy index, accounting for the gender factor, equal to 0.678. Therefore, despite gender inequality (namely, the lower life expectancy for men in comparison to women), there is no decline in the life expectancy at birth index.

The second determinant of human development - access to education also reflects gender inequalities. The results of the

census of the population in 1999 showed that the literacy rate for women aged 15 and older is 99.3% and for men - 99.8%. In the overall share of students in 1999-2000, the proportion of women was 81%, the proportion of men - 77%. As a result, the index of access to education for women is 0.932 and 0.922 for men. Weighting of the indices gives the value of the index of access to education with the gender factor impact of 0.927.

Consequently, there exists an approximate equality between women and men with regards to access to education. It should, however, be noted that the female literacy rate is lower than that of males. The higher share of overall women enrolled in education thus compensates for this disparity.

The third determinant of human development - per capita GDP production - reflects more significant gender inequalities. The share of female employees is 45.8%, but their wage level reaches only 75% of men's wage levels. Therefore, per capita GDP production in 1999 for women equalled USD 3,916 and USD 6,693 for men. As a result, the income index for women was equal to 0.612 and for men - 0.702. Weighting the indices for women and men gives us an income index with the impact of the gender factor equal to 0.652 (the impact of the gender factor is to 0.009).

Consequently, gender inequality based on per capita GDP production lowers the HDI in Kazakhstan by 0.003. This decline moves Kazakhstan one place lower in the HDI world ranking system.

## 3.3. Analysis and evaluation of various determinants of the Human Poverty Index

In this subsection, for the first time, we present the HPI for Kazakhstan, and this index consists of the following indicators:

- the percentage of the population not expected to survive to age 60;
- the percentage of uneducated youth aged 16;
- the share of the population whose consumption level is below the subsistence minimum; and
- the officially registered unemployment level.

### 3.3.1 The share of the population with life expectancy less than 60

Calculation of the human poverty index based on the formula presented in the technical notes requires reliable statistical data, parts of which have not been computed before. Estimating the percentage of the population not expected to survive to age 60 is not methodologically difficult, and can be done at the same time as calculating life expectancy at birth. Among the data presented below, only the data for 1998 are considered reliable.

For 1999, the data calculated from the gender perspective are reliable. The percentage of the population not expected to survive to age 60 from the regional perspective is calculated based on the elasticity of changes in this indicator.

Calculations show (see Table 3.5) that, on average, the deprivation of the population, based on the index of the share of the population with life expectancy less than 60, is quite significant: almost one-third of the population of Kazakhstan has a life expectancy less than 60. This is related to low life

Table 3.3

#### Gender inequalities in Kazakhstan in 1999

Indicators	All	Male	Female	Deviation
Life expectancy at birth, years	65.7	60.65	70.9	-10.3
Literacy rate of the share of the population over 15 years, %	99.5	99.8	99.3	0.5
Ratio of students aged 6-24 years, % *	79.0	77.0	81.1	-4.0
Per capita GDP, USD	5249	6693	3916	2778

\* Accounting for informal education  
Source: Agency of the RK on Statistics

Table 3.4

#### Impact of gender inequalities on the HDI in Kazakhstan in 1999

Indicators	All	Male	Female	Total population with impact of gender factor	Deviation
The life expectancy Index	0.678	0.636	0.723	0.678	0.000
Index of access to education	0.927	0.922	0.932	0.927	0.000
Income index	0.661	0.702	0.612	0.652	-0.009
HDI	0.755			0.752	-0.003

Source: Agency of the RK on Statistics

expectancy at birth - 64.5 years in 1998 and 65.7 years in 1999. At the same time, due to the positive dynamics of this index, the share of the population with life expectancy less than 60 decreased: from 33% in 1998, to 30.3 % in 1999.

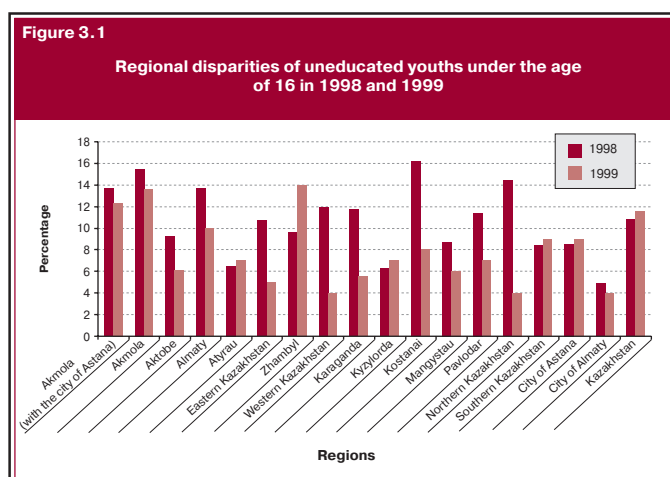
There are large differences in this indicator from the regional perspective. According to this indicator, Karaganda is the most deprived Oblast: in 1998 about 37.8% of the population did not survive to age 60. Even in the most well-off city, Almaty, about one-quarter of the population do not survive to age 60.

### 3.3.2 Regional differentiation for uneducated youths under the age of 16

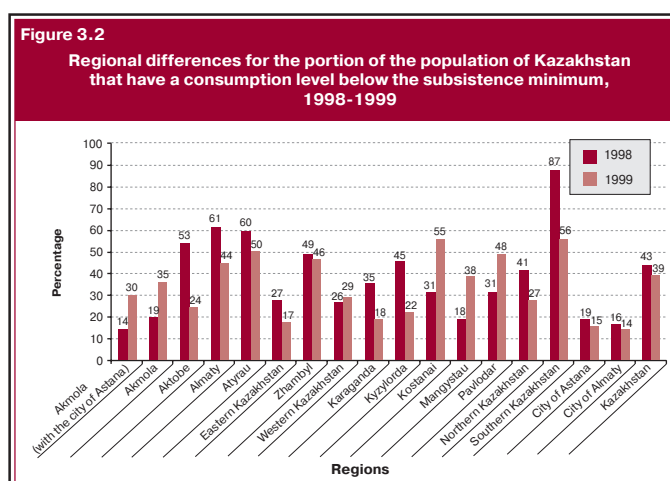
Although the literacy rate has grown (from 97.5% to 99.5%), and the number of people with higher education has increased, there has been a decline in the number of people with secondary education. In 1999 18.9% of youths aged 18 did not have a secondary education, while among youths aged 20-24 the percentage was 12.9%.

Every tenth teenager, after graduating from 9th grade, does not continue on in school. In February 1999, 10.5% of youths aged 16 and 12.5% of youths aged 17 were not enrolled in education and did not have a secondary level education. Calculations based on the data for the 1999/2000 academic year showed that 11.6% of youths aged 16 and 10.8% of youths aged 17 were not enrolled in education and did not have a secondary education. Also, 8.5% of 14 year-olds and 4.3% of 13 year-olds were not attending school.

In the transition period, it has become more difficult to receive the universal compulsory education guaranteed by the Constitution. In different regions, education deprivation varies between 4-5% and 14-16%. The share of boys without universal compulsory education is twice that of girls. (See Figure 3.1).



Source: Agency of the RK on Statistics



Source: Agency of the RK on Statistics

Table 3.5

The share of the population with the life expectancy less than 60 in 1998 and 1999

Oblast	Male		Female		All	
	1998	1999	1998	1999	1998	1999
Akmola (with Astana)	46.6	43.3	21.3	20.0	34.6	32.0
Akmola	47.7	44.5	22.1	20.8	35.8	33.2
Aktobe	45.4	42.2	21.2	19.9	34.0	31.4
Almaty	38.1	34.7	19.3	18.0	29.2	26.5
Atyrau	45.6	42.4	21.5	20.2	34.1	31.5
Eastern Kazakhstan	49.4	46.2	22.5	21.2	36.8	34.2
Zhambyl	41.3	38.0	19.3	18.0	30.5	27.9
Western Kazakhstan	45.5	42.2	21.1	19.8	33.7	31.1
Karaganda	51.4	48.3	22.7	21.5	37.8	35.3
Kyzylorda	38.8	35.6	21.8	20.5	30.8	28.2
Kostanai	44.2	40.9	20.3	19.0	32.8	30.2
Mangystau	43.8	40.6	21.7	20.4	34.0	31.4
Pavlodar	47.6	44.4	21.4	20.1	35.0	32.4
Northern Kazakhstan	47.0	43.8	21.5	20.2	35.0	32.4
Southern Kazakhstan	38.2	34.8	19.6	18.3	29.2	26.5
City of Astana	42.1	38.8	18.9	17.6	31.1	28.4
City of Almaty	39.9	36.5	15.8	14.4	27.5	24.8
<b>KAZAKHSTAN</b>	<b>44.4</b>	<b>41.1</b>	<b>20.6</b>	<b>19.3</b>	<b>33.0</b>	<b>30.3</b>
Max-Min	13.3	13.5	6.9	7.0	10.3	10.5

Source: Agency of the RK on Statistics





It is not possible to obtain reliable data from a gender perspective. However, it can be stated that the share of boys without secondary education is twice the share of girls. Therefore, education deprivation is higher for men than for women.

### 3.3.3. Regional differentiation for the portion of the population of Kazakhstan with a consumption level below the subsistence minimum, 1998-1999

To calculate the percentage of the population with a consumption level lower than the subsistence minimum, Kazakhstan Statistics Agency used both the data on cash incomes and expenditures, as well as data on the volume of material resources consumed. Based on the overall data, in 1998 the consumption level of 43% of the population in Kazakhstan was lower than the subsistence minimum. In 1999, during a period of economic growth and increase of real cash incomes, this indicator dropped by 4.3%, but remains significant.

The differences in this indicator across the various regions are considerable. These differences can probably be explained by the narrow sample chosen for analysis. The

current sample includes only six thousand households. In order to provide a probability of 95%, 12 thousand households should be analysed. Therefore, the data obtained cannot be reliable, leading to significant distortion of this indicator.

As can be seen from Figure 3.2, based on this indicator, the most deprived regions are all of Kazakhstan's southern Oblasts, and Atyrau, Kostanai and Northern Kazakhstan Oblasts, where this indicator stands below 40%.

Even in the well-off cities of Astana and Almaty and such regions as Eastern and Western Kazakhstan and Karaganda Oblasts, the percentage of the deprived population according to this indicator is between 15% and 30%.

There is no separate data for men and women whose consumption level is below the subsistence minimum. Although, in order to calculate the human poverty index it is assumed that the share of women is higher by 15%, and that the share of men is 15% lower than the average deprivation of the overall population.

### 3.3.4. Regional differentiation for official unemployment, 1998-1999

The data on the officially registered unemployment level do not reflect the situation with regard to real unemployment, but allow an analysis of the dynamics of the labour market. The officially registered unemployed can be used as an indicator of the deprivation of the population. Figure 3.3 demonstrates that this indicator varies significantly from one region to another: from 1.4% in Almaty Oblast, to 12% in Mangystau Oblast.

There is no reliable data for unemployed women and men whose consumption level is lower than the subsistence minimum. In order to calculate the HPI, the share of women is taken as higher by 20% and the share of men is lower by 20%, than the total unemployment level for the overall population.

Table 3.6

The HPI in Kazakhstan from gender and Oblast perspectives in 1998 and 1999

Oblast	Male		Female		All	
	1998	1999	1998	1999	1998	1999
Akmola (with Astana)	29.9	29.4	15.6	23.1	22.7	24.8
Akmola	31.0	31.1	18.1	26.9	24.2	27.6
Aktobe	36.2	27.6	39.2	19.5	36.4	22.5
Almaty	36.8	29.0	44.5	32.5	39.9	29.8
Atyrau	38.3	33.8	43.6	36.9	39.7	34.0
Eastern Kazakhstan	32.4	29.5	22.0	16.4	26.1	22.5
Zhambyl	32.9	30.9	35.7	33.6	33.0	31.1
Western Kazakhstan	30.1	28.3	21.2	22.3	24.4	23.9
Karaganda	34.6	30.8	26.9	16.9	29.1	23.3
Kyzylorda	30.7	23.6	33.4	18.3	31.1	20.2
Kostanai	30.4	35.0	24.2	40.2	25.9	36.5
Mangystau	28.2	29.5	17.3	28.7	22.7	28.0
Pavlodar	31.8	34.0	23.9	35.4	26.4	33.1
Northern Kazakhstan	33.6	28.9	30.9	21.4	30.7	23.9
Southern Kazakhstan	48.8	33.4	63.3	40.5	55.6	36.2
City of Astana	27.2	24.9	16.3	14.0	21.1	18.9
City of Almaty	25.5	23.3	13.7	12.0	18.4	16.5
<b>KAZAKHSTAN</b>	<b>32.7</b>	<b>30.1</b>	<b>32.2</b>	<b>29.1</b>	<b>31.0</b>	<b>28.1</b>
Max-Min	1.9	15	4.6	3.4	3.0	2.2

Source: Agency of the RK on Statistics

### 3.3.5 Human Poverty Index in Kazakhstan from the regional and gender perspectives, 1998-1999

Based on the four aforementioned indicators, the HPI shows that 31% of the population in Kazakhstan in 1998, and 28.1% in 1999 were deprived based on four parameters.

In 1998, more than half the population of Southern Kazakhstan Oblast was deprived (See Table 3.6). In 1999, the disparity in this index among the different regions was not considerable. However, in the majority of Kazakhstan's regions, more than one-quarter of the population was deprived.

From the gender perspective, the data on the HPI for women are similar to those for men. However, for different Oblasts the data varies significantly. In Eastern Kazakhstan Oblast and the cities of Astana and Almaty, the HPI for men is considerably lower than the HPI for women.

Differentiation of the HPI for women for the various Oblasts is larger than that for men, 4.6 and 1.9 times larger in 1998, respectively (3.4 and 1.5 times larger in 1999).

### 3.4. The poverty situation on the district level

The NHDR 1999 made an attempt to evaluate human development inequalities from the regional perspective based on two indicators: the ratio of the average wage level to the subsistence minimum, and the level of officially registered unemployment.

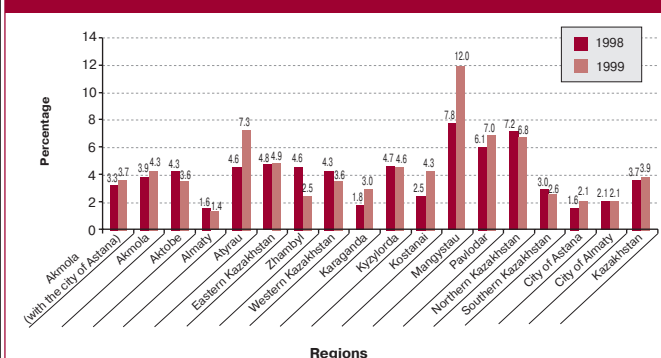
These indicators measure the extent of poverty on the district level from an income perspective (with the main resource being the wage), as well as from the perspective of earning opportunities.

#### 3.4.1. Evaluation of poverty based on wage levels

In various Oblasts, the share of the wage in the total income level varies. In some Oblasts, self-employment is the main source of income. There are other sources of incomes, such as stipends, pension payments and other social transfers. Wages provide 30-40% of all cash income in each Oblast. It is therefore important to estimate the extent to which the

Figure 3.3

Regional disparities in the official unemployment in Kazakhstan in 1998 and 1999



Source: Agency of the RK on Statistics

subsistence minimum is covered by wages. This extent will characterise the poverty of the population from an income perspective.

On average, the share of wages in the subsistence minimum was 44.7% in 1998, and 53% in 1999, as the nominal wage level in 1999 increased faster than the consumer price level.

In 1998, only two regions, Mangystau Oblast and the city of Astana, had a large share of wage in the subsistence minimum of more than 75% (See Table 3.7). Although, only 4% of the population live in these two regions.

In 1999, among the regions with a large share of wages in the subsistence minimum were Mangystau and Atyrau Oblasts, Astana and Almaty cities, i.e. industrial regions. About 14% of the population live in these Oblasts. Among the regions with a moderate (51-75%) share of wages in the subsistence minimum were Aktobe, Eastern Kazakhstan, Western Kazakhstan, Karaganda, Kostanai and Pavlodar Oblasts, accounting for 40.6% of Kazakhstan's total population.

Of the total population 14.4% live in Akmola, Kyzylorda and Northern Kazakhstan Oblasts. In these Oblasts, the share of

Table 3.7

The share of wages in the subsistence minimum in various Oblasts of Kazakhstan in 1998-1999

Oblast	Share of wage in the subsistence minimum, %		Population, 1000 people		Share of the population living in the Oblast, %	
	1998	1999	1998	1999	1998	1999
Akmola	32.6	41.1	858.3	835.7	5.7	5.6
Aktobe	52.9	57.6	688.9	682.8	4.6	4.6
Almaty	18.7	24.1	1564.3	1559.6	10.4	10.4
Atyrau	72.4	102.9	438.6	439.9	2.9	2.9
Eastern Kazakhstan	42.6	52.4	1547.3	1530.8	10.3	10.2
Zhambyl	30.8	32.9	987	983.9	6.5	6.6
Western Kazakhstan	39.8	51.4	623.9	617.7	4.1	4.1
Karaganda	57.7	67.2	1437.4	1411.7	9.5	9.4
Kyzylorda	39.9	42.8	594	596.3	3.9	4.0
Kostanai	44.5	52.3	1049.4	1019.6	7.0	6.8
Mangystau	86.4	89.4	315.5	316.8	2.1	2.1
Pavlodar	61.0	65.7	822.6	805.9	5.5	5.4
Northern Kazakhstan	33.3	39.7	741.8	725.9	4.9	4.9
Southern Kazakhstan	20.0	26.4	1970	1976.7	13.1	13.2
City of Astana	104.3	113.5	309.3	319.3	2.1	2.1
City of Almaty	73.2	82.1	1124.7	1130.1	7.5	7.6
<b>KAZAKHSTAN</b>	<b>44.7</b>	<b>53.0</b>	<b>15073</b>	<b>14952.7</b>	<b>100.0</b>	<b>100.0</b>

Source: Agency of the RK on Statistics

**Table 3.8**  
Grouping of regions of Kazakhstan, based on the extent of subsistence minimum covered by wage in 1998-1999

Oblast	Total regions		The share of wage in the subsistence minimum							
			Less than 30%		Between 30, 1-50%		Between 50, 1-100%		> 100%	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Akmola	15	19	9	10	5	6	1	3	-	-
Aktobe	13	13	8	8	1	1	4	3	-	1
Almaty	19	19	16	14	3	4	-	1	-	-
Atyrau	8	8	3	4	2	-	2	2	1	2
Eastern Kazakhstan	19	19	11	12	5	2	3	3	-	2
Zhambyl	11	11	9	8	-	2	2	1	-	-
Western Kazakhstan	13	13	11	11	-	-	2	1	-	1
Karaganda	17	17	11	10	2	2	3	3	1	2
Kyzylorda	8	8	7	7	-	-	1	1	-	-
Kostanai	20	20	15	15	1	2	4	1	-	2
Mangystau	6	6	3	4	1	-	-	-	2	2
Pavlodar	13	13	9	9	1	1	3	2	-	1
Northern Kazakhstan	18	14	15	10	1	3	2	1	-	-
Southern Kazakhstan	15	15	13	13	2	-	-	2	-	-
City of Astana	1	1	-	-	-	-	-	-	1	1
City of Almaty	1	1	-	-	-	-	1	1	-	-
<b>KAZAKHSTAN</b>	<b>197</b>	<b>197</b>	<b>140</b>	<b>135</b>	<b>24</b>	<b>23</b>	<b>28</b>	<b>25</b>	<b>5</b>	<b>14</b>

Source: Agency of the RK on Statistics

**Table 3.9**  
The population of the rayons of Kazakhstan grouped on the basis of the share of wage in the subsistence minimum 1999

Oblast	Total regions		The share of wage in the subsistence minimum							
			Less than 30%		Between 30, 1-50%		Between 50, 1-100%		> 100%	
	1000 people	%	1000 people	%	1000 people	%	1000 people	%	1000 people	%
Akmola	837.4	100	330.2	39.4	265.3	31.7	241.5	28.8		
Aktobe	683.1	100	210.7	30.8	46.8	6.9	381.9	55.9	43.8	6.4
Almaty	1559.5	100	1093.7	70.1	440.7	28.3	25.1	1.6		
Atyrau	439.3	100	141.0	32.1			47.8	10.9	250.6	57.0
E-Kazakhstan	1532.4	100	638.3	41.7	356.0	23.2	208.2	13.6	329.9	21.5
Zhambyl	984.2	100	575.1	58.4	83.3	8.5	325.8	33.1		
Western Kazakhstan	618.4	100	346.7	56.1			222.9	36.0	48.9	7.9
Karaganda	1413.6	100	443.9	31.4	89.7	6.3	534.8	37.8	345.2	24.4
Kyzylorda	595.7	100	402.3	67.5			193.4	32.5		
Kostanai	1022.3	100	519.5	50.8	118.2	11.6	39.3	3.8	345.4	33.8
Mangystau	316.3	100	93.1	29.4				0.0	223.1	70.5
Pavlodar	807.4	100	232.1	28.7	32.9	4.1	469.2	58.1	73.3	9.1
Northern Kazakhstan	726.9	100	415.9	57.2	106.6	14.7	204.4	28.1		
Southern Kazakhstan	1973.7	100	1507.7	76.4			466.0	23.6		
City of Astana	318.1	100							318.1	100
City of Almaty	1129.3	100					1129.3	100		
<b>KAZAKHSTAN</b>	<b>14957.6</b>	<b>100</b>	<b>6950.2</b>	<b>46.5</b>	<b>1539.5</b>	<b>10.3</b>	<b>4489.6</b>	<b>30.0</b>	<b>1978.3</b>	<b>13.2</b>

Source: Agency of the RK on Statistics

**Table 3.10**  
The list of rayons of Kazakhstan with the share of wage within the subsistence minimum less than 10%

Oblast	Rayon	The share of wage in the subsistence minimum, %
Akmola	Enbekshilderskij	9.3
	Baiganinskij	9.8
	Irgyzskij	6.6
	Uilskij	6.5
	Hobdinskij	9.9
Almaty	Alakolskij	9.8
	Ulytausskij	6.0
	Amangeldinskij	1.5
	Jangildinskij	0.8
	Nurzumskij	7.7
Mangystau	Beineusskij	7.4
	Irtyskij	8.1
	Lebyajinskij	9.3
	Maiskij	9.6
	Uspenskij	9.7
Southern Kazakhstan	Arysskij	6.7
	Baidibeka	7.8
	Ordabasinskij	7.2

Source: Agency of the RK on Statistics

wages in the subsistence minimum is small (less than 35%). From an income perspective, these three Oblasts are Kazakhstan's poorest.

Although in 1999, the share of wages in the subsistence minimum was large or moderate in 10 of 16 Oblasts (in 1997 there were 7 such Oblasts), many rayons of these Oblasts faced a small share of wages in the subsistence minimum (lower than 30%). In general, where in 1998, from a total 197 (including Astana and Almaty cities) there were 140 rayons with a small share of wage in the subsistence minimum, in 1999 the number of rayons had fallen to 135 (See Tables 3.8 and 3.9).

In some Oblasts, in the majority of the rayons the share of wages in the subsistence minimum was small: in Kyzylorda Oblast - 7 out of 8; Southern Kazakhstan - 13 out of 15; Western Kazakhstan - 11 out of 13; Kostanai Oblast - 15 out of 20; Almaty Oblast - 14 out of 19; Zhambyl Oblast - 8 out of 11, and Northern Kazakhstan - 10 out of 14. In another 23 rayons,

with 10.3% of Kazakhstan's population, the share of wages in the subsistence minimum was quite small (30.1 - 50%).

A moderate share of wages in the subsistence minimum can be found in only 25 rayons (28 rayons in 1999), accounting for 30% of the population. In only 14 rayons wages are higher than the subsistence minimum; in 1999, in only 5 rayons). These 14 rayons hold 13.2% of the population.

Taking into account the large share of wages in the cash incomes of the population, it is possible to measure poverty based on the share of wages in the subsistence minimum. If this indicator is lower than 30% of the subsistence minimum, people should be classified as poor from an income perspective. Analysis of the data from various regions in 1999 shows that the majority of rayons in Kazakhstan, with 46.5% of the population, are poor rayons.

More than two-thirds of the population live in the poorest Oblasts of Kazakhstan: Southern Kazakhstan - 76.2% of the

Table 3.11

Grouping of rayons of Kazakhstan based on officially registered unemployment in 1998-1999

Oblast	Total regions		Basing on the level of unemployment							
			Less than 1.5%		Between 1.6 and 3.5%		Between 3.6 and 10%		> 10%	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Akmola	15	19	3	3	7	5	5	11	-	-
Aktobe	13	13	2	5	8	4	2	3	1	1
Almaty	19	19	12	14	5	3	2	2	-	-
Atyrau	8	8	-	-	2	1	6	5	-	2
Eastern Kazakhstan	19	19	2	-	4	3	10	16	3	-
Zhambyl	11	11	3	4	3	4	3	2	2	1
Western Kazakhstan	13	13	1	2	9	6	3	5	-	-
Karaganda	17	17	8	3	8	5	1	7	-	2
Kyzylorda	8	8	1	-	4	4	3	4	-	-
Kostanai	20	20	14	9	3	5	2	2	1	4
Mangystau	6	6	-	-	1	-	2	1	3	5
Pavlodar	13	13	-	-	2	-	7	7	4	6
Northern Kazakhstan	18	14	-	-	4	2	12	9	2	3
Southern Kazakhstan	15	15	1	4	11	9	2	1	1	1
City of Astana	1	1	-	-	1	1	-	0	-	-
City of Almaty	1	1	-	-	1	1	-	0	-	-
<b>KAZAKHSTAN</b>	<b>197</b>	<b>197</b>	<b>47</b>	<b>44</b>	<b>73</b>	<b>53</b>	<b>60</b>	<b>75</b>	<b>17</b>	<b>25</b>

Source: Agency of the RK on Statistics

Table 3.12

List of rayons of Kazakhstan with the officially registered level of unemployment higher than 10%

Oblast	Rayon	Unemployment rate, %
Atyrau	Kzylkuchinskij	17.3
	Makatskij	11.7
Zhambyl	Moiynkumskij	18.2
	Aktogaiskij	10.9
Karaganda	Karkaralinskij	10.6
	Amangeldinskij	12.2
Kostanai	Djangleldinskij	12.4
	The city of Arkalyk	11.1
Mangystau	The city of Lisakovsk	11.4
	Beineusskij	34.2
	Karakiyanskij	18.2
	Mangustauskij	18.6
	Tupkaraganskij	37.1
	The city of Zhana-ozen	12.3
Pavlodar	Aktogaiskij	13.4
	Bayanaulskij	16.5
	Lebyazhinskij	11.2
	Maiskij	30.8
	Uspenskij	10.2
	Sherbaktinskij	12.1
Northern Kazakhstan	Akkyinaiskij	13.5
	Temiryaevskij	10.8
Southern Kazakhstan	Zelinnij	10.1
	The city of Kentau	12.3

Source: Agency of the RK on Statistics

**Table 3.13**  
**Distribution of unemployed within Oblasts between various regions with varied unemployment level in 1998-1999**

Oblast	Number of unemployed, 1000 people		Unemployment level in various regions, %							
			Less than 1,5%		Between 1,6-3,5%		Between 3,6-10%		More than 10%	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Akmola	15	19	3	3	7	5	5	11	-	-
Aktobe	13	13	2	5	8	4	2	3	1	1
Almaty	19	19	12	14	5	3	2	2	-	-
Atyrau	8	8	-	-	2	1	6	5	-	2
Eastern Kazakhstan	19	19	2	-	4	3	10	16	3	-
Zhambyl	11	11	3	4	3	4	3	2	2	1
Western Kazakhstan	13	13	1	2	9	6	3	5	-	-
Karaganda	17	17	8	3	8	5	1	7	-	2
Kyzylorda	8	8	1	-	4	4	3	4	-	-
Kostanai	20	20	14	9	3	5	2	2	1	4
Mangystau	6	6	-	-	1	-	2	1	3	5
Pavlodar	13	13	-	-	2	-	7	7	4	6
Northern Kazakhstan	18	14	-	-	4	2	12	9	2	3
Southern Kazakhstan	15	15	1	4	11	9	2	1	1	1
City of Astana	1	1	-	-	1	1	-	0	-	-
City of Almaty	1	1	-	-	1	1	-	0	-	-
<b>KAZAKHSTAN</b>	<b>197</b>	<b>197</b>	<b>47</b>	<b>44</b>	<b>73</b>	<b>53</b>	<b>60</b>	<b>75</b>	<b>17</b>	<b>25</b>

Source: Agency of the RK on Statistics

population is classified as poor, with the numbers for Almaty and Kyzylorda Oblasts at 70.1% and 67.5%, respectively.

In 57 rayons, the share of wages in the subsistence minimum is no higher than 15%, and, in 18 rayons, the share of wages is a mere 10%. (See Table 3.10).

#### 3.4.2. Evaluation of poverty based on the unemployment levels

As was mentioned before, from a human development perspective, unemployment is one of the key indicators of poverty. *Despite improvement in the country's socio-economic situation in 1999, and a low level of registered unemployment (3.9%), the variance between the rayons based on this indicator is increasing.* (See Table 3.11).

**In 1999, the number of rayons with an unemployment rate of 3.6-10% had increased from 60 to 76, while the number of rayons with a rate higher than 10% increased from 17 to 24.** (See Table 3.12).

Pavlodar Oblast has the largest number of rayons (6), where the unemployment rate is higher than 10%. Mangystau, Kostanai and Northern Kazakhstan Oblasts

have five, four and three such rayons, respectively. A fifth of the unemployed population live in rayons with high unemployment rate. (See Table 3.13).

\* \* \*

In summary, this chapter analysed the Human Development Index, the Human Poverty Index, the Gender-related Development Index, and the poverty situation on the district level.

In 1998, the HDI in Kazakhstan equalled 0.743 and 0.755 in 1999. Hence, there was a slight improvement in human development in Kazakhstan. The gender impact factor slightly lowered the value of the HDI.

The Human Poverty Index shows that 31% of the population of Kazakhstan were deprived in 1998, as opposed to 28.1% in 1999. The main finding of this chapter is that statistical tools allow us to carry out more or less reliable measurements of poverty in Kazakhstan. These calculations are important for effective poverty reduction planning in the country.



## CHAPTER 4

### COMPARATIVE ANALYSIS OF EXISTING POVERTY STRATEGIES AND PROGRAMMES IN KAZAKHSTAN

#### 4.1. International experience of poverty reduction

The world community has accumulated rich experience in tackling poverty problems over a long period of time.

In the 1950s many viewed large investments in physical capital infrastructure as the primary means to fight against poverty. Due to these investments many countries, including European countries and Japan managed to overcome the negative effects of poverty caused by the Second World War. Latin American countries and Northern African countries followed this same road.

In the 1970s many countries came to the understanding that there are other poverty dimensions needed to be addressed - access to health and educational services. Various countries had developed programmes specially designed to enlarge opportunities for poor people to access education. Active initiatives undertaken in some industrial European and Asian countries in the health sector allowed a significant increase in life expectancy. With regard to developing countries, these actions allowed them to decrease infant and child mortality, to overcome epidemics of smallpox, plague and tuberculosis.

The 1980s saw another shift of emphasis following debt crisis and global recession. The World Development Report 1990: Poverty<sup>4</sup> placed its emphasis on improving economic management and allowing greater play for market forces.

#### Box 3. Experience on poverty reduction in industrialised countries

It is useful to examine the experience of various western countries that obtained high levels of economic development and provided high levels of social security based on «social insurance», which guarantees a range of privileges to provide subsistence minimum.

**In Germany**, for instance, there are a broad range of legislative acts that guarantee social security in case of disease, loss of bread-winner, accident, old age or loss of job. These laws envisage various alternative types of assistance in case a person loses all sources of income. In general, all people who face any kind of difficulties, including the homeless, receive social assistance. This assistance allows individuals to obtain a sufficient standard of living. The Law "On Social Assistance" declares that the purpose of social assistance is to allow the receiver to live a life that men deserve. But at the same time, each person with the own best efforts should try to achieve it.

**In Great Britain**, among other means to improve the well-being of the population, there is a system of exchange of goods and services, called "lets". According to this system, instead of money "lets" are introduced, which were valid in shops and local residents used to pay each other for provided services and goods. A system of "lets" works for residents of certain districts and aims to increase employment and improve well-being. Transactions with "lets" are free of taxes.

A two-part strategy was proposed: promoting labour-intensive growth through economic openness and investment in infrastructure, and providing basic services to poor people in health and education. This strategy was implemented in China, in the Eastern Asian countries and, in the 1990s, in some Eastern European and the CIS countries.

In the 1990s, a composite approach to poverty reduction was developed. A new perception of poverty was reflected in documents adopted at the World Summit for Social Development 1995.

The main principles adopted in Copenhagen are as follows:

- 1) mainstreaming poverty reduction within the human development policy;

#### Box 4. Experience of China in poverty alleviation

Among all countries moving to market economies China is of particular interest. This country managed to implement its own way in poverty reduction.

Experience of this country is very useful for other countries where achievements are not that obvious. Two decades of economic reforms contributed to a dramatic decrease in the number of people who live in absolute poverty from 260 million to 42 million.

Among other countries in transition China stands out for its extraordinary decline in income poverty and its high levels of education and health. It can be useful for other countries to examine China's experience in poverty reduction. Two decades of economic reforms contributed to a dramatic decrease in the number of people living below the poverty line, from 260 million to 42 million people.

From 1978 onwards, the government took measures to attack rural poverty. The total annual funds from the central government to alleviate income poverty amounted to some USD2 billion.

- **Land reform.** Most collective farm land was distributed to households. This provided peasants with greater incentives to increase outputs and productivity and household agriculture rose significantly.
- **Market orientation.** Reforms also improved incentives by allowing people to sell more food on the open market. The government would purchase less: it cut quotas on grain procurement and reduced the number of products that was controlled through planning.
- **Price reform.** The government raised agricultural prices. In the early stages of reform it increased the average procurement price for major crops by 22%, and retail prices for pork, eggs, fish and other items by 33%.

Rural development was not restricted to agriculture. After the mid-1980s the emphasis moved away from agriculture towards industrial and export sectors. The government redirected public investment and fiscal incentives to the coastal regions - allowing them, for example, to retain more local tax and foreign exchange revenues and giving them greater freedom to use bank loans for local investment.

This created millions of new jobs. Between 1978 and 1992 employment in these enterprises increased from 28 million to 124 million people.

<sup>4</sup> World Development Report 1990: Poverty. Washington, 1990.

<sup>5</sup> Poverty Alleviation: Basic trends of national strategies. - UNDP, 1995.

- 2) poverty is a multidimensional issue, therefore a comprehensive approach is needed to tackle this issue;
- 3) further, assessment of the main causes of poverty is needed;
- 4) poverty reduction is first of all a political problem, hence all society members must be involved in this process;
- 5) poverty reduction is a national responsibility, which must create the enabling environment for all stakeholders;
- 6) better recognition needs to be given to the gender dimension of poverty issues;
- 7) pro-poor economic growth; and
- 8) budgetary commitments to allocating the resources needed to keep the strategy on track<sup>5</sup>.

Based on the principles of the Copenhagen Declaration 1995, many countries have developed their own poverty reduction programmes. These programmes aim to tackle the most acute issues that caused poverty in different countries. For instance, in industrial countries poverty alleviation activity is based on the development of social insurance and provision of social assistance and adequate accommodation to people with low incomes. As for developing countries in Asia and Africa the emphasis is on the development of production that heavily depends upon labour force, organisation of public work and development of the rural sector.

Based on global experience accumulated over the last decade the World Development Report 2000/2001 suggested a three way universal strategy on poverty reduction:

- promoting opportunities based on economic growth and providing equality (this means creating new jobs for the

poor, providing access to land and credit resources, developing infrastructure and providing energy)

- facilitating empowerment (the choice and implementation of public actions that are responsive to the needs of poor people depend on the interaction of political, social, and other institutional processes; also important is removing social and institutional barriers that result from distinctions of gender, ethnicity, and social status);
- enhancing security (reducing vulnerability - to economic shocks, natural disasters, ill health, disability, and personal violence through development of institutional mechanisms and an insurance system)<sup>6</sup>.

In general, based on the experience of many countries on poverty reduction, the following factors can be identified that determine success in this issue:

- existence of the multidimensional understanding of poverty, its causes and specifics of each country;
- development and implementation of poverty reduction programmes with allocated funds;
- development of institutional mechanisms and monitoring of the implementation of poverty alleviation programmes;
- partnership of public and private sectors, NGOs and all groups of society;
- promoting opportunities for the poor population to let them participate in the poverty reduction and decision-making process;
- self-mobilisation of the poor to improve their well-being;
- providing access to resources (credits, job opportunities, transport, education, utility privileges, etc.).

#### Box 5. The CIS and Baltic countries experience in the poverty alleviation issue

In the early 1990s, in most of the CIS and Baltic countries there have been established state bodies responsible for the social protection of the population. Starting from this period the majority of former USSR countries started calculating the subsistence minimum value based on the cost of the consumption basket – Russia, Belarus, Ukraine, Uzbekistan, Lithuania, on the poverty line – Armenia, Azerbaijan, Estonia and Latvia. In general, the CIS and Baltic countries had recognised the poverty problem as one of the most acute problems for further development.

The National Programme of Poverty Alleviation "Araket" was developed in **Kyrgyzstan**. This programme presented the state strategy on poverty alleviation based on economic growth, promotion of growth of employment, investment into human capital and social protection of the population.

In **Georgia**, in order to support the poor regions of the country, the Fund for social investments has been established. The poor regions have been identified based on the following parameters – situation in the labour market, level of education and health care system, development of infrastructure. Preferences for investments were given to the agriculture and alpine regions.

A system of assessing families with low incomes has been introduced in **Armenia**. Based on the information about the size of families and their incomes, the Central Bank determines the size of the social assistance for each family.

**Estonia** achieved the most successful results in poverty reduction. The programme on poverty alleviation in this country identifies the targeted social groups to reduce poverty within these groups: children, families with several children, unemployed, low-paid employees, the elders, marginal groups and women. Currently, among all the other CIS and Baltic countries, Estonia has the lowest level of poverty.

#### Box 6. Challenges for poverty reduction in the strategy "Kazakhstan - 2030"

The following reasons are identified as the main causes of poverty - economic decline, growth of unemployment combined with delayed payments of pensions and wages, decline in the public spending budget in the social sphere and difficulties in rural areas.

In the long-term prospective basic strategic points in the reduction of growing gap between the wealthy and poor have been determined:

**Resolving country-side problems.** In these terms, there is a challenge to conduct all transformations in the country-side and fortify it with active social policy. The document emphasises also the necessity to provide rural residents with "opportunity for more effective control over their lives and also to supply them with the means to realise this opportunity".

**Economic growth** is recognised as one of the means to fight poverty. Economic growth can provide more opportunities for each person. It is said in the document that "everybody has a chance of obtaining a portion of the ever growing national wealth".

**Targeted social assistance:** The social allowance will be given only to the most disadvantaged groups.

These strategic tasks have been set in the Strategy's priority «Health, Education and well-being of Kazakhstani citizens» and challenges for 1998-2000. Fighting poverty and unemployment is based on the introduction of a system of micro-credits; small-scale and middle-scale business development; priority development of labour-intensive sectors and active attraction of foreign investments and domestic capital into them; a tough approach to problems of unemployment under contracts, agreements, budget purchases; development of public work, primarily road construction and tree planning.

<sup>6</sup> World Development Report 2000/2001. - Washington, 2000.

Besides that, successful implementations of poverty reduction programmes depend on the level of interrelation and co-ordination between the national governments and international organisations.

## 4.2. Poverty perception in Thematic Programmes in Kazakhstan

Through analysis of state programmes to combat poverty we also see differentiation of priority poverty issues on a thematic basis. Recognising these and drawing them together will obviously assist us in further understanding the wider dimensions of this complex issue.

### 4.2.1. Overview of poverty related strategies and programmes

In the past, a range of strategic programme documents were adopted in Kazakhstan, reflecting the State's understanding of the importance of single-minded work on poverty reduction. The main conceptual document, which serves as the basis for overall activity in this sphere is the long-term development **strategy «Kazakhstan-2030»**<sup>7</sup>.

As mentioned at the World Summit for Social Development in Copenhagen, poverty reduction is firstly a political issue. The world community recommended national governments to develop a broad range of political programmes aimed at expanding the number of people involved in the social life of society and in the decision-making process. In other words, broad development of the democratic process is one of the premises of the poverty alleviation issue.

A Programme of Democratisation and Political Reforms in Kazakhstan was for the first time outlined in the annual **Address to the People from the 30th of September 1998**.

Human development, democracy process, increasing security in Kazakhstan have been outlined in the Message of the President to the People of Kazakhstan, 2000, «Towards a Free, Effective and Secure Society».

This document determines perspectives of economic development of the country, based on the long-term priorities of economic growth. There are some challenges that have been set for the near future:

- ensure quick decrease of budget deficit as the main factor of preservation of macroeconomic and financial stability;
- form a powerful private sector in the economy and establish privatisation where it should be carried out;
- develop an integrated Conception of Social Policy;
- increase salary to civil servants up to 30%, to people employed in the armed forces by 30-40%, increase salaries to court employees, increase minimal pension to 4 thousand tenge;
- begin repayment of debt to the population to the amount of 5 billion tenge. It is planned to pay off all debts by 2004;
- clarify the situation regarding land: farmers must have used mechanisms to bring the rights of land use under market and through it - access to financial means and as

soon as possible to ensure their real access to leasing companies;

- ensure the development of foreign and domestic investments on modernisation and building.

The Message also identifies the main socio-economic parameters of the project for the first five-year indicative plan of economic development of Kazakhstan:

- to guarantee the growth of real GDP by 30%;
- to provide an increase of real wage by 25-30%;
- to reduce inflation to 4-5% in a year;
- to increase tax inflows into budget to 25% of the GDP level; and
- decrease the budget deficit to 1.5% of the GDP level.

The Message determines tasks for the democratisation of society and guarantee of national security of Kazakhstan.

The important strategic document that was adopted in 1999 is the **National Security Strategy of Kazakhstan for 1999-2005**. This document considers resolving urgent social problems as one of the means to provide social and political security in the country. Therefore, the document suggests development of a programme of poverty and unemployment reduction for 2000-2003.

The National Security Strategy obliges the state to work with those groups of people who face severe difficulties in a transition period, in particular with migrants from the countryside, repatriates and unemployed youth. The document emphasises the necessity of development of comprehensive state programmes aimed at social adaptation of these groups of people.

### Box 7. The Programme of Democratisation of Kazakhstan society as one of the premises of a successful poverty reduction process

The Message of the President to the people of Kazakhstan from the 30th of September 1998, establishes 7 basic priorities of democratisation of Kazakhstan society:

- guarantee of participation of the whole population in the election process;
- development of a party-political system;
- empowerment of the Parliament;
- development and empowerment of the NGOs;
- guarantee of the independence of the judicial system;
- promotion of an independent and census-free media sector;
- increase of the role of women in the community's life.

After elections were conducted in 1999, in the national Parliament political fractions have appeared and a range of deputy groups established, aimed at asserting the interests of certain vulnerable groups such as rural residents, women, workers, scientists, etc. The authority of the Parliament to control the Government's activity has also been expanded.

The procedure of registration and control of NGOs has become easier. These changes caused the increase in the total number of NGOs. Considerable steps have also been taken in the fight against corruption, including the adoption of the law "On the fight against corruption."

The Message of the President to the people of Kazakhstan from 2000 sets the following targets for the further democratisation of the society:

- strengthening of the independent judicial system and judicial reforms;
- empowerment of governmental bodies;
- expanding of voting and improvement of the election legislation;
- strengthening of the institutes of civil society.

<sup>7</sup> Message of the President to the people of Kazakhstan - "Kazakhstan - 2030: Prosperity, Security and Ever-Growing Welfare of all Kazakhstanis."

At the beginning of 2000, a **National Plan of Actions for 2000-2002** was adopted by Presidential decree. This programme envisages extending activity on poverty and unemployment reduction.

State documents are based on the mid- and long-term strategies. These documents recognise the existence of the poverty problem and necessity of decisive action to tackle this problem. But still the development of a multidimensional approach to address the poverty issue is in the process.

#### 4.2.2. The Programme of Poverty Alleviation and Unemployment Control for 2000-2002

The main document aimed to decline poverty is the **Programme of Poverty Alleviation and Unemployment Control for 2000-2002** adopted by the Government in June 2000.

Its purpose is to decrease the scale of poverty by providing targeted social assistance to the poor; and unemployed - by implementing an active policy to increase employment opportunities. This programme establishes a challenge to decrease unemployment in Kazakhstan to the level that does not threaten the stability of economic development of the country. In general, the unemployment level is supposed to be decreased by 8.7% by 2002.

In the Programme the most disadvantaged groups of people have been identified who are a priority for social assistance - pensioners, repatriates, disabled, and children. The Programme is supposed to be financed from the state budget at 0.8% of GDP in 2000, 1% of GDP in 2001 and 1% of GDP in 2002. Shrinking regional budgets only allow the provision of social assistance to the most disadvantaged groups of the population who are under the poverty line - families with several children, pregnant women, long-term unemployed, etc.

A new approach of targeted social assistance based on an increased role of society is employed in the Programme. For instance, in order to identify persons and families needing social assistance, recommendations of local committees (consisting of aksakals) will be taken into account. It will allow for a decrease in influence of such negative factors as bureaucracy and subjectivity in providing social assistance.

#### Box 8. The poverty alleviation issue in the National Action Plan for 2000-2002

The Government will enhance the social orientation of reforms focusing its efforts on the activity aimed at reducing poverty and unemployment.

Improvement of the living standards of the population remains one of the main targets of the reforms conducted in the social sphere. The development of conditions, necessary to realise the labour potential and timely payments of wage, pensions and social assistance payments are considered as one of the means to conduct social reforms.

The Programme envisages developing a system of rules for provision of the targeted social assistance to individuals whose incomes are below the poverty line. It is also planned to support socially vulnerable groups such as pensioners, disabled and orphan children.

There is a challenge to increase the size of the minimal pension payment and to strengthen the accumulative pension system. It is planned to develop the programme of rehabilitation of disabled people and establish centres of social adaptation for individuals without permanent places to live.

The Plan of Actions envisages to determine quotas to enter the universities for orphans, disabled children and children from families with low incomes.

The Programme outlines a clear correlation between poverty alleviation and unemployment reduction. There are certain steps for poverty reduction presented in the Programme and it sets up a challenge to provide a job to at least one member in each family.

The unemployment level is supposed to be decreased from 13.5% in 2000 to 9% by the end of 2002, via the creation of new jobs and keeping old ones. In total, 400 thousand new jobs are planned to be created. (See Table 4.1).

The programme of import substitution is expected to launch new production, which will allow creation of 45,000 new jobs. 500 new jobs are planned to be created in machine-building, 1,400 - in light production, 7,200 - in food production, 4,200 - mining and smelting, 3,500 - in the chemical sector. The Programme plans to increase employment in oil and gas and oil-refining industries by 11%, which is about 3,300 new jobs. The highest growth of employment is envisaged in rural areas. 165,000 new jobs are expected to develop in the country-side. Due to the

Table 4.1

Basic indicators of creation of new jobs envisaged by the Programme according to regions and time

Nº	Oblast	2000	2001	2002	Total
1.	Akmola	11560	14300	16100	41960
2.	Aktobe	2630	1500	2290	6420
3.	Almaty	5846	2988	2532	11366
4.	Atyrau	8297	1580	1770	11647
5.	East Kazakhstan	16700	16334	17965	50999
6.	Zhambyl	11168	9273	9438	29879
7.	West Kazakhstan	8588	7449	9472	25509
8.	Karaganda	10915	10915	10915	32745
9.	Kyzylorda	8038	1380	1570	10988
10.	Kostanai	11851	11634	13392	36877
11.	Mangystau	7928	6607	8195	22730
12.	Pavlodar	15878	18200	20500	54578
13.	North Kazakhstan	4237	2504	2567	9308
14.	South Kazakhstan	5828	2678	1887	10393
15.	City of Astana	3984	4000	4050	12034
16.	City of Almaty	12778	10193	10007	32978
Total in the country:		146226	121535	132650	400411

Source: Agency of the RK on Statistics

### Box 9. Main factors that cause poverty in Kazakhstan

The Programme of Poverty Alleviation and Unemployment Control identifies the following poverty factors:

- Lack of jobs in places of permanent living of the population;
- Non-readiness of the population to launch their own businesses and search for new job in the transition period;
- Lack of access for small and individual businesses to financial and material resources;
- Weak development of infrastructure to support small and individual businesses, plus information support and training provision;
- Lack of transparency in the targeted social assistance support to small businesses producing goods;
- Lack of control over the visiting foreign labour force that is used for various investment projects;
- Lack of ability of local governments to provide social assistance to the disadvantaged groups of the population and lack of monitoring among the population for identification of the real poor;
- Weak activity of local governments to create new jobs;
- Non-competitiveness of local goods caused by cheap import of foreign goods.

development of small businesses 17.4 thousand people are expected to find a job by 2002.

Micro-credits will play an important role in unemployment and poverty reduction. Only those people who are really able to launch their own businesses will be provided with micro-credits.

The State Programme of Poverty Alleviation and Unemployment Control envisages increasing volumes of public work. There is a challenge to increase employment by 240 thousand people over the period 2000-2004.

Special attention is being paid to the most vulnerable groups of the population, mainly to disabled people. In these terms, enterprises, which employ disabled people will get strong support from the state. Besides that, there is another task to establish centres of rehabilitation and adaptation for youth and people without permanent places to live.

The Programme envisages further improvement of legislation based on poverty alleviation in Kazakhstan. There are a list of laws and resolutions to be adopted. The Government will achieve the effectiveness of the Programme through strict control of its implementation. A ranking system of the socio-economic conditions of different regions based on the main parameters of poverty and unemployment is to be improved.

In general, analysis of the Programme of Poverty Alleviation and Unemployment Control for 2000-2002 shows that this document, from one side, still employs a narrow approach to determining poverty from an income perspective.

From another side, the programme reflects an evolution of approaches to the poverty issue in Kazakhstan. A lack of opportunities for human development is one of the main poverty factors. This includes a lack of jobs, a limited access to financial, material and information resources. As a consequence, the programme defines poverty from a broader perspective rather than a «situation, which is characterised by low incomes». Current evolution of approaches can be confirmed by the fact that tackling the poverty problem is related to such actions as the creation of new jobs, development of small businesses and social adaptation of the population to a market economy.

One of the drawbacks of the programme is a lack of definition of poverty. Therefore, this drawback makes it difficult

### Box 10. Reflection on the various aspects of poverty reduction in specialised programmes

Poverty alleviation issues have been reflected in a range of specialised state documents adopted during the last few years. Starting from 1992 state programmes of development and support to small businesses in Kazakhstan have been conducted.

At this stage, realisation of the State Programme for Development and Support of small businesses in Kazakhstan for 1999-2000, which has been adopted based on the Strategy «Kazakhstan-2030» is coming to the end. Currently, development of the project on the second State Programme of Development and Support of small businesses in Kazakhstan for 2001-2002 is almost finished. This programme aims at creation of new business entities, which should provide about 500 thousand new jobs. The entire proportion of small businesses in GDP production is supposed to be increased to 22%.

The State Programme «Health of the Population» adopted in 1998 records the aggravation of the population's health, caused by the unfavourable environment, unsafe water and decreasing quality of health services.

Providing access to health services is recognised as one of the means to improve the well-being of the poor. This includes provision of primary medical-sanitary services and prophylactic services in the fight against "poverty diseases" such as tuberculosis and infection diseases.

The programme "Health of the population" aims at developing a system of health protection from the negative influence of the polluted environment, provision of safe water, free vaccination, improving services provided to women and children, etc.

The State Programme «Education» adopted in September in 2000 raises the problems of low wages of one of the most numerous group of employees in the country - teachers. Wage levels of employees of the educational sphere is to be increased to the average wage level in the country by the year 2005.

One aim is to provide social assistance to students from poor families. The quality of education in rural areas should be improved so those graduates from the countryside have a greater access to higher education.

The State Programme of adaptation and social protection of repatriates, envisages approving annual quotas for repatriates who come back to the historical motherland. All repatriates will get a one time grant: heads of the families will receive allowance amounting to 1.5 times the monthly calculated indicator and the rest of the members of families - 1.0 times the monthly calculated indicator. Repatriates of pension age and families with several children will be provided with pension payments and social assistance. The programme will provide free of charge medical inspection of all repatriates and guarantee access to education for their children.

In September 2000 the Concept on migration policy was adopted, aimed to determine further actions on co-ordination and control of the process of external migration and improvement of the well-being of repatriates.

In the framework of the National Plan of Action on Environment Protection, there were 33 projects developed. Among the basic priorities of environment policy is a project on protection of water resources, forests, prevention of land pollution by industrial waste, particularly in the oil and gas sector and others.

to set a range of targets and challenges for poverty reduction. As a result, the Programme's purposes and tasks have a declarative nature and do not reflect the whole range of poverty related problems.

In the near future poverty alleviation relates only to an increase in incomes of the socially vulnerable groups of the population (pensioners, disabled, children, repatriates) and to activity on unemployment reduction. However, other dimensions of poverty, such as an access to education and health care, environmental protection and gender equality have not been reflected in the Programme.



Another negative sign of the Programme of Poverty Alleviation and Unemployment Control is that there is no link with numerous specialised programmes. As a result, a narrow understanding of the poverty issue can lead to ineffectiveness of anti-poverty efforts.

One of the positive features of the Programme is that the poor have been divided into various social groups. For each group needed type of assistance is identified. However, a mechanism for provision of social assistance is not clarified yet, and what is even more important - an agency, which would be responsible for implementation of this mechanism, is not established.

The Programme emphasises the necessity for improvement of the system of registration of the poor (development of the methodology of records, introduction of the system of cards, establishment of local commissions to conduct investigations). Obviously, all these effort are of crucial importance but they will require additional administrative expenses. Consequently, a smaller proportion of the allocated funds will be spent on the poor.

It should be noted that efforts for unemployment reduction and creation of new jobs on the regional level do not sufficiently take into account the differences between Oblasts in terms of poverty level. The following Oblasts, such as Almaty, Zhambyl, South and North Kazakhstan have the highest rate of poverty and unemployment. It is planned to create on average about 10 thousand new jobs in each of these Oblasts. At the same time, the biggest number of new jobs is planned to be created in the regions with lowest poverty levels (Karaganda, Pavlodar, Akmola, Mangystau and other Oblasts). Besides this, the mechanism of control over the implementation of the Programme is not as yet fully developed.

#### 4.2.3. International programmes

Starting in 1992, Kazakhstan began receiving donors' development assistance. In the early 1990s the largest part of financial and technical assistance was tied to economic reforms, the budget and balance of payments. The WB, EBRD, ADB provided a broad range of loans aimed at reforming the private banking sector, reducing inflation, financing programmes on promoting and development of small businesses, support the state and private enterprises.

While increasing the volumes of funding, donors together with the Government of Kazakhstan developed their

main programmes aimed at providing assistance in certain spheres based on their individual mandates and experience.

The problem of poverty reduction has been placed high on the country's development agenda in the course of the development of the long-term strategy 'Kazakhstan 2030' in 1997. UNDP, in co-operation with other UN agencies, supported the strategic planning process that set the target of eradicating absolute poverty and identified the key directions for translating poverty-related targets into a number of mid-term sector programmes including those on employment generation, strengthening the social safety net, promotion of access to health and education and other basic social services. Up to the end of 1999 the Government did not take significant steps to translate the long-term vision into mid-term programme on poverty. The process of anti-poverty planning was revitalised recently with elaboration and approval of the State Programme on Combating Poverty and Unemployment and then the Action Plan for its implementation.

Government's strong commitment to poverty reduction laid a solid foundation for donors and international organisations to strengthen their activities and efforts in resolving poverty problems in Kazakhstan. Time has come for co-ordinated work of all involved parties in this area.

In 2000, a **Joint Initiative of the Asian Development Bank, World Bank and UNDP** began. This joint initiative aims to provide assistance to the Government in preparation of a Comprehensive Medium-Term National Poverty Reduction Strategy for 2003-2007. The Joint Initiative was aimed at the development of pro-poor policies and national development strategies that will strengthen the enabling environment for more effective poverty reduction activities.

Although the ADB, WB and UNDP are considered as the most experienced organisation in poverty alleviation, it is obvious that efforts of only these three organisations are not enough for effective poverty reduction in Kazakhstan. The Joint Initiative is open to other donors and international organisations. Joint efforts of the international community and the Government of Kazakhstan will, however, make a crucially important impact on combating poverty.

Consistent with the national reform objectives, the **WB's** next assistance strategy will evolve around: (a) stimulating a broad based growth strategy that generates employment and increases incomes outside the extractive sectors; (b) enabling a reformed public sector that effectively and efficiently delivers public services to the people; (c) supporting the most vulnerable; and (d) protecting the environment.

Beginning in 2000, **ADB** will prepare an annual action plan for poverty reduction. The plan will identify all poverty-focused activities to be undertaken during the year. Activities will include the country operational strategies to be initiated in 2000, poverty and core poverty interventions, and poverty-related technical assistance to be processed or implemented.

The new initiative of **EU/TACIS** is to design specific recommendations and instructions for a targeted social assistance system through a participatory survey of 1,500 households. A strategy to integrate the activities of the public authorities, non-governmental organisations and the private sector in the areas of social assistance, poverty reduction, and employment generation will also be drafted.

**USAID** believes that it has much to contribute to poverty reduction in Kazakhstan. USAID is working with the Government of Kazakhstan to improve the collection and use



of government revenues in support of critical social services in the areas of education and health, as well as with the government and citizens of Kazakhstan to improve the environment for the growth of small and medium enterprises. Growth must occur in the critical private sector for both the economy to grow and for citizens to have lawful opportunities for employment and income generation. In addition, USAID assistance with pension reform is helping to provide a secure future for citizens of Kazakhstan.

In view of the progress made towards achieving economic growth, other bilateral and multilateral donors also focus on providing assistance to human development. Starting this year, donors began allocating funds specifically for poverty alleviation. There are 14 agencies within the UN System, which conduct their activities in different areas of the social sphere. Each of these agencies have their own mandates according to which they contribute to social and human development in Kazakhstan.

The **United Nations Children's Fund (UNICEF)** focuses on five areas, namely, child and maternal health, child and maternal nutrition, basic education, water supply and sanitation and planning and advocacy.

Since 1992, the **United Nations Population Fund (UNFPA)** assisted Kazakhstan in improving reproductive health/family planning services and provided IEC support to reproductive health efforts.

The **Joint United Nation Programme on HIV/AIDS (UNAIDS)** was established in Kazakhstan as a co-sponsored programme to bring together the experience, efforts and resources of seven UN system organisations (UNICEF, UNDP, UNFPA, UNDCP, UNESCO, WHO and the World Bank).

All these activities contribute to improving the poverty situation in Kazakhstan. In order to co-ordinate activities of the various agencies, the UN System and the Government of Kazakhstan developed the UN framework on providing development assistance for 2000-2004. The UNDAF emphasises the need for effective co-operation and co-ordination among the Government, UN agencies, donors, NGOs and other parties. UNDAF identified the main potential priorities for collaboration:

- social security and human development (joint activity between UNDAF, UNESCO, UNICEF, UNDP);
- economic management and effective state management (UNDP);
- ecology and sustainable development (WB/UNDP);
- democracy and participation (UNDP/ UNESCO/ UNICEF).

As a mechanism for implementation of the UNDAF, the UN Thematic and Working Groups will be established particularly, on Poverty Alleviation, Employment, and Social Safety.

In general, implementation of the UNDAF will allow enhancement of interrelation between international and national development strategies and will increase the effectiveness of assistance provided by the UN system.

The **OSCE** in Almaty conducts comprehensive anti-poverty activity in Kazakhstan. The OSCE office in Almaty considers the poverty problem in terms of stability and security in the region and considers itself as a catalyst of joint efforts of the governmental authorities and civil society aimed at resolving the poverty problem. The OSCE Centre has

conducted a range of activities in this sphere and plans to continue its work through a series of regional seminars in 2001 aimed to increase the importance of poverty eradication at the Oblast level.

### 4.3. Basic results of the implementation of the Poverty Alleviation Programme

First, results of implementation of the Programme of Poverty Alleviation and Unemployment Control and other specialised programme documents demonstrate some positive changes in this area as well as reveal a range of problems.

In order to see the extent to which the undertaken programmes made a real contribution to advance poor people's interests, it is necessary to identify the results of programme implementation on the most important priorities.

#### 4.3.1. Changes in the legislation basis

Starting from the 1st January 2000 a new Law of Kazakhstan on "The Subsistence Minimum" entered into force. This legislative act gives a definition of the "poverty line", which is referred to as insufficiency of economic resources to meet basic needs. According to the Law, the Government adopted the resolution "On rules for setting the poverty line".

The Ministry of Labour and Social Protection of the Population **set the poverty line at the level of 38% of subsistence minimum, in the II, III and IV quarters of the current year. This represented 1,515, 1,514 and 1,496 tenge, respectively (about USD 10).**

These indicators have been used to build the foundation to provide the targeted social assistance to the poor in 2000.

The Government of Kazakhstan has submitted for consideration the project of Law on "The state targeted social assistance". This Project of Law guarantees the right of all citizens and non-citizens who live in the country, to obtain the targeted social assistance if his/her income level is lower than the poverty line.

The value of the average income for each family member will determine the size of the social assistance. Local budgets will allocate necessary funds to provide social assistance.

The Law on "Special state benefits for individuals, who used to work underground in mining work and under other

#### Box 11. From the Legislative Act of Kazakhstan on "The subsistence minimum"

##### Article 1. The subsistence minimum

1. The subsistence minimum - is a minimal income level for one person equal to the value of the minimal consumption basket.

##### Article 4. The poverty Line

1. The Poverty Line - is an income level, which is necessary to meet basic needs. The poverty line depends on the economic situation of the country.

2. The Government every quarter is setting the poverty line for each region separately.

3. The poverty line is a criterion for defining those groups of the population who need social assistance.

harmful conditions" entered into force at the beginning of 2000. This law aimed to improve the social protection for a vast group of pensioners who used to work as miners and in other harmful industries. These groups of workers are included in so called "List No.1". They will receive monthly payments amounted to 8 times of the monthly calculated indicator. These expenditures are already included in the public budget.

Currently, the project of the new Tax Code of Kazakhstan is being discussed widely. A range of statements that have been suggested by the Government, such as the introduction of new taxes imposed on grant receivers, will have consequences on the activity of international and local NGOs to reduce poverty.

#### 4.3.2. *Effort on improving the position of the most disadvantaged people*

First of all, it should be noted that the debt on pension payments has been paid off in the beginning of 2000. This became one of the most important achievements on improving the position of vulnerable groups of the population.

The draft republic budget for 2001 envisages increasing minimal pensions to the level of the subsistence minimum. This will require funding amounted to about 6 billion tenge. About 2.3 million pensioners will receive increased pension payments.

More than 360,000 disabled receive assistance in Kazakhstan. A Programme of Rehabilitation for the Disabled was developed for 2001-2003 aimed at health, social and labour rehabilitation of disabled people. In particular, a new approach of early diagnostic of infringement in development is planned to be launched. Disabled people will be equipped with technical means, will receive prosthesis-orthopaedic assistance and will be trained to take up new professions. A certain share of jobs will be distributed for the disabled in all enterprises.

There are **49,000 disabled** children aged 6 registered by the agencies of labour and state social protection of the population. These children receive state social allowance amounting to 3 monthly calculated indicators or 2,175 tenge as well as social state allowance equal to 653 tenge. Over 3 thousand disabled children live on state funding in 17 handicapped associations.

In order to create an effective system of provision of social assistance to disabled children a project of Law on "Social and medical-training support for disabled children is in the process of development. It is planned to establish a unique system of identifying and registering disabled children as well as creation of a group of agencies to promote social assistance to disabled children and their families.

In 2000, after adoption of the relevant Decree by the Government, the process of **establishment of centres of social adaptation** was launched for people without permanent places to live. The first centres have been established in Eastern Kazakhstan and Zhambyl Oblasts and Almaty City. It is planned to establish analogous centres in Aktobe, Atyrau, Western Kazakhstan, Karaganda and Kostanai Oblasts.

Some actions are being undertaken in terms of social protection of repatriates. Over 170,000 repatriates who came back to their historical motherland are living in Kazakhstan now. There are centres for adaptation of repatriates that work in 9 Oblasts and Almaty and Astana

cities. Medical inspection and accelerated training of adaptation covered more than 1,800 people in 2000.

From more than 3,300 repatriates who applied to the employment services in 2000, almost 1,300 people have been redirected to public work and 457 were placed in jobs (13.7% of all applicants). To support entrepreneur development 286 repatriates have been provided with micro-credits amounted to 1.6 million tenge.

At the same time there are a range of problems concerning repatriates. One of the most important problems is accumulated payments debts from one-time grants, which in total amount to more than 80 million tenge. There are certain difficulties in provisioning repatriates with adequate accommodation. Over 5,100 families urgently need houses, which requires about 1.2 billion tenge.

Citizenship is also a problematic issue. To date, only 18% of all arrived repatriates obtained citizenship of Kazakhstan. Over 11,200 applicants are in the process of consideration. Lack of citizenship makes it complicated to find a job, to get a access to education, health and social services.

A thorough investigation is being conducted in every region of the country to determine the extent of poverty of each family that applied for assistance. Hence, gross and per capita incomes are to be estimated. To conduct this work local commissions are being established, which consist of representatives of local blocks, streets, micro-districts, auls, villages and local government.

To conclude, there has been progress towards attaining effective actions on social protection of the most vulnerable groups. But still social allowance does not cover all categories that need it. The level of social assistance itself does not allow the subject to afford even the basic needs of the poor. And there is no guarantee of stability of pension payments and social assistance.

#### 4.3.3. *Tackling the unemployment problem*

According to the Programme of Poverty Alleviation and Unemployment Control for 2000-2002 activity on improvement of the employment situation is being undertaken.

In 2000, **368.2 thousand unemployed** have been registered with the employment centres. In the rural areas 115.4 thousand unemployed have been registered. On average, in the country at the end of September 2000 there were 21 persons for every vacancy, and in the rural areas - 107 persons.

Over 9 months in 2000, **127.7 thousand people found a job, which is one third of all job-seekers**. In the rural areas the number of people who have been placed in employment, reached 28.2% of all unemployed rural residents.

The highest rate of placement in employment has been in Karaganda Oblast (60% of all registered unemployed), North Kazakhstan (51%), Almaty Oblast (45.3%) and South Kazakhstan (44.1%). The lowest rates of placement in employment is in Zhambyl Oblast (9.1%) and Kyzylorda Oblast (9.6%). As recorded in October 2000, there were 209.9 thousand new jobs created. (See Table 4.2).

New jobs are being created very actively in Karaganda, Zhambyl, South Kazakhstan and East Kazakhstan Oblasts. About 3,700 new jobs have been created in the machinery building industry. In the oil and gas

Table 4.2

## The number of created new jobs

Oblast	The number of jobs planned by the Programme of Poverty Alleviation and Unemployment Control for 2000	The number of jobs created by October 2000	Percentage
Akmola	11560	4935	42.7
Aktobe	2630	8093	307.7
Almaty	5846	11100	189.9
Atyrau	8297	7140	86.1
Eastern Kazakhstan	16700	18042	108
Zhambyl	11168	30686	274.8
Western Kazakhstan	8588	123999	144.4
Karaganda	10915	33930	310.9
Kyzylorda	8038	4317	53.7
Kostanai	11851	13088	110.4
Mangystau	7928	5592	70.5
Pavlodar	15878	3872	24.4
Northern Kazakhstan	4237	19367	457.1
Southern Kazakhstan	5828	25363	435.2
City of Akmola	3984	4119	103.4
City of Almaty	12778	7896	61.8
<b>Total in the country:</b>	<b>146226</b>	<b>321535</b>	<b>219.9</b>

Source: Agency of the RK on Statistics

industry 1,800 new jobs have been created, in the chemical sector - 6,500, in agriculture - 31,000. Based on the data of the Agency on Investments, due to investors 1,700 new jobs have been created and 722 individuals have been provided with training.

Due to job placement quotas (youth under 20, single parents, parents with many children, repatriates), about 17,000 people have found a job. According to the Programme of Poverty Alleviation and Unemployment Control, implementation of public work is considered as one of the means to fight poverty. Over 9 months in the year 2000 more than **90,000** people have been involved in **public work**. These actions required more than 540 million tenge. But only 88% of this amount has been paid off.

Some initiatives have undertaken work in **professional job retraining of the unemployed**. During 9 months in the year 2000 in total 8,900 unemployed were assigned to training and retraining, which is 65% of the total number. Of 6,700 people who received different types of training, 5,300 were placed in jobs and more than 200 people launched their own businesses.

In order to protect the internal labour market in Kazakhstan, activity related to attraction of foreign labour forces is being licensed. From the beginning of 2000 28 licenses and over 1,700 permissions for hiring about 7,600 foreigners to work in the country have been issued.

One of the problems of Programme implementation is lack of funding and co-ordination. Lack of co-ordination has led to inappropriate approaches related to local governments manipulating the plans for creation of new jobs. Currently, in some Oblasts the number of new jobs created exceeds the planned number by 2-4 times. This allows the heads of Oblasts to report about exceeding of plans, while in fact estimates of poverty and unemployment are initially easily attainable.

Besides that, it is worthwhile to note that exceeding the rate of planned indicators on creating new jobs is taking place due to the reorganisation of existing enterprises. Old approach of double measurement of unemployment - official, based on the number of persons registered with employment agencies and real (evaluated) - does not reflect a real unemployment situation.

Debt on payments for public work amounted to 65 million tenge. Significant debts exist in Pavlodar, Atyrau and Akmola Oblasts. The fact of existence of debts negatively affects the idea of public work itself.

#### 4.3.4. Development of small-scaled businesses and micro-crediting

In general actions that were undertaken by the state aimed at supporting and developing the small businesses, have given positive results. Currently, there are 370,000 small business entities registered in Kazakhstan. In this sector there are about 1.5 million people employed, which is a fourth of all the employed population.





Over 9 months in 2000, the sector of small businesses provided goods and services to the amount equal to 350 billion tenge, which is 25.7% more than the 1999 level. The volume of payments of small businesses into the country's budget in the current year was more than 40 billion tenge, which is 1.7 times more than the 1999 level.

Establishment of **business incubators** in the regions is considered as one of the means to stimulate development of small businesses. Currently, business incubators are established in 10 Oblasts and two cities in Kazakhstan. In total, there are 31 business incubators in the country.

On the territory where business incubators work, more than 200 enterprises function in various industrial sectors: food industry, service sector, manufacturing of building materials, fixing of everyday techniques and non-standard equipment.

Significant impact on the development of small businesses has been made by the policy of micro-credits. In general, the whole amount provided to small business entities on 1.09.2000 is equal to 47 billion tenge.

In total, in 2000 **micro-credits** should have been provided to about 70 thousand individuals. New micro-credits will be provided at the expense of payments made for previous micro-credits. Usually, micro-credits are directed to the same regions where payments come from.

From the beginning of implementation of the programme of micro-credits, **more than 19,000 micro-credits amounting to more than 600 million tenge**, have been provided. Due to this programme, about 60,000 new jobs have been created. Over the period between 1997-2000, small business entities have received more than 5,000 objects and constructions, and 650 of them are free of charge. Businessmen bought under instalment conditions more than 65,000 land units.

The small business sector is becoming one of the main factors of economic growth in Kazakhstan. This sector contributes to the production of the various goods and

services and creates new jobs. At the same time, some problems appeared in this sphere. For instance, in the branch structure of production there still dominates a trade-mediator character and only 8% of the whole volume of activity is the manufacture production.

Local governments also interfere very often in the activity of small businesses. Over the last year the activity of more than 2,000 small business entities have been checked more than 3 times. Mainly, sanitary control bodies and tax agencies conduct testing.

A serious problem that makes the development of small businesses difficult is limited access to credit resources, high rent payments and lack of information support.

#### 4.3.5. Provision of access to health services

Since 1998, approximately 30 governmental decrees, aimed at the provision of basic health care tasks were promulgated and reflected in the State Programme "Health of the Population."

In particular, the principles of providing the first ambulance assistance have been reorganised, based on reducing costs of ambulance-polyclinic assistance. These activities have broadened access to health care services for the poor population.

The private share of the health care system has increased significantly. At the beginning of 2000, there were 820 public and 97 private hospitals, 2,461 and 596 ambulance-hospital public and private units, respectively. Over 2000 units received a license to run private medicine activity. 21% of all health care units were private.

In 1999-2000 the number of built-up areas without medical units has declined by more than 4 times. As at the beginning of 1999 there were 1,200 auls and villages (currently - only 271) without a medical worker or doctor's assistant. In Zhambyl, Western Kazakhstan, Northern Kazakhstan access to the first ambulance assistance has been provided to residents of all populated areas. Recovery of medical establishments and doctor's assistant units in the rural areas will partially reduce costs of rural poverty related to prophylactics and treatment of some diseases.

In order to improve the economic interrelations in the health care system the rules of reimbursement of costs on medical assistance to all public and private medical establishments have been developed and established. There were first steps undertaken to decentralise financing of the health care system. Now Oblast Akims are responsible for developing ranges of local budget programmes and establishing the ways of their financing. Public hospitals received an opportunity to distribute independently funds allocated by the state and to provide paid services to the population beyond the guaranteed volume of medical assistance.

Over the last two years huge work on vaccination of the population has been conducted. Currently, 95% of children of pre-school and school age are vaccinated against seven basic infections. As a result, over the period 1995-1999 the number of diphtheria cases has decreased by 60 times, whooping-cough cases - by 8.2 times, tetanus cases - by 1.6 times, epidemic parotitis - by 1.4 times. During last five years poliomyelitis has not been registered.





Starting from 1998 the WHO strategy on combating tuberculosis is being implemented in Kazakhstan (STC). There is certain progress observed in fighting this "poverty disease". In 1999, in the framework of STC-therapy 45,000 people sought treatment, among them 6.4% have fully recovered. In this year a decline of tuberculosis by 25% has been marked, the tuberculosis rate has declined by 1.6 times in comparison to the previous period.

In general, epidemic spreading of HIV/AIDS has been stabilised. Consistent monitoring of risky groups by 58 laboratories all over the country is being conducted. In 1999 the number of HIV-infected declined by 38% in comparison to the level of 1998.

From January-October 2000, the number of viral hepatitis cases increased significantly in comparison to the respective period of 1999. The hepatitis rate has increased by 2-3 times mainly in Mangystau, Kyzylorda and Southern Kazakhstan Oblasts. There have been observed a growth in so called "social trouble" disease, such as pedikules (by 10.1%). The growth rate of syphilis cases has also been marked in Southern Kazakhstan (by 46.3%), Kyzylorda (by 7.6%) and Northern Kazakhstan (by 0.8%) Oblasts.

Among the most acute health problems of the population it is necessary to note insufficient provision of safe drinking water. Almost a quarter of the population is facing this problem.

Another problem is related to the fact that medical establishments are not sufficiently provided with modern medical equipment. 37% of all equipment used in the country is obsolete. A third of the equipment needs overhaul repairs.

Costs of medicine also makes it difficult to access health services. Production of pharmaceutical goods in Kazakhstan covers no more than 3% of the needs of the population in medicine. The rest is imported from abroad. Lack of budget financing led to serious difficulties for a number of health posts.

In general, the aforementioned problems of the health care system causes a decline in access to health care services for a part of the poor population.

#### 4.3.6. Provision of access to education

Low level of education, and lack of professional skills affect the level of incomes of the population, draw down



people's social mobility and, consequently, opportunities for development of human potential.

Over the last years there were some changes in the sphere of education such as renewed legislation basis, approved standards of education, development of new syllabus for secondary schools. New textbooks for 1-4 grades of secondary school have been issued, publication of textbooks for 5-6 grades is in the process. In order to enter university applicants has to pass tests instead of written exams. Those applicants who obtained high results get grants and hence are not charged for education. The following data presented in Table 4.3 reflects the situation in higher education system.

During the last years the number of private schools increased, and the number of school-children studying in private schools increased by 5 times. The number of colleges is also increasing, but the number of college students has fallen by 1.5 times.

In these terms, the education system in Kazakhstan has divided into two groups - an elite one, which provides for better education for privileged groups and an ordinary one, for the rest, which is of a lower quality.

Evaluation of professional education in Kazakhstan proves that the current education system is unable to provide students with new skills of high quality, flexibility and mobility in job-seeking processes and entrepreneurial skills. A large number of graduates will not find themselves in demand in the labour market.

Each year 70 to 90 thousands graduates cannot continue professional education, about half of them become

Table 4.3

Dynamics of the number of educational institutions, 1995-2000

	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000
Pre-school organisations	5058	3850	1533	1338	1102
Number of students (thousand)	407.2	392.1	174.2	163.9	124.4
State schools	8801	8619	8134	8141	8122
Number of students (thousand)	3088.6	3122.5	3108	3122.8	3125.7
Private schools	38	66	124	180	199
Number of students (thousand)	3,078	6,824	13,503	18,477	16,431
Technical school	404	339	307	319	285
Number of students (thousand)	154.3	133.1	111	94.9	89.9
Universities	112	111	133	144	163
Number of students (thousand)	272.7	280.8	293.5	318.7	365.3
Colleges	262	264	219	246	274
Number of students (thousand)	200.4	177.7	148.2	141.3	142.6

Source: Agency of the RK on Statistics

unemployed. About 20% of youth who do not have any qualifications supplement labour market each year and only 18% of them can hardly expect to get a job that does not require qualifications. Since the state programme "Education" was adopted in 2000, there are some changes expected in the sphere of education.

#### 4.3.7. Tackling gender problems

As was mentioned in Chapter 3, gender inequality lowers the HDI. In these terms, overcoming gender inequality is considered one of the factors of successful poverty reduction in the country.

Over the last period, efforts are being undertaken to achieve gender equality in Kazakhstan. In these spheres the state directs its activity to the implementation of 4 basic priorities of gender policy: guarantee of equal access of women to participation in the political process, economical empowerment of women, improvement of the health of women and children and reduction of violence towards women.

The National Commission on the Families and Women's Affairs under the President of Kazakhstan co-ordinates implementation of the National Plan of Actions on Improving the Status of Women.

In terms of expanding the participation of women in the political process, it should be noted that in 1999 the first women's party appeared - namely the "Political alliance of women's organisations". In order to advance women's interests in the Parliament of Kazakhstan, the "Otbası" ("Family") group of 23 deputies was established.

Kazakhstan has ratified two UN Conventions - "On citizenship of a married woman" and "On political rights of women". Currently, preparations for ratification of five Conventions of the ILO are in the process. These Conventions are related to the rights of women and children in the sphere of employment.

Kazakhstan has also ratified the Convention on elimination of discrimination against women (CEDAW). This ratification will allow the establishment of monitoring of maintenance of gender equality in the country. Kazakhstan reported to the special committee of the UN on CEDAW in January 2001. For this purpose the Government of Kazakhstan has established the special working group.

A special credit line in "Temir Bank" in support of businesswomen has been launched. In total, a range of credits amounted to more than USD 3 million was provided. According to the Resolution of the Government "On activity to support women's enterprise", about USD 4.5 million will be provided to credit women's enterprise.

In order to support women as a socially vulnerable group of the population, the NGOs have been involved. NGOs have helped to carry out a national action "Women against poverty". In the framework of this action, social assistance amounting to 150 million tenge, has been provided to the most disadvantaged families.

The project of the UNFPA is underway. This project is aimed at improving the health of the women in South Kazakhstan, Kyzylorda, Karaganda, and Eastern Kazakhstan Oblasts and in the city of Astana. In framework

of this project, equipment for maternity hospitals for the amount of more than USD 1 million will be provided.

In Atyrau Oblast there is the highest rate of mother and infant mortality. With participation of international organisations and foreign companies the action "The healthy population is the future of Kazakhstan" was undertaken. As a result of this action, the local maternity hospital received equipment to the amount of USD 96 thousand. In total, the various actions on improvement of women and families status required about USD 2 million from external resources.

In terms of violence reduction a net of crisis centres for victims of violence is being created. These centres function already in Almaty, Shymkent, Uralsk and Ust-Kamenogorsk cities. The Legislative basis made tougher the responsibility for crime, related to violence towards women.

Among the problems on improvement of women's status it should be noted that there is a lack of activity on a local level, particularly in terms of women's self-organisation. System of provision of micro-credits to women are not yet developed enough. As a result not all women who want to launch their own business can be provided with credits. In spite of the actions undertaken, the rate of violence towards women remains high.

#### 4.3.8. Activity in environment protection

In terms of poverty reduction, activities aimed at improvement of the environment is of great importance. It is particularly important for Kazakhstan, as there are many complicated environmental problems in the country. It is clear that environmental conditions have a huge influence on standards of living of the population and, therefore, on longevity - one of the aspects of the HPI.

A deficit of water and its low quality, land pollution by industrial waste, degradation of lands, decline in biodiversity deepen the social problems of the population, reduce the development of the economy, and reduce opportunities to use natural resources effectively in order to overcome poverty.

Poor ecological conditions are considered one of the causes of the high rate of disease and mortality of the population. The disease rate is particularly high for women of reproductive age who live in the regions with bad ecological conditions. On average the index of health of women in the country is 30%, in some regions (Semipalatinsk, Eastern Kazakhstan, Akmola, Kyzylorda, Southern Kazakhstan), the index is lower than 20%. Over the last 5 years the number of pregnant women who suffer from anaemia increased by 2



times, who suffer from ill kidneys - by 1.5 times, disease of the heart system - 1.5 times, disease extragenital organs - 1.7 times.

Besides this, there is an increased risk of oncological disease and genetic infringement in the area of Semipalatinsk nuclear test site. In the areas of desertification of lands, which are near to the Aral Sea there are systematic infringements and pathologies in health of people starting from birth. In industrial regions the adult population and children have an increased accumulation of metals in their organisms, which in its turn cause nerves and psychological disease.

In general, environmental pollution affects the medical-demographic situation and worsens the health of current and future generations.

Over the last years the Government pays increased attention to environmental problems. During the implementation of the National Plan of Actions on Environment Protection, an integrated approach to realising the state environment protection policy has been developed. A range of interagencies and committees on the various ecological aspects has been established.

Kazakhstan has ratified the Aarhus Convention on provision of access to ecology-related information and on involvement of the community in the decision-making process. This Convention is important for conducting democracy reforms and enhancing the ecological policy. As a result, a web-server ([www.neapsd.kz](http://www.neapsd.kz)) started functioning.

Currently, there are more than 300 environmental NGOs. In 1998, the National Ecological Centre of Sustainable Development was established. This centre is responsible for the implementation of ecological programmes, international programmes and various conventions. In the framework of this Centre a range of national strategies and programmes have been developed and established, which includes the National Strategy and Plan of Actions on the balanced use of bio-diversity, the National Strategy and Plan of Actions to combat desertification, etc. Kazakhstan has ratified numerous Environment Conventions and Agreements.

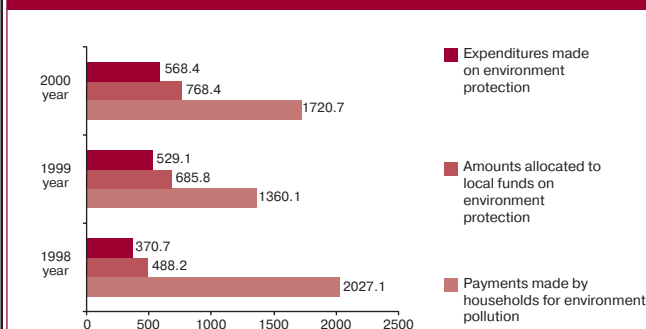
At this stage all NEAP projects have been divided into 3 groups based on the geographical situation. NEAP projects are considered as one of the most important priorities of the Government's development programmes. The UNDP, UNEP, WB, TACIS, private companies and the Governments of the US, Japan, Germany, France and Holland participate in financing environmental projects. The total volume of environment investments is approximately USD 500 million.

Development of industrial regions of north-eastern and Caspian areas depends heavily on the implementation of environment projects. Deficit of drinking water, land pollution by industrial waste, land degradation and reduction of biodiversity deepen social problems in the country and slow down economic development in Kazakhstan. Combined losses of natural potential as a result of irrational use of biodiversity and environment pollution are estimated to be comparable to 20-30% of GNP.

One of the most urgent ecological problems in Kazakhstan is land degradation. About two thirds of the territory of the country, which is about 180 million hectares suffer from wind erosion and desertification. In 1997, Kazakhstan ratified the Convention on the Fight against Desertification (CFD). The National Plan of Action to combat

Figure 4.1

**Dynamics of budgetary funds allocated for environmental programmes (million Tenge)**



desertification has been developed under financial support of the secretariat of CFD, UNEP, UNSO and the Government of Finland. But the implementation of the National Plan of Action still has not improved the situation.

Over the last two years expansion of locusts has damaged the agriculture of Kazakhstan. Lack of funds to conduct cultivation of land led to lost harvest in some southern and northern Oblasts in Kazakhstan. Private plots in urban areas that are considered as the main resource of food ration for families with low incomes, suffered significantly. In 2000 only 4.5 thousand hectares of land have been cultivated. In Almaty Oblast only 1.5 thousand hectares of land have been cultivated from air.

Problems, outlined above decrease access of the population to natural resources and cause growth of poverty in ecologically disastrous regions of the country. Besides this, tendency of irrational use of funds allocated on environment protection is observed. The dynamics of funds allocated by the state for ecological purposes is presented in the Figure 4.1.

As can be seen from the figure above, over the last three years the volume of payments for environmental pollution from households has declined. Only 40% of all payments made by households are distributed to local funds on environment protection. In 1998, only a fifth of all payments made by households was spent for environmental protection purposes, in 1999 and 2000 - only one third. In general, implementation of the National Environmental Action Plan (NEAP) is still not connected with poverty-related problems in the country.

#### 4.4. Co-ordination and evaluation of the effectiveness of strategies and programmes

As outlined in previous sections of this chapter, a broad range of strategies and programmes in Kazakhstan declare poverty reduction as one of the premises of improving living standards of the population and achieving prosperity for the Kazakhstanian society.

Poverty and the growing gap between the poor and wealthy people are recognised as a threat to the stability and security of society. There appear groups of people, who are affected by poverty, most of all, the vulnerable groups such as pensioners, orphans, women, children and immigrants.

Basic principles of the state's activity on poverty reduction are developed - targeted social assistance, economic

Table 4.4

## Familiarity of experts with the basic state strategies and programmes

	Representatives of Governance (out of 28 people)	Representatives of the private sector (out of 33 people)	Experts of the international organisations (out of 28 people)	Total (out of 89 people)
The strategy "Kazakhstan-2030"	-	-	-	-
The State Programme "People's Health"	2	3	6	11
Plan of Actions of the Government for 2000-2002	-	4	10	14
The Programme of the social protection of repatriates.	3	2	6	11
The State Programme "Education"	2	2	10	14
The Law of RK "On the subsistence minimum"	-	3	9	12
National Plan of Actions on Improvement the Status of Women	2	10	8	20
"The Strategy of National Security" for 1999-2005	2	5	9	16
The Programme of Poverty Alleviation and Unemployment Control	-	6	9	15

growth, increasing employment via development of small-scaled businesses, micro-crediting, public work.

All foregoing actions confirm consistent commitment of the Government to address poverty problems in Kazakhstan. There is a certain level of co-ordination of existing state programmes. (See Diagram 4.1. Co-ordination of poverty related state strategies and programmes).

But still there is no clear correlation and co-ordination between specialised programmes and Programme of Poverty Alleviation and Unemployment Control. All these programmes work independently, which leads to less effectiveness of the state's activity as well as implementation of different programmes.

The results of an expert poll give some ideas about the effectiveness of basic programmes aimed at poverty reduction. (See Table 4.4). The majority of 89 experts knew the main principles of the state programmes. But representatives of the international organisations and private sector were not familiar with the range of the state strategies and programmes.

The data in the Table 4.4 shows that more than half of the total number of experts who are not familiar with the state programmes and strategies, consists of the representatives of the international organisations in Kazakhstan. This fact confirms the weak correlation between the international programmes of development and the state programmes. One of the most unknown programmes is the National Plan

of Actions on Improvement the Status of Women (20 experts are not familiar with this document), National Security Strategy for 1999-2005 (16 experts) and the Programme of Poverty Alleviation and Unemployment Control for 2000-2002 (15 experts). (See Figure 4.2).

As it can be seen from Figure 4.2, foregoing programmes are not highly ranked. National Security Strategy, National Plan of Actions for 2000-2002 and Strategy "Kazakhstan-2030" have been qualified as the most efficient programmes. National Plan of Actions on improving the Status of Women, state programmes "Education" and "Health of population" are recognised as less effective. The least effective programmes are the Programme of Poverty Alleviation and Unemployment Control, Law "On subsistence minimum" and the Programme on social protection of repatriates.

The poor level of effectiveness of programmes aimed at poverty reduction can be explained by the following factors:

- **Lack of a conceptual state document, which determines basic directions of poverty reduction activity from the mid-term perspective.**

Unfortunately, the Programme of Poverty Alleviation and Unemployment Control didn't become such a conceptual co-ordinating document. Although some conceptual issues such as measurement of poverty and its causes have been outlined in this Programme, it remains to be a quite narrow document. This Programme reveals only one of the dimensions of the poverty issue - unemployment and, therefore, includes challenges, mainly, on improvement of the employment situation for the next 3 years.

Poverty definition, as well as the specifics of this issue in Kazakhstan were not outlined in this Programme. Causes of poverty have been revealed mainly from the unemployment perspective. Other dimensions of the poverty issue have not been mentioned, which does not therefore provide a complex and systematic approach to the poverty alleviation question.

Unfortunately, a lack of developed conceptual documents can lead to poor results of poverty reduction activity in Kazakhstan. The Programme on Poverty Alleviation and Unemployment Control did not take into consideration such dimensions of poverty as provision of access to health care and education, environment protection, achievement of gender equality and increasing the incomes of the poor.

Figure 4.2

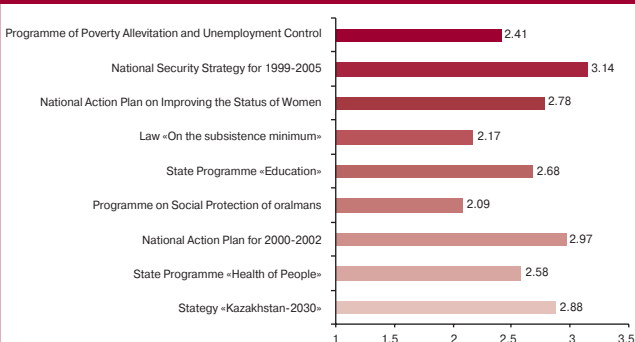
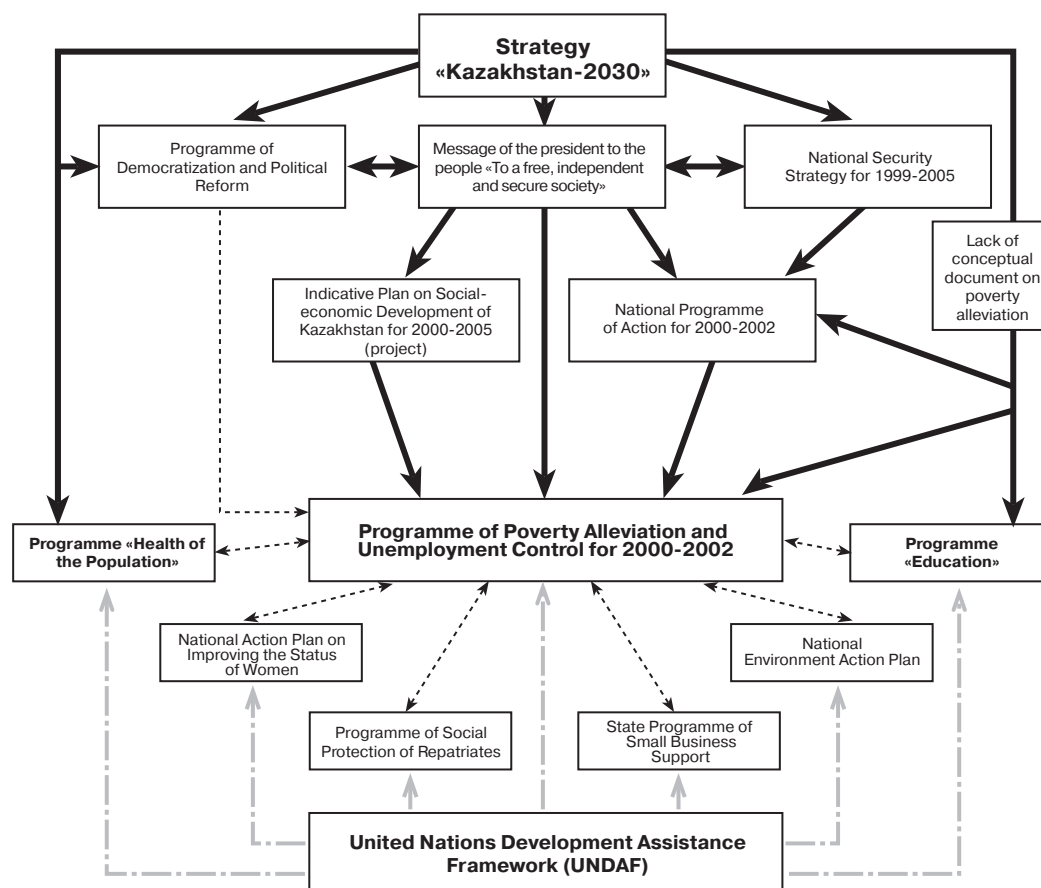
Ranking of effectiveness of implementation of poverty eradication programmes  
(scale 1-5)

Diagram 4.1

Co-ordination of poverty related state strategies and programmes



• **Lack of links between poverty reduction challenges and such a strategically important issue as democracy and local governance development.**

Experience of other countries proves that it is impossible to overcome poverty without active participation of society and the poor population. Non-transparency of budget and, as a result, inability to achieve non-sequestration of social spending presents a serious problem for Kazakhstan.

Lack of local governance transparency makes participation of representatives of the community ineffective, particularly in identifying receivers of targeted social assistance. In this context, there is a risk of inefficient distribution of funds aimed, for instance, at micro-crediting or the provision of targeted social assistance.

• **Contribution of the non-governmental sector to the poverty reduction issue is not clarified.**

Existing programmes do not bring attention to the necessity of self-mobilisation of the poor, as it is one of the most important premises for success of poverty reduction activity.

At the same time adoption of a new Tax Code suggested by the Government, which imposes taxes on grant receivers can severely limit participation of the non-governmental sector in the poverty reduction issue.

• **Institutional mechanism of poverty reduction has not been developed.** Neither Programme of Poverty

Alleviation and Unemployment Control nor other strategies and programmes provide development of institutional mechanism for poverty reduction activity.

A Government Resolution empowered the Ministry of Labour and Social Protection of the population to control the implementation of the Poverty Alleviation Programme. There are also other governmental agencies involved in this process - Ministry of Finance, Ministry of Economy, the Statistical Agency, the Agency on Control of Monopolies, the Agency on Investments, the Agency on Migration and Demography, etc. Implementation of other specialised programmes are controlled by the National Commission on Family and Women's Affairs, Ministry of Science and Education, the Agency on Health care, the Agency on Control of Monopolies, protection of monopolies and support of small businesses.

As a result, monitoring of poverty alleviation activity only by the Ministry of Labour and Social Protection is getting difficult. There is not enough control on the implementation of Poverty Alleviation and Unemployment Control at central as well as local levels.

In general all these drawbacks lead to unsynchronised implementation of poverty-related strategies and programmes and substantially reduce the effectiveness of activity.



## CHAPTER 5

### STRATEGIES TO FIGHT AGAINST POVERTY

As mentioned in Chapter 1, the purpose of this Report is to promote a broader understanding of the poverty issue, identification of basic reasons of poverty and development of a consolidated approach to poverty reduction in Kazakhstan. Previous chapters of the Report consistently exposed the problem of poverty in order to implement effective poverty alleviation in the country.

This Report for the first time employs qualitative methods of poverty measurement, together with the quantitative. The population, representatives of government, NGOs and business have been involved in the process of measuring poverty. This method allows identification of key reasons for poverty and evaluates the real situation of poverty in the country. It also allows us to improve existing anti-poverty programmes based on topical problems that face the poor.

The first chapter outlines a general perception of the poverty issue in Kazakhstan and the basic phases of recognition of this issue. In general, it allows understanding of the current situation of poverty in the country.

The statistical data shows that a third of the population faces income difficulties. Actualisation of the poverty issue relates to the difficulties of the transition period. In the 1990s, there was a deep economic crisis in Kazakhstan. Transition to the market economy is accompanied by stoppage of many state enterprises. As a result, unemployment increased significantly. During the transition period, lack of jobs became one of the most important causes of poverty in Kazakhstan.

Inflation processes have also had impact upon the poverty situation in the country. Socio-economic difficulties of the transition period contributed to a decline in income of the majority of the population in 1990s.

Currently, the poverty situation has stabilised and some positive tendencies have been marked over the last period. In 1999 and 2000, real incomes of the population started growing on average by 4-5%. The percentage of people with incomes below the subsistence minimum also started declining. In 1997-1998 the share of the population with income below the subsistence minimum reached 43% and in 1999 this indicator has decreased and was equal to 34.5%.

The results of 2000 envisage considerable growth of GDP and the volume of industrial production. These positive changes in the national economy will promote the growth of employment and incomes of the population and, as a result, will affect the level of poverty in the country.

The state anti-poverty policy has also been initiated. The poverty reduction becoming one of the main priorities of socio-economic policy of the Government. All these aforesaid aspects have been revealed in the Report. Chapter 2, identified the key factors that have caused widespread poverty in the country, as well as specific signs of the poverty issue in Kazakhstan.

This chapter presents the analysis of poverty not only from traditional perspective. Existing poverty perceptions in the world, opinions of basic stakeholders and specifics of Kazakhstani conditions have been taken into account.

From this perspective, the mechanism of identification of reasons for poverty, its level and characteristics in Kazakhstan based on the analysis of opinions of the main social groups, local and foreign experts are considered to be very valuable.

In general, the basic reasons of poverty in Kazakhstan can be grouped into three main sectors:

- involuntary unemployment;
- low combined incomes of the population - high cost of goods and services;
- weak preparedness of the population to the market economy.

In general, Chapter 2 allowed us to broaden our undertaking of poverty perceptions in Kazakhstan. In order to develop an effective strategy of poverty alleviation, it is important to identify more precisely the parameters of poverty in the country. In these terms, Chapter 3 allowed us to conduct quantitative measurement of poverty, based on international experience of poverty measurement and the specifics of Kazakhstan, with the dynamics of human development in Kazakhstan and its regions, and impact of the gender factor on the HDI presented in Chapter 3. The current poverty situation, basic causes of poverty, the dynamics and specific indicators of poverty in Kazakhstan are analysed based upon statistical data.

Particularly noted was that in 1998 the HDI in Kazakhstan was equal to 0.743 and in 1999 - 0.755, which confirms some positive changes in human development in the country. Gender impact slightly draws down the value of the HDI.

The calculated Human Poverty Index in Kazakhstan shows that 31% of the population in 1998 and 28.1% in 1999 could be considered as deprived. This level can be accepted as the basis level for poverty measurement in Kazakhstan.

The essence of this chapter is that by employing statistical tools it became possible to identify more or less reliable measurements of poverty in Kazakhstan in general and for its regions.

Chapter 4, based on the analysis of the international experience on poverty reduction and analysis of the implementation of adopted strategies and programmes in Kazakhstan identified a range of problems of the poverty reduction process in Kazakhstan. This analysis allows us to identify further directions of improvement of anti-poverty activity.

Over the last years the state authorities have done a lot in order to reduce poverty. A range of important documents related to the various aspects of poverty have been adopted.

Particularly, the Programme of Poverty Alleviation and Unemployment Control for 2000-2002, the Programme of Support of Small Businesses, the programmes on support of ethnic Kazakh repatriates, "The Health of the population", and "Education" have been adopted and are being implemented.

According to these programmes a lot of effort is being made in order to reduce poverty. But at the same time there is a certain non-co-ordination in implementation of these programmes.

In general, the analysis and research conducted in this report concludes that poverty has become one of the most acute problems in Kazakhstan. Hence, for the immediate future, poverty is one of the most acute problems constraining sustainable economic growth.

In this context, the implementation of comprehensive poverty reduction is one of the most important challenges of social and economic policies. It should be noted that they are all necessary premises for decisive actions on poverty reduction in Kazakhstan.

Based on the analysis and conclusions of previous chapters, this chapter suggests a range of recommendations to fight poverty for the Government and the state agencies in Kazakhstan.

## 5.1. Improving initiatives in poverty reduction

### 5.1.1. Developing a comprehensive approach to the poverty issue

The analysis conducted in this report reveals the necessity for the development of a **new approach to poverty perception**. It is related to the fact that effectiveness of anti-poverty efforts depends on the exact definition of poverty and the identification of those social groups of the population that may reproduce poverty in the future.

Currently, the income-based method of measuring poverty issue prevails. At the same time, investigation of the poverty problem revealed many other poverty-related factors that do not directly depend on income.

To gain an expanded perception of poverty, we must include such poverty characteristics as limited opportunities, social «exclusion», access to health care, education, safe water and food, as well as environment protection, gender inequality, potential poverty and increase of income for disadvantaged groups.

Reasons for poverty amongst people of different ages, for various regions, for urban and rural areas, for men and women vary significantly. In this context, poverty is considered to be a quite complicated and multidimensional issue. Obviously, for effective poverty reduction it is necessary to identify the characteristics of each of these groups, as the causes of poverty for each group are very specific.

The whole range of factors that cause poverty should be considered, i.e. socio-economic, public, psychological, gender, age, cultural, historical factors, etc. Based on such aforementioned facts and recognising that poverty reduction is a key state task, as recognised in strategic documents, it is necessary here to develop a **consolidated concept of poverty in Kazakhstan**. This document should be part of the process of developing the National policy on the prevention and alleviation of poverty in Kazakhstan. This

NHDR can be a foundation for the comprehensive concept of poverty.

The analysis conducted in this Report concludes that in order to develop the consolidated concept of poverty, comprehensive research on the poverty issue must be conducted starting from rayon level. It is also important to provide consultations for all stakeholders including the poor themselves. Besides this, it is important to study international experience on poverty reduction and to provide objective analysis of activities undertaken.

### 5.1.2. Demarcation of responsibilities among the state agencies in the poverty reduction process

To reduce poverty, the greatest possible participation of central and local authorities is necessary. In order to fight poverty effectively it is important to clearly differentiate the functions and responsibilities of the state bodies on poverty alleviation. It will allow us to avoid duplications in anti-poverty activity. It will also allow us to concentrate resources on the most important priorities of poverty reduction targets.

International experience shows that the central level should develop a basis for a national policy on poverty alleviation and the strategy on poverty reduction. Resources to finance the anti-poverty activity and mechanisms for its implementation need to be determined. Besides this, the legislation and institutional basis as well as unique standards on the measurement of poverty must be introduced. In general, the Government's task is to develop a range of rules, to formulate necessary premises and to finance the programmes aimed at reducing poverty.

On the local level it is necessary to focus on the realisation of anti-poverty actions and provision of social services. Local bodies should undertake development of mechanisms for implementing the policy of poverty reduction in practice. Local government should effectively distribute allocated funds. Therefore, local bodies should be responsible for the implementation of the national policy by taking into account local specifics and particularities based on the real needs of each region or each individual.

### 5.1.3. Development of the institutional mechanisms of poverty reduction

Poverty is a multidimensional issue, which does not fall under a certain ministry's or authority's jurisdiction. In addition, poverty reduction requires broad usage of the potential of NGOs and international organisations.

Therefore, there is a need to establish a relevant authority responsible for implementation of poverty reduction and possessing enough power for this activity.

In these terms, in our opinion it would be reasonable to consider the opportunity of establishment of the **National Commission on Poverty Alleviation** headed by the Prime Minister of Kazakhstan.

It would then be expected for this Commission to conduct the development and co-ordination of the national policy in close partnership with relevant ministries, NGOs, research institutes, international organisations and foreign countries. Representatives of the aforesaid institutes could also be members of the Commission.

In the framework of this National Commission, it would be useful to develop the basic programme documents on poverty reduction and consistent monitoring of the poverty situation in Kazakhstan and the implementation of various poverty-related strategies and programmes.

Various departments of the Ministry of Labour and Social Protection could also form a secretariat for the proposed National Commission.

## 5.2. Basic trends in the medium-term comprehensive strategy on poverty reduction

### 5.2.1. Basic approaches to the development of the mid-term comprehensive strategy on poverty reduction

To realise in practice all purposes of the sustainable development of Kazakhstan and of the implementation of effective poverty reduction, it is necessary to develop to clear mid-term strategy on poverty alleviation in Kazakhstan.

As poverty is a multidimensional issue, it requires the development of a **comprehensive strategy on poverty reduction**. The necessity to adopt the comprehensive strategy is reflected in the project for the Indicative Plan of the Socio-economic Development of Kazakhstan for 2001-2005. At the same time it is advisable to consider an opportunity to speed up the process of the development of this document.

In general, the Comprehensive Strategy of poverty reduction should be based on the composite approach to the poverty issue, taking into account a broader perception of the poverty problem.

Considering specifics and multidimensionality of the poverty issue and in order to increase effectiveness of poverty reduction, precise differentiation of the poor and identification of the most disadvantaged groups of the population are required.

In the future, it will be necessary to co-ordinate specialised concepts, strategies and programmes that have been considered in the previous chapter, with the complex strategy on poverty reduction.

This is dictated by the necessity to consider poverty as one of the main priorities of the state policy. This necessity should be reflected in all socio-economic plans and specialised programmes. In the framework of sector and specialised programmes it is necessary to envisage all changes and additions, which should include priorities consistent with basic statements of the comprehensive strategy on poverty reduction.

As international experience confirms it is also necessary to determine certain stages of the strategy, which will allow us to combine the short and mid-term priorities of the poverty reduction process. The division into different phases will also allow evaluation of the effectiveness of activities conducted at each stage.

**Main Priorities** of the mid-term comprehensive strategy on poverty reduction:

#### Guarantee of sustainable economic growth

The key point in poverty reduction is firstly a guarantee of sustainable economic growth. The macroeconomic policy of the country should be aimed at supporting the poor

population as efficiently as possible. The problem of inequality and empowerment of the poor should be targeted by such a macroeconomic policy.

Economic growth is considered an important resource of additional funds that are needed to finance the social sphere and to create opportunities for human development.

#### Unemployment reduction

Recalling that the main factor that causes poverty in Kazakhstan is unemployment, it is necessary to undertake relevant actions to increase the employment rate in the country. And it should be noted that the poor population in the country includes mainly disabled, pensioners, youth, the elderly, women and rural residents. In these terms, unemployment related programmes should reflect such specifics of poverty.

In terms of increasing employment, activity directed to **support private business initiatives and development of small and mid-scales businesses** is of great importance. The main purpose of state policy is to create favourable conditions for the development of business activity of the population and to launch production in poor regions.

Development of certain mechanisms to provide state guaranteed credit to the poor is of great importance. In these terms, a comprehensive activity on training poor people, introduction of principles of crediting and launching own businesses should be carried out.

The process of re-structuring of large enterprises should be considered an additional opportunity for expanding small businesses. The results of focus-group interviews and expert poll showed that one of the main targets of the state policy must be stimulation of the economic activity of the population and to promotion of manufacture production in the poor regions.

It is necessary to develop and introduce special programmes for the integration of the disabled and rural residents into the labour market. These actions will allow us to decrease the dependability of these groups of people on social assistance, reduce maintenance and recover self-esteem of the poor.

In order to reduce poverty, it is also important to expand the state's support **to producers of agricultural goods**. In these terms, it is important to clarify the institute of private ownership of land and increase access to credit resources for rural producers.

To reduce poverty, the state should focus its efforts on **professional training systems**. Expanding the scale of training the labour force and the development of a system of professional training of the unemployed needs a lot of attention.

Taking into account **gender inequality**, new strategies should be aimed at supporting the competitiveness of women in the labour market. An important step in this sphere can be further improvement of the legislative basis for support of the female labour force and wage level for women.

Programmes should be targeted at the existing poor population but take into account potential poverty as well. In these terms, it is necessary to undertake activity on the protection and insurance of the working population from social risks.

In addition, in order to increase effectiveness of anti-poverty measures it is necessary to:

- improve the legislative regulation the labour market;
- undertake measures to legalise labour relations;
- increase employers' responsibility for providing information on vacancies;
- regularly forecast trends in the changing supply and demand in the labour force;
- stimulate labour force movement from the hidden labour market to the official;
- respond to market demand, by providing training of employees;
- change the status and orientation of the system of public works and use it in implementing programmes for industrial restructuring;
- improve economic mechanisms for protection of the internal labour market by changing the system of taxation of foreign labour;
- develop social partnerships.

We recommend that these aspects be included in the Comprehensive Strategy for poverty reduction.

#### Improvement of the mechanisms of targeted social assistance

Currently, one of the important tasks is to improve mechanism of targeted social assistance. There are certain difficulties in identifying people in need of social assistance. Firstly, targeted social assistance is provided in the form of payments of the difference between incomes and the poverty line, based on the average income per member of a family.

There is no general declaration of income in the country, therefore the average income per family member must be defined through households surveys. This, however, does provide the real incomes of the population. Hence, it is reasonable to take the opportunity to introduce a general declaration of incomes of the population in Kazakhstan.

Since the criterion for provision of targeted assistance is the poverty line, defined by the subsistence minimum, it is important to improve the methodology of identifying the poverty line and the subsistence minimum.

Mechanisms of targeted social assistance provided to the most disadvantaged groups of people should be based on **individual work with the poor** and should be focused on tackling their particular problems. In each individual case the poverty factor should be identified at first and then the type of social assistance should be determined.

It is important that social workers improve their qualifications. Training should be provided to people employed in the social sphere without breaks in their main activities. It is advisable to make the process of receiving social assistance easier. Hence, a clearer system of registration for those people needing social assistance should be introduced.

It is also reasonable to consider an opportunity of developing and adoption of specialised programmes aimed at provision of access to social services. First of all, it is related to public utility services. The analysis showed that costs of public utility services became one of the hardest problems for the poor. In these terms, it is recommended to conduct the

analysis of price formulation on public utility services and enhancing the transparency in allocating payments for these services.

#### Development of regional plans of actions for poverty reduction

The analysis conducted in Chapter 3 showed that regional specifics and differences in the level of poverty in Kazakhstan require development of regional plans of action on poverty reduction. Each regional plan of actions should be based on certain investigations in the various regions. Different approaches and mechanisms for poverty reduction should be developed for each region.

The most disadvantaged rayons and regions should be identified. In these regions, centres of social protection should then be established.

#### Further democratisation of the society

Development of the democracy process in Kazakhstan should be considered as one of the important factors in poverty alleviation. In these terms, the following tasks are to be addressed:

- 1) Enhancement and empowerment of local government agencies will be of great importance for poverty reduction.
- 2) Involvement of non-governmental Kazakhstani and international organisations is of particular importance. In these terms, partnership of Kazakhstani and international NGOs in poverty reduction processes can be very useful.
- 3) An important aspect is an improvement of social partnership. It is recommended to empower trade unions and organisations of businessmen/women.
- 4) Decisive action should be undertaken to fight corruption and waste of state funds allocated for poverty reduction.
- 5) It is important to promote self-organisation of the poor. In the political sphere it is recommended to promote establishment of NGOs by the poor as well as regional public associations and a national forum on poverty reduction.

Self-organisation of the poor is the best means against powerlessness - the main reason of poverty. In general, all these action will allow us to employ additional resources for effective poverty reduction.

#### Development and co-ordination of international collaboration on poverty reduction

In order to increase the effectiveness of poverty reduction it is important to develop and strengthen **international collaboration**. This kind of collaboration will allow an increase in the effectiveness of a broad range of national and international programmes and in mutually beneficial collaboration with foreign countries.

International experience shows that the national policy on poverty reduction should be consistent with external investment and financial policies conducted in Kazakhstan.

It is advisable that the Strategy of poverty alleviation clearly states the role of donors, types of the development



assistance and the spheres where the assistance is needed.

#### Provision of access to education

Wide access to education in accordance with the demands of the labour market is one of the premises of progress in poverty and unemployment reduction. In these terms it is important to provide access to secondary education for the entire population especially in rural areas. It is also advisable to implement volunteer work on teaching children who cannot attend school. Besides this, it is important to promote high standards within the system of education (pre-school, universal and secondary education) and the competitive system of higher education.

#### Provision of access to health care, environmental issues

Much attention should be paid to provision of guaranteed access to the minimum state health services especially for the poor population. It is important to provide the priority on financing of vaccination and diagnosis of tuberculosis and provision of rural health facilities. Particular attention should be paid to the questions of targeted usage of allocated funds.

The analysis revealed that there is a certain correlation between environment and poverty. In these terms the strategy on poverty alleviation should include environmental issues.

#### Introduction of the scientific approach to the problem of poverty reduction

Conducting effective social policy on poverty alleviation requires deep theoretical and practical knowledge and

expertise. There are a lack of studies of factors that cause poverty in Kazakhstan and of the process of feminisation of poverty. In these terms, it is reasonable to consider the opportunity for establishment of the Scientific Centre for research of the poverty problem under the Ministry of Labour and Social Protection.

#### Increasing the effectiveness of financing poverty reduction

One of crucial premises for effective implementation of the complex strategy is the problem of financial provision of anti-poverty activity. The strategy of poverty reduction must have certain resources in terms of financing. Besides this, precise and clear principles of financial policy on poverty reduction must be developed.

As the practice shows the poverty alleviation activity requires essential funds. In order to allocate necessary funds a **National Fund on Poverty Reduction** needs to be established. Another alternative is to expand the responsibility and activity of existing National Funds to support people with moderate means. The National Fund could also accumulate the funds of donors and sponsors.

#### Improvement of the mechanisms of control and monitoring of poverty reduction

An ineffective system of monitoring can turn into a serious problem during implementation of poverty reduction programmes. As we have seen, monitoring of poverty should not be limited by simple measurement of poverty based on income level. Indicators of poverty should reflect the poverty issue from all dimensions. Therefore, monitoring poverty should include both qualitative and quantitative methods of poverty measurement in the framework of an integrated approach to the poverty issue.

A unique database on the poor, needs to be created. It will be useful to develop a **Map of Poverty** in Kazakhstan based on the analysis and methodology of computation of the HPI presented in this report. For a more exact measurement of poverty and its characteristics it is necessary to improve the **"social" statistics and registration** of the poor.

Currently, a challenge to improve the approaches used by the state bodies to poverty reduction is very acute. It would be useful to employ the approaches and recommendation provided by this report in the poverty alleviation process. This is the main mission of this Report.



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## TECHNICAL NOTES

## 1. The Human Development Index

The human development index is calculated as an arithmetic mean of three other indices: longevity, as measured by the life expectancy at birth, educational attainment and standard of living, as measured by real per capita GDP (PPPUSD). Educational attainment is measured by a combination of adult literacy (two-thirds weight), and access to education (one-third weight).

Four components are used in calculating the HDI. To construct the index, fixed minimum and maximum values have been established for each of these indicators:

Indices	Minimum	Maximum
Average life expectancy at birth, years	25	85
Adult literacy rate, %	0	100
Total share of students among the age group of 6 to 24, %	0	100
Real per capita GDP, USD (according to purchasing power parity)	100	40000

Individual indices can be computed according to the general formula:

$$I = \frac{\text{Actual } x_i \text{ value} - \text{Minimum } x_i \text{ value}}{\text{Maximum } x_i \text{ value} - \text{Minimum } x_i \text{ value}}$$

If actual per capita GDP exceeds the global average income rate then the adjusted value of real is used when calculating per capita income index. The 1999 Human Development Report presented a new formula for the construction of the index. Natural logarithms of per capita GDP are used in numerator and denominator of the formula:

$$I = \frac{\ln(\text{Actual } x_i \text{ value}) - \ln(\text{Minimum } x_i \text{ value})}{\ln(\text{Maximum } x_i \text{ value}) - \ln(\text{Minimum } x_i \text{ value})}$$

## Illustration of the HDI methodology:

The calculation of the HDI is illustrated here by the example of Kazakhstan. According to the UNDP Report in 1998, the values of indicators in Kazakhstan were:

Indicators:	Values:
Life expectancy, years	67.9
Adult literacy rate, %	99.0
The aggregate share of students aged 6-24, %	76
Real GDP per capita, PPP USD	3560

According to the aforementioned formula:

$$\text{Life expectancy index} = \frac{67.9 - 25}{85 - 25} = \frac{42.9}{60} = 0.715$$

$$\text{Adult literacy index} = \frac{99.0 - 0}{100 - 0} = 0.99$$

Taking into account the aggregate share of students of gross primary, secondary and tertiary enrolment as 77% and the index as 0.77

$$\text{Overall index of the educational level} = \frac{0.99 \times 2 + 0.77}{3} = 0.917$$

Adjusted real per capita GDP index =

$$= \frac{\ln(7378) - \ln(100)}{\ln(40000) - \ln(100)} = \frac{8.384 - 4.605}{10.597 - 4.605} = \frac{3.779}{5.991} = 0.631$$

The calculation of human potential development index based on these three indices will constitute 0.754:

$$\frac{0.715 + 0.917 + 0.631}{3} = 0.754$$

## 2. The impact of the gender factor on the HDI in Kazakhstan

UNDP Human Development Reports reflect gender disparities through the Gender-related Human Development Index (GDI). The value of GDI coincides with the HDI value in cases of equal human development for women and men. The GDI is lower than the HDI if there is a gender disparity. Gender disparity is acceptable only while considering life expectancy. For women, life expectancy can be more by 5 years greater than that of men.

The adjustment of the HDI according to gender disparity can be accomplished by calculating the correlation between female and male indicators based on the main components of human development. If life expectancy is 67.5 years, then the index of life expectancy is equal to 0.708 ((67.5-25)/60=0.708). If life expectancy for women is 70 years and 65 years for men, then life expectancy indices for women and men are equal ((70-27.5)/60 = 0.708, (65-22.5)/60=0.708).

The index of life expectancy with gender impact can be found as follows:

$$LEIGI = I_f / (w_f + w_m * I_f / I_m),$$

Where  $I_f$ ,  $I_m$  - the indices of life expectancy at birth for women and men, respectively.

$w_f, w_m$  - the weights of the number of women and men in the total population, respectively.

In case of equality of  $I_f$  and  $I_m$  for any values of  $w_f$  and  $w_m$  (total sum is equal to 1) LEIGI is equal to 0.708, i.e. it coincides with the value of the index of life expectancy without gender impact. If the values of  $I_f$  and  $I_m$  are different then the value of LEIGI is lower than the index of life expectancy without gender impact.

In the same way, the index for access to education with gender impact can be calculated. Per capita GDP for women and men can be identified by taking into account two indicators: the share of women in the total employed population and disparity in the average wage level. The combined index of human development with gender impact (GDI) can be calculated as the HDI, i.e. as an arithmetical average of three components.

### 3. Human Poverty Index

Due to varying socio-economic development of countries, varied ranges of HPI indicators can be chosen. In the Human Development Report 1997, the HPI suggested for developing countries included all three components of the HDI: longevity, education and living standards.

The first dimension relates to deprivation of a long and healthy life and is presented by the percentage of people not expected to survive to age 40. The second dimension, education deprivation, is measured by adult illiteracy. The third dimension is related to low living standards and presented by the percentage of the population lacking access to safe water, health services, and the percentage of children under five who are moderately or severely underweight.

The HPI, in case of equality of weight for each indicator, can be found using the following formula:

$$HPI-1 = P(\alpha) = [1/3(P_1^\alpha + P_2^\alpha + P_3^\alpha)]^{1/\alpha}$$

When  $\alpha = 1$  (the case of absolute inter-substitution of the weighted indicators) combined indicator  $P(\alpha)$  is equal to an arithmetical average of three indicators. When  $\alpha = \infty$  (zero substitution of indicators), the combined indicator  $P(\alpha)$  is equal to the maximum value of one of the three indicators.

For HPI calculation, the value of  $\alpha=3$  has been chosen. It allows elasticity of substitution and gives the largest weight to those dimensions where the deprivation is the most significant. The indicator  $P_3$  is calculated as an arithmetical average of 3 determinants: the share of the population lacking access to safe water, health services and the percentage of children under 5 who moderately or severely underweight.

Taking into account the completely different socio-economic development conditions in industrialised countries, UNDP, in the Human Development Report 1999 offered another formula for calculating the HPI of these countries.

Longevity is presented, as the share of the population not expected to survive to age 60 (for developing countries age 40 is accepted). Education deprivation is measured by the adult functional illiteracy rate.

Lack of decent living standards is measured by the percentage of people having incomes below the median

level of average incomes in a given country and deprivation in social inclusiveness by long term unemployment.

The HPI for industrialised countries can be found as follows:

$$HPI-2 = [1/4(P_1 + P_2 + P_3 + P_4)]$$

Where  $P_1$  - the share of the population not expected to survive to age 60;

$P_2$  - deprivation in knowledge as measured by the adult functional illiteracy rate;

$P_3$  - the percentage of people having incomes below the median level of average incomes in the country; and

$P_4$  - the share of the economically active population affected by long term unemployment.

In this report, the HPI for Kazakhstan was calculated using the following formula:

$$HPI-3 = [1/4(P_1 + P_2 + P_3 + P_4)]$$

Where  $P_1$  - the share of the population not expected to survive to age 60;

$P_2$  - the share of uneducated youth aged 16;

$P_3$  - the share of the population whose incomes lie below the subsistence minimum;

$P_4$  - the officially registered level of unemployment (the share of the economically active population who do not have a job and are officially registered).

### 4. Reasons of deviation of the adjusted data of per capita GDP in the CIS countries from the earlier published data.

It is necessary to note that in the Human Development Report 2000, the results of the European Comparison Programme of 1996 have been used. This allowed us to obtain reliable data on per capita GDP for the CIS countries for 1998. The following table demonstrates the value of deviation between new and old data of the World Bank of 1997.

As can be seen from the table, the deviation for Georgia equals 1.7; for Russia - 1.6; for Ukraine - 1.5; for Azerbaijan, Kazakhstan, Moldova and Turkmenistan - 1.3 and for Belarus - 1.2.

Indicators for other countries, based on EPC data dropped lower than in previous calculations: for Armenia, a drop of 13%; for Tajikistan and Uzbekistan, a decrease of 17%. In Kyrgyzstan alone, the deviation was quite small - only 3%.

Deviation of the data on per capita GDP volumes for the CIS countries based on EPC results for 1996 and earlier published data.

	1996 EPC, USD	1997 WB, USD	1996 Calculations for 1997 on the basis of the data of WB, USD	1996 EPC, % to the calculated
Azerbaijan	1 921	1 550	1 454	132
Armenia	1 967	2 360	2 254	87
Belarus	5 166	4 850	4 268	121
Georgia	2 947	1 960	1 735	170
<b>Kazakhstan</b>	<b>4 328</b>	<b>3 560</b>	<b>3 387</b>	<b>128</b>
Kyrgyzstan	2 101	2 250	2 040	103
Moldova	2 100	1 500	1 564	134
Russia	6 742	4 370	4 246	159
Tajikistan	921	1 126	1 106	83
Turkmenistan	2 968	2 109	2 220	134
Uzbekistan	2 004	2 529	2 408	83
Ukraine	3 325	2 190	2 202	151

**Adjustment of the data of per capita GDP for the CIS countries based on the results of EPC in 1996**

	Data of EPC, USD	More precise data, USD	Changes of the data, %
Azerbaijan	1 921	1 868	97.2
Armenia	1 967	1 967	100.0
Belarus	5 166	5 190	100.5
Georgia	2 947	2 947	100.0
Kazakhstan	4 328	4 682	108.2
Kyrgyzstan	2 101	2 101	100.0
Moldova	2 100	2 102	100.1
Russia	6 742	6 591	97.8
Tadjikistan	921	924	100.3
Turkmenistan	2 968	3 897	131.3
Uzbekistan	2 004	2 004	100.0
Ukraine	3 325	3 341	100.5

Some countries introduced corrections to the data of 1996, therefore, further adjustments of the data on per capita GDP are needed. Kazakhstan and Azerbaijan defined more precisely the total numbers of their respective populations for 1996. Turkmenistan defined a new correct nominal volume of GDP, and Russia has changed both indicators. Dividing GDP

volume by total population and by PPS (which has not changed), it is possible to obtain more precise per capita GDP data. The following table presents the results of adjustment for this indicator for 1996.

As seen from the table, the volume of GDP has significantly changed in Turkmenistan (by 31%, due to the growth of nominal GDP), and in Kazakhstan (by 8%, due to a decline in population.) In Azerbaijan and Russia, the indicators have decreased by 2-3%, while in the rest of the countries the indicators have not changed.

Using the method of global extrapolation, it is possible to calculate real volumes of GDP for previous and future years. It is also possible, using the same technique, to calculate per capita GDP. Per capita GDP of country B for the year (t+1) can be found by multiplying the GDP level of the current year (t) by the rate of growth of GDP and dividing by the rate of growth of the population, then multiplying by the deflator of GDP of basis country A.

This technique can be useful in cases of missing data on nominal GDP for some years, expressed in the national currency.

**Adjusted per capita GDP volumes in the CIS countries in 1991-1999 (USD in current prices)**

	1990	1991	1992	1993	1994	1995
Azerbaijan	4 146	4 193	3 267	2 541	2 056	1 830
Armenia	3 266	2 922	1 703	1 575	1 688	1 831
Belarus	6 830	6 948	6 393	6 041	5 391	4 945
Georgia	8 065	6 590	3 717	2 704	2 481	2 604
<b>Kazakhstan</b>	<b>6 286</b>	<b>5 758</b>	<b>5 563</b>	<b>5 206</b>	<b>4 713</b>	<b>4 508</b>
Kyrgyzstan	3 488	3 292	2 871	2 498	2 042	1 954
Moldova	4 910	4 193	3 046	3 097	2 185	2 190
Russia	9 490	9 318	8 138	7 640	6 818	6 684
Tadjikistan <sup>1</sup>	2 308	2 212	1 875	1 592	1 257	1 107
Turkmenistan <sup>1</sup>	6 538	6 179	5 165	5 180	4 249	3 897
Uzbekistan	2 389	2 402	2 133	2 092	1 986	1 973
Ukraine	6 618	6 244	5 747	5 061	4 004	3 616

**Continuation of the table**

	1996	1997	1998	1999	1999 % to the level of 1995	1999 % to the level of 1991
Azerbaijan	1 868	1 991	2 195	2 368	129	56
Armenia	1 967	2 060	2 230	2 325	127	80
Belarus	5 190	5 897	6 482	6 788	137	98
Georgia	2 947	3 328	3 460	3 607	138	55
<b>Kazakhstan</b>	<b>4 682</b>	<b>4 921</b>	<b>4 969</b>	<b>5 249</b>	<b>116</b>	<b>91</b>
Kyrgyzstan	2 101	2 317	2 355	2 441	125	74
Moldova	2 102	2 177	2 014	1 953	89	47
Russia	6 591	6 783	6 567	6 891	103	74
Tadjikistan	924	941	990	1 028	93	46
Turkmenistan <sup>2</sup>	3 897	3 472	3 630	4 015	103	63
Uzbekistan	2 004	2 105	2 188	2 278	115	95
Ukraine	3 341	3 323	3 331	3 391	94	54

<sup>1</sup> The data for Turkmenistan and Tadjikistan for 1990 and 1991 are not reliable as there is no data on growth of GDP for these countries for 1991 and 1992.

<sup>2</sup> For Turkmenistan, due to the absence of data in the CIS Statistical Committee's data base for 1997-1999, the estimate of the Statistical Committee have been used.

### **5. Per capita GDP in the CIS countries during 1990-1999 PPS, expressed in national currencies and current prices.**

The results of per capita GDP in the CIS countries using adjusted data are presented in the following table:

As we see from the table, Russia had the largest value of per capita GDP in 1999 - approximately USD 6.9 thousand. Belarus followed Russia, with USD 6.8 thousand and Kazakhstan held third place - USD 5.2 thousand.

In Moldova and Tadjikistan, the volume of per capita GDP has declined considerably, by 2.1-2.2 times in 1999 in comparison to 1991 (before the collapse of the USSR and beginning of the transition period.) In Azerbaijan, Georgia and Ukraine, per capita GDP has declined by 1.8 times. The minimal decline was observed in Kazakhstan and Uzbekistan - 1.1 times.

In comparison to 1995 (for the majority of the CIS countries this year presented the lowest indicators), the volume of per capita GDP in 1999 has increased in many CIS countries, particularly in Georgia (by 38%), Belarus (37%), Azerbaijan (29%), Armenia (27%) and Kyrgyzstan (25%).

Lower rates of growth have been observed in Kazakhstan and Uzbekistan (15-16%). In Russia and Turkmenistan, the rate of growth of per capita GDP equalled 3%. In Ukraine, Tadjikistan and Moldova, there was a decline in the rate of growth of per capita GDP - 6%, 7% and 11%, respectively.

It should be noted that, in order to compare the values of per capita GDP for different years, these indicators must be divided by the rate of inflation of the USD (deflator of GDP in the USA), with regard to the basis year.



## STATISTICAL ANNEXES

## 1. HUMAN DEVELOPMENT INDEX

	Human Development Index	Income per capita (GAV), USD, PPS	Life Expectancy, years	Aggregated share of students aged 6-24, %
Kazakhstan				
1994	0,738	4713	64,9	65,8
1995	0,726	4508	63,5	65,6
1996	0,732	4682	63,6	65,9
1997	0,738	4921	64,0	65,9
1998	0,743	4969	64,5	66,9
1999	0,755	5249	65,7	67,9
Akmola*				
1994	0,713	3153	64,8	47,1
1995	0,707	3420	63,1	44,3
1996	0,704	3061	63,5	44,5
1997	0,710	3218	63,9	46,0
1998	0,719	3710	63,9	47,3
1999	0,734	4066	65,1	65,8
Aktobe				
1994	0,741	4804	65,0	67,7
1995	0,734	4977	36,8	63,2
1996	0,731	4204	64,6	63,5
1997	0,744	5311	64,4	67,7
1998	0,750	5639	64,0	69,5
1999	0,759	5246	65,2	72,5
Almaty				
1994	0,693	2008	66,4	62,3
1995	0,694	2263	65,7	60,0
1996	0,714	2919	66,0	60,8
1997	0,719	2942	66,6	62,5
1998	0,715	2671	66,5	62,9
1999	0,717	2437	67,7	62,8
Almaty city				
1994	0,784	6725	65,2	80,0
1995	0,768	5188	64,5	78,1
1996	0,805	9369	65,0	81,5
1997	0,823	10980	66,5	86,5
1998	0,826	10730	67,3	88,9
1999	0,828	11935	68,6	93,4
Atyrau				
1994	0,753	8031	63,3	67,1
1995	0,764	9988	62,8	65,7
1996	0,776	11096	63,1	67,1
1997	0,786	12155	63,2	71,9
1998	0,782	9807	63,6	70,7
1999	0,815	14677	64,8	71,3
Eastern Kazakhstan				
1994	0,738	5224	64,1	65,1
1995	0,724	5063	62,4	61,1
1996	0,719	4394	62,6	60,9
1997	0,726	4826	62,8	63,8
1998	0,733	5238	63,0	65,4
1999	0,739	4811	64,2	66,1

	Human Development Index	Income per capita, (GAV) USD, PPS	Life Expectancy, years	Aggregated share of students aged 6-24, %
Zhambyl				
1994	0,675	1638	65,0	60,4
1995	0,664	1556	64,4	58,3
1996	0,698	2501	64,9	58,8
1997	0,691	2178	64,8	59,6
1998	0,692	1983	65,4	60,8
1999	0,699	1952	66,6	62,2
Western Kazakhstan				
1994	0,709	2897	64,8	65,2
1995	0,704	2962	63,9	61,8
1996	0,702	2693	63,9	61,6
1997	0,731	4100	64,9	64,5
1998	0,732	4091	64,6	66,3
1999	0,760	5438	65,8	68,9
Karaganda				
1994	0,769	8950	63,9	65,7
1995	0,745	7444	62,0	62,5
1996	0,725	5257	61,3	62,4
1997	0,735	5836	62,0	64,6
1998	0,730	5718	61,7	65,7
1999	0,748	6176	62,8	67,5
Kyzylorda				
1994	0,695	2174	63,5	72,3
1995	0,696	2662	62,0	68,7
1996	0,714	3155	63,3	64,6
1997	0,716	3206	64,3	65,9
1998	0,708	2712	63,7	65,4
1999	0,718	2838	64,9	66,8
Kostanai				
1994	0,755	5494	66,4	64,8
1995	0,731	4320	64,4	62,4
1996	0,731	4019	64,7	62,9
1997	0,752	5721	64,8	64,8
1998	0,734	5137	64,3	65,2
1999	0,739	4603	65,5	62,8
Mangystau				
1994	0,780	10623	65,3	63,9
1995	0,778	11894	64,1	62,0
1996	0,788	13571	63,9	65,6
1997	0,775	10461	63,6	73,3
1998	0,772	7967	64,0	74,6
1999	0,795	10130	65,2	76,6
Pavlodar				
1994	0,764	8456	64,3	64,2
1995	0,756	8488	63,1	61,5
1996	0,757	7376	63,9	63,1
1997	0,743	5439	64,0	66,7
1998	0,779	10822	63,8	68,1
1999	0,787	10235	65,0	68,7
Northern Kazakhstan				
1994	0,757	5928	65,8	92,3
1995	0,745	5790	64,2	88,0
1996	0,753	6405	64,2	88,6
1997	0,740	4986	64,4	88,3
1998	0,712	3620	63,6	89,0
1999	0,734	4334	64,8	62,0
Southern Kazakhstan				
1994	0,678	1336	66,9	64,4
1995	0,678	1611	65,4	62,2
1996	0,702	2304	65,5	63,6
1997	0,709	2333	66,1	65,2
1998	0,709	2127	66,2	66,2
1999	0,714	2080	67,4	66,0

\* Akmola Oblast including the city of Astana

## 2. BASIC DATA ON KAZAKHSTAN

	1994	1995	1996	1997	1998	1999
Area, million square km *	2724,9	2724,9	2724,9	2724,9	2724,9	2724,9
Population density, persons per square km	6,0	5,9	5,8	5,7	5,6	5,5
Population, million people (as of beginning of the year)	16,3	16,0	15,7	15,5	15,2	14,9
Children, %	32,6	32,3	32,1	31,6	31,2	30,7
Population older than employable age, %	12,1	12,3	12,4	12,5	11,8	12,5
Rural population, %	44	44	44	44	44	44
Urban population, %	56	56	56	56	56	56
Male, %	48	48	48	48	48	48,1
Female, %	52	52	52	52	52	51,9
Kazakhs, %	46,0	47,9	49,4	50,6	52,0	53,4
Russians, %	35,0	33,8	32,9	32,2	31,4	30,0
Others, %	19,0	18,3	17,7	17,2	16,6	16,6
Life expectancy, years	64.9	63.5	63.6	64.0	64.5	65.7
Infant mortality (per 1,000 new-born)	27.1	27.0	25.4	24.9	21.6	20.7
Natural growth, million people	0.1	0.1	0.1	0.1	0.1	0.1
Migration growth, million people	- 0.5	- 0.4	- 0.3	- 0.4	- 0.3	- 0.2
Employable population, million people	9.0	8.8	8.7	8.6	8.4	8.3
Employed, million people	6.6	6.6	6.5	6.4	6.1	6.1
Official unemployment rate, % (as of end of year)	1.1	2.1	4.1	3.8	3.7	3.9
Hidden unemployment, % (as of end of year)	-	-	4.5	3.4	3.2	2.5
Disabled receiving social benefits (% of the total population)	2.1	2.4	2.5	2.5	2.5	2.4

\* Data of the committee on management of land resources under the Ministry of agriculture of Kazakhstan

## 3. MAIN HUMAN DEVELOPMENT INDICATORS

Indicators	1994	1995	1996	1997	1998	1999
Life expectancy, years	64.9	63.5	63.6	64.0	64.5	65.7
Literacy of adult population, (%)	98.5	98.7	98.9	99.1	99.3	99.5
Aggregated share of students aged 6-24, (%)	65.8	65.6	65.9	65.9	66.9	67.9
GDP in current prices, billion tenge	423.5	1014.2	1415.71	1672.1	1733.3	2016.5
GDP, billion USD	11.84	16.64	21.04	22.17	22.14	16.85
Agriculture (% of GDP)	14.9	12.3	12.1	11.5	8.6	9.9
Industry (% of GDP)	29.1	23.5	21.2	21.4	24.4	28.2
Construction	9.6	6.5	4.4	4.2	4.9	4.7
Services (% of GDP)	42.9	52.5	56.4	57.5	56.1	51.5
<b>Consumption</b>						
Individual (% of GDP)	83.7	79.2	75.1	77.4	79.1	78.6
State, (% of GDP)	4.6	5.5	5.1	5.5	5.0	4.5
Gross accumulation, (% of GDP)	28.7	23.3	16.1	15.6	14.3	14.6
Gross Domestic Savings, (% of GDP)	11.7	15.3	19.8	17.1	15.9	17.0
Tax accumulations, (% of GDP)	14.8	15.8	12.6	12.2	12.4	16.4
Common state services, (% of GDP)	2.3	0.8	1.0	1.8	1.8	1.4
Export, (% of GDP)	37.1	39.0	35.3	34.9	30.3	42.5
Import, (% of GDP)	47.1	43.5	36.0	37.4	34.9	40.1
Index of physical volume of GDP, (% of previous year)	87.4	91.8	100.5	101.7	98.1	102.7
State expenditures for education (% of GDP)	3.2	4.5	4.6	4.4	4.0	3.9
State expenditures for health care (% of GDP)	2.2	3.0	2.5	2.1	1.5	2.2
Book publishing, total number of items	1148	1115	1226	1015	1341	1301
International conversations, units per capita	12.9	19.3	22.1	24.6	25.9	25.8

	1994	1995	1996	1997	1998	1999
<b>Wealth, poverty and social investments</b>						
GDP per capita, USD	733.4	1052.4	1350.7	1445.9	1468.8	1127.4
GDP per capita, tenge	26227.8	64123.1	90880.2	109045.2	114991.3	134880.0
Ratio of incomes of highest 20% of households to lowest 20%	...	...	4.3	6.4	6.9	6.8
State expenses in social sector, (% of GDP)	0.8	0.8	0.7	1.6*	3.1	7.9
Total expenses for education, (% of GDP)	3.2	4.5	4.6	4.4	4.0	3.9
Total expenses for health care, (% of GDP)	2.2	3.0	2.5	2.1	1.5	2.2

\* 1997- social protection including social insurance

	1994	1995	1996	1997	1998	1999
<b>Resources inflows</b>						
Ratio of import to export (export volume , % of import volume)*	71.8	90.4	99.8	97.5	83.1	116.8
Growth rate of export, (% of growth rate of import)	...	125.9	110.5	97.7	85.3	140.5
Dependence of trade (export plus import, % of GNP)	71.6	74.8	63.9	65.7	60.2	63.6
Conditions of trade (1994=100)	100	147	158.8	171.8	157.2	125.8
The share of pure direct investments, (% of GNP)	5.1	5.0	6.2	5.6	5.8	7.0
Energy consumption						
Total, million kwt/hour	79428.1	73495.9	64601.0	56600.7	53045.7	50262.9
Index (1990=100)	75.9	70.2	61.7	54.1	50.7	48.0
Per capita, thousand kwt/hour	4.9	4.6	4.1	3.6	3.4	3.4

\* - export and import volumes includes the data on spontaneous trade

#### 4. TRENDS IN HUMAN DEVELOPMENT (BY OBLAST)

	University full-time equivalent enrolment (%)	GDP per capita, tenge
Kazakhstan		
1994	69,1	24367,2
1995	67,2	59836,2
1996	70,6	80657,1
1997	74,1	97586,3
1998	64,3	1034400,8
1999	65,8	121544,8
Akmola*		
1994	72,0	22761,6
1995	67,8	63868,2
1996	73,8	73613,8
1997	75,2	88280,7
1998	-	54073,1
1999	76,7	87174,7
Aktobe		
1994	78,7	24908,1
1995	79,1	65225,1
1996	83,0	71692,1
1997	83,9	104088,0
1998	59,0	117391,6
1999	56,5	124157,9
Almaty		
1994	31,3	10405,9
1995	29,8	29792,2
1996	42,5	50022,3
1997	69,4	57772,9
1998	61,5	55600,1
1999	53,6	58548,2
Almaty city		
1994	70,0	34399,4
1995	66,0	72831,1
1996	70,2	172680,0
1997	70,3	235460,5
1998	64,1	223392,5
1999	68,8	283108,3

	University full-time equivalent enrolment (%)	GDP per capita, tenge
Atyrau		
1994	63,9	41088,1
1995	59,0	128357,9
1996	62,7	186853,7
1997	62,3	238104,5
1998	52,0	204176,0
1999	52,6	288597,6
Eastern-Kazakhstan		
1994	71,0	27227,1
1995	68,4	67117,3
1996	73,1	75139,3
1997	83,8	94404,7
1998	62,4	109050,5
1999	57,4	125561,4
Zhambyl		
1994	66,1	8614,8
1995	64,3	20803,7
1996	71,9	43571,0
1997	81,7	43855,7
1998	59,4	41290,8
1999	78,0	44025,0
Western Kazakhstan		
1994	72,6	15239,3
1995	72,0	39508,7
1996	74,1	46813,8
1997	87,2	81451,1
1998	68,4	85164,1
1999	63,7	115903,4
Karaganda		
1994	65,5	43805,8
1995	64,8	98315,7
1996	67,6	89424,8
1997	70,2	113509,7
1998	56,9	119052,0
1999	65,8	150807,9
Kyzylorda		
1994	68,8	11487,5
1995	58,0	31569,4
1996	72,3	48890,6
1997	83,4	63027,0
1998	71,5	56468,7
1999	67,0	58840,3
Kostanai		
1994	68,2	28914,4
1995	68,4	58192,1
1996	63,8	69625,7
1997	68,5	112659,5
1998	66,6	106951,9
1999	61,1	122622,4
Mangystau		
1994	64,4	54386,5
1995	63,0	149051,5
1996	68,7	221894,8
1997	70,1	193719,7
1998	61,9	165871,3
1999	58,8	247443,9
Pavlodar		
1994	71,4	44189,3
1995	75,4	113119,3
1996	79,0	126746,1
1997	87,8	106654,8
1998	66,3	225306,8
1999	73,8	136708,8
Northern Kazakhstan		
1994	71,4	22457,8
1995	73,7	55736,3
1996	75,0	78620,7
1997	83,4	69398,7
1998	70,0	75367,9
1999	60,2	91429,8



	University full-time equivalent enrolment (%)	GDP per capita, tenge
Southern Kazakhstan		
1994	67,1	7039,4
1995	75,1	21390,1
1996	72,2	40197,6
1997	73,4	46786,1
1998	71,4	44281,2
1999	66,9	55084,5
Astana		
1994	...	...
1995	...	...
1996	...	...
1997	...	...
1998	77,7	141508,2
1999	80,4	243295,3

\* Here in and further data on Akmola Oblast over the period 1994-1997 includes the data on Astana city.

## 5. HUMAN CAPITAL FORMATION (BY OBLASTS)

	Scientists and technicians (per 1000 people)	Upper secondary graduates (as % of population of normal graduate age)	Tertiary graduates (as % of population of normal graduate age)	Stationary tertiary graduates (as % of population of normal graduate age)
Kazakhstan				
1994	1,18	22,7	17,9	11,3
1995	1,06	22,3	17,5	11,8
1996	1,1	19,7	19,2	13,0
1997	1,1	19,8	19,6	13,0
1998	0,80	18,8	20,4	13,4
1999	0,73	19,1	22,6	14,7
Akmola				
1994	0,8	22,7	16,2	10,3
1995	1,07	22,3	15,7	11,2
1996	1,0	23,6	18,1	12,9
1997	1,0	24,2	19,3	13,0
1998	0,35	22,3	18,3	13,5
1999	0,55	14,1	11,0	7,9
Aktobe				
1994	0,59	28,2	14,4	10,2
1995	0,49	26,0	16,9	11,6
1996	0,5	20,7	13,5	9,2
1997	0,9	20,8	13,3	9,3
1998	0,28	24,5	14,7	10,2
1999	0,30	24,0	15,9	10,2
Almaty				
1994	0,77	16,3	3,5	1,9
1995	0,40	14,9	3,8	2,6
1996	0,20	13,7	3,1	1,9
1997	0,20	13,1	3,3	1,4
1998	0,29	12,8	4,2	1,9
1999	0,28	16,1	3,4	1,8
Almaty city				
1994	8,57	34,3	71,7	44,1
1995	7,60	31,7	71,4	45,5
1996	8,3	27,6	85,8	56,2
1997	8,2	28,2	92,3	59,0
1998	6,3	26,4	84,5	55,4
1999	5,19	25,5	91,0	57,9
Atyrau				
1994	1,43	21,1	16,5	7,0
1995	1,22	18,0	13,3	6,8
1996	1,2	15,7	19,3	9,0
1997	1,0	20,2	24,3	14,9
1998	0,90	21,8	21,3	13,1
1999	0,85	19,4	22,7	14,2

	Scientists and technicians (per 1000 people)	Upper secondary graduates (as % of population of normal graduate age)	Tertiary graduates (as % of population of normal graduate age)	Stationary tertiary graduates (as % of population of normal graduate age)
Eastern Kazakhstan				
1994	0,62	22,0	15,1	11,3
1995	0,63	22,6	13,5	9,9
1996	0,7	19,0	15,1	11,8
1997	0,6	17,0	15,0	11,2
1998	0,54	16,1	16,6	12,5
1999	0,49	20,0	19,3	14,4
Zhambyl				
1994	0,26	12,7	13,6	8,0
1995	0,32	13,1	16,0	10,5
1996	0,3	11,5	14,5	10,2
1997	0,3	11,8	14,2	9,6
1998	0,19	9,1	13,7	9,3
1999	0,13	8,7	15,1	10,2
Western Kazakhstan				
1994	0,46	22,7	14,4	9,6
1995	0,35	19,9	15,9	11,5
1996	0,4	17,1	17,2	12,4
1997	0,3	15,0	14,7	10,4
1998	0,21	13,0	12,2	8,2
1999	0,17	12,6	15,9	10,6
Karaganda				
1994	1,35	23,0	26,7	17,4
1995	0,95	23,0	26,7	17,8
1996	1,2	23,9	27,2	17,6
1997	1,0	22,6	28,4	18,1
1998	0,80	20,8	27,3	16,1
1999	0,77	21,0	30,4	17,8
Kyzylorda				
1994	0,1	17,3	16,2	13,0
1995	0,49	20,6	13,9	11,8
1996	0,5	11,3	11,6	10,8
1997	0,5	15,0	12,3	8,9
1998	0,55	15,2	19,7	13,0
1999	0,09	13,1	21,2	12,7
Kostanai				
1994	0,2	27,3	11,3	7,2
1995	0,2	28,7	13,6	8,6
1996	0,2	25,9	15,4	10,5
1997	0,3	23,6	17,2	11,5
1998	0,19	22,7	18,9	11,8
1999	0,14	22,4	20,8	13,3
Mangystau				
1994	1,19	13,9	5,0	1,3
1995	1,30	11,6	4,7	1,9
1996	1,3	10,9	5,9	3,4
1997	1,5	22,5	9,1	5,3
1998	1,12	21,2	9,9	6,7
1999	1,29	32,0	14,0	9,4
Pavlodar				
1994	0,55	21,3	8,7	5,9
1995	0,41	24,2	7,7	5,3
1996	0,4	25,3	8,7	5,8
1997	0,3	25,2	9,3	7,1
1998	0,15	23,9	10,3	7,5
1999	0,1	31,9	11,5	8,2
Northern Kazakhstan				
1994	0,7	29,7	9,0	6,1
1995	0,7	29,2	9,1	6,1
1996	0,7	26,9	13,9	9,6
1997	0,7	26,5	10,9	7,3
1998	0,19	24,4	12,3	8,7
1999	0,13	15,9	8,7	6,4
Southern Kazakhstan				
1994	0,22	21,2	8,9	5,0
1995	0,24	21,4	10,1	7,7
1996	0,2	17,2	10,3	6,7
1997	0,2	17,7	10,8	7,2
1998	0,13	16,3	13,5	8,9
1999	0,1	13,9	15,1	10,2

	Scientists and technicians (per 1000 people)	Upper secondary graduates (as % of population of normal graduate age)	Tertiary graduates (as % of population of normal graduate age)	Stationary tertiary graduates (as % of population of normal graduate age)
Astana				
1994	...	...	...	...
1995	...	...	...	...
1996	...	...	...	...
1997	...	...	...	...
1998	1,59	...	...	...
1999	1,29	47,0	39,6	...

## 6. FEMALE-MALE GAPS (BY OBLAST), WOMEN AS % OF MEN

	Life expectancy, years	Population	Number of stationary tertiary graduates
Kazakhstan			
1994	117,3	107,0	111,6
1995	119,0	107,1	113,4
1996	119,7	107,2	111,5
1997	119,0	107,3	111,9
1998	119,3	107,5	114,5
1999	117,7	107,6	117,7
Akmola			
1994	119,0	104,9	99,1
1995	119,4	105,0	111,9
1996	119,8	105,1	113,7
1997	119,6	105,3	111,8
1998	118,5	105,4	-
1999	117,2	105,6	125,0
Aktobe			
1994	117,7	106,3	126,6
1995	119,7	106,3	159,6
1996	119,6	106,3	166,9
1997	120,1	106,3	183,6
1998	119,8	106,3	158,9
1999	118,0	106,3	160,0
Akmola			
1994	115,5	104,7	181,6
1995	117,1	104,6	212,8
1996	118,3	104,6	181,0
1997	116,4	104,6	161,3
1998	116,2	104,6	193,2
1999	114,0	104,4	194,4
Almaty			
1994	119,5	118,4	106,8
1995	120,8	118,7	101,7
1996	120,0	119,0	101,7
1997	117,7	119,4	102,2
1998	116,0	119,7	105,7
1999	118,5	120,0	107,3
Atyrau			
1994	117,9	104,4	166,2
1995	119,1	104,3	155,4
1996	119,8	104,3	155,1
1997	119,0	104,3	153,1
1998	116,7	104,3	159,9
1999	115,1	104,2	140,6
Eastern Kazakhstan			
1994	118,3	107,9	112,5
1995	121,1	108,0	117,1
1996	122,2	108,2	120,1
1997	122,5	108,4	114,4
1998	119,2	108,6	126,3
1999	118,9	108,8	149,3

	Life expectancy, years	Population	Number of stationary tertiary graduates
Zhambyl			
1994	115,9	108,4	124,9
1995	116,4	108,6	121,5
1996	117,9	109,0	104,3
1997	117,2	109,4	116,4
1998	116,8	109,8	113,0
1999	116,2	110,1	110,1
Western Kazakhstan			
1994	117,9	106,8	95,3
1995	119,1	106,7	107,9
1996	121,6	106,8	109,0
1997	119,7	106,8	117,6
1998	118,5	106,9	118,2
1999	119,6	106,9	118,4
Karaganda			
1994	119,7	108,4	108,7
1995	120,3	108,7	106,2
1996	122,7	109,1	104,7
1997	121,7	109,4	108,0
1998	119,9	109,8	101,9
1999	119,9	110,2	113,9
Kyzylorda			
1994	114,3	101,3	160,9
1995	114,5	101,2	149,4
1996	114,	100,9	143,6
1997	113,1	100,7	155,8
1998	112,8	100,5	145,7
1999	111,9	100,3	149,5
Kostanai			
1994	117,9	107,7	103,3
1995	121,2	107,9	109,7
1996	120,7	108,1	107,2
1997	120,0	108,4	217
1998	119,8	108,8	93,9
1999	119,6	109,0	89,7
Mangystau			
1994	115,3	100,6	56,7
1995	118,7	100,9	81,1
1996	118,9	101,3	78,4
1997	118,1	101,7	93,0
1998	117,9	102,1	110,1
1999	117,8	102,5	110,8
Pavlodar			
1994	119,4	107,7	79,1
1995	122,4	108,0	100,7
1996	121,4	108,3	104,4
1997	120,9	108,7	122,8
1998	119,8	109,0	111,5
1999	119,4	109,4	111,5
Northern Kazakhstan			
1994	117,7	106,2	154,4
1995	119,4	106,2	135,7
1996	120,3	106,3	131,2
1997	120,6	106,3	120,3
1998	120,1	106,4	125,2
1999	119,7	106,5	136,4
Southern Kazakhstan			
1994	112,7	103,9	115,0
1995	114,4	103,6	118,1
1996	114,1	103,3	109,7
1997	114,1	103,1	106,2
1998	113,8	102,9	111,9
1999	113,6	102,6	114,6
Astana			
1994	120,1	112,3	...
1995	120,5	112,9	...
1996	120,6	113,5	...
1997	121,8	114,1	...
1998	119,5	114,7	121,7
1999	118,1	115,4	121,3

## 7. COMMUNICATION PROFILE (BY OBLAST)

	Radios (per 1000 people)	Televisions (per 1000 people)	Annual cinema attendance (per person)	Registered library users (%)	Letters posted (per capita)	Telephones (per 1000 people)	Motor vehicles (per 100 people)
Kazakhstan							
1994	30,2	26	0,85	36,9	4,4	14,0	5,8
1995	27,6	25	0,41	35,9	3,2	13,9	6,2
1996	23,7	24	0,21	32,7	2,4	13,5	6,0
1997	13,9	22	0,06	24,1	1,6	12,7	5,9
1998	10,5	20	0,04	22,5	1,4	12,6	6,0
1999	8,5	19	...	17,6	1,2	13,0	6,4
Akmola							
1994	41,1	24	0,27	38,7	7,7	8,3	6,5
1995	38,4	23	0,11	35,3	...	8,2	6,6
1996	32,7	21	0,05	33,7	...	8,5	6,4
1997	30,0	19	0,02	25,6	...	8,6	6,1
1998	6,5	25	0,03	20,5	...	8,1	6,7
1999	3,6	...	...	23,0	...	10,1	7,0
Aktobe							
1994	21,8	20	0,91	43,0	3,8	9,9	4,0
1995	18,8	18	0,58	43,6	...	10,1	4,7
1996	16,5	17	0,20	40,7	...	10,1	5,0
1997	0,6	16	0,03	25,3	...	8,8	5,6
1998	0,1	14	...	22,7	...	8,6	6,1
1999	0,0	...	...	23,9	...	9,1	6,9
Almaty							
1994	18,3	17	1,32	34,4	3,5	8,7	6,5
1995	14,7	16	0,43	33,4	...	8,6	7,0
1996	11,5	14	0,22	29,9	...	8,2	4,9
1997	7,0	12	0,11	18,6	...	7,1	4,8
1998	2,2	10	0,07	15,1	...	6,9	5,1
1999	1,3	...	...	9,6	...	7,2	4,9
Almaty city							
1994	63,2	33	0,05	21,3	7,6	30,3	12,4
1995	63,5	31	0,12	20,8	...	31,4	14,2
1996	62,4	29	0,05	17,5	...	31,5	15,9
1997	54,2	26	0,02	16,2	...	31,5	15,4
1998	53,7	23	0,01	15,1	...	31,9	15,3
1999	49,8	...	...	16,6	...	29,8	13,8
Atyrau							
1994	9,1	15	0,89	39,2	2,1	9,0	2,9
1995	6,5	13	0,50	41,7	...	8,9	3,0
1996	5,2	12	0,55	39,8	...	8,6	3,5
1997	1,7	10	0,02	34,4	...	8,5	3,5
1998	1,9	9	...	31,6	...	8,3	4,0
1999	0,9	...	...	31,1	...	8,6	4,2
Eastern Kazakhstan							
1994	34,5	25	0,76	37,1	4,7	12,0	5,5
1995	32,0	23	0,32	33,5	...	11,8	5,4
1996	27,9	21	0,11	28,5	...	11,8	5,3
1997	13,7	19	0,09	19,7	...	11,4	5,4
1998	9,2	18	...	19,8	...	11,6	5,5
1999	6,2	...	...	19,8	...	12,5	6,5
Zhambyl							
1994	21,5	18	1,48	35,9	3,3	8,7	6,1
1995	18,2	17	0,58	34,4	...	8,6	6,3
1996	10,9	15	0,33	30,2	...	8,2	4,5
1997	4,1	13	0,02	10,3	...	7,5	4,3
1998	3,7	11	0,01	10,4	...	7,7	4,2
1999	1,4	...	...	10,9	...	7,9	4,3
Western Kazakhstan							
1994	23,8	19	1,17	43,4	3,2	10,7	5,2
1995	20,4	18	0,54	43,4	...	10,7	5,5
1996	18,7	16	0,39	42,5	...	10,2	5,8
1997	14,5	14	0,17	41,7	...	9,1	5,9
1998	8,5	12	0,06	42,0	...	8,8	5,9
1999	0,6	...	...	41,5	...	9,3	6,4



	Radios (per 1000 people)	Televisions (per 1000 people)	Annual cinema attendance (per person)	Registered library users (%)	Letters posted (per capita)	Telephones (per 1000 people)	Motor vehicles (per 100 people)
Karaganda							
1994	40,3	30	0,87	36,9	4,5	15,2	5,8
1995	38,6	28	0,44	37,6	...	15,7	6,5
1996	33,3	26	0,26	32,9	...	15,7	6,8
1997	4,6	24	0,02	25,4	...	15,1	6,9
1998	2,0	21	0,04	26,1	...	15,0	6,4
1999	2,6	...	...	28,1	...	16,5	7,1
Kyzylorda							
1994	30,1	13	1,28	42,4	4,5	10,6	2,9
1995	21,9	12	0,46	40,1	...	8,3	2,1
1996	19,4	11	0,33	41,1	...	7,7	2,3
1997	9,4	9	0,09	34,6	...	7,2	2,0
1998	7,9	8	0,12	35,3	...	7,1	1,8
1999	4,7	...	...	31,1	...	7,2	2,0
Kostanai							
1994	32,2	28	0,48	43,3	4,3	12,1	6,6
1995	30,7	26	0,32	43,6	...	12,5	7,2
1996	27,6	23	0,13	41,8	...	12,8	7,8
1997	20,3	21	0,05	36,1	...	12,2	8,4
1998	14,7	18	0,07	33,2	...	12,1	8,8
1999	6,2	...	...	5,6	...	13,6	9,8
Mangystau							
1994	38,9	13	...	...	4,0	5,5	3,4
1995	39,7	13	...	...	...	6,4	4,1
1996	30,1	12	...	...	...	7,0	3,4
1997	25,6	12	0,33	15,0	...	7,7	3,6
1998	6,4	12	0,14	18,5	...	8,3	4,2
1999	4,8	...	...	20,2	...	9,0	5,1
Pavlodar							
1994	44,2	26	1,59	35,9	5,3	15,0	7,2
1995	43,7	25	0,76	34,9	...	15,5	7,2
1996	37,6	23	0,36	30,7	...	15,7	7,2
1997	33,6	20	0,07	25,5	...	16,2	6,5
1998	25,3	18	0,03	24,1	...	15,8	7,0
1999	21,3	...	...	24,1	...	17,4	7,5
Northern Kazakhstan							
1994	29,9	27	0,46	45,5	5,0	10,8	6,0
1995	26,4	26	0,25	45,8	...	11,0	7,1
1996	21,0	24	0,13	44,0	...	11,1	7,1
1997	12,8	21	0,07	25,5	...	10,4	6,1
1998	9,8	18	0,03	29,4	...	10,6	6,3
1999	0,1	...	...	21,6	...	11,7	6,6
Southern Kazakhstan							
1994	15,2	15	0,71	32,4	1,8	7,5	2,7
1995	12,5	13	0,48	31,1	...	7,1	2,7
1996	10,6	12	0,15	26,6	...	6,3	2,6
1997	1,9	10	0,04	23,3	...	5,4	2,7
1998	1,6	7	0,02	21,0	...	5,0	2,2
1999	0,9	...	...	1,9	...	5,0	3,3
Astana							
1994	...	-	...	...	8,0	20,2	6,8
1995	...	-	...	...	...	19,6	6,7
1996	...	-	...	...	...	19,8	6,4
1997	...	-	...	...	...	18,5	5,9
1998	41,7	-	...	8,3	...	20,6	7,3
1999	33,0	...	...	16,0	...	17,6	6,5

## 8. STATUS OF WOMEN (BY OBLAST)

	Life expectancy, years		Maternal mortality (per 100,000 life births)	Tertiary natural and applied science (as % of female tertiary)
	Female	Male		
Kazakhstan				
1994	70,4	60,0	48,4	12,4
1995	69,5	58,4	57,6	12,2
1996	70,0	58,5	52,9	7,2
1997	69,9	58,4	59,0	7,7
1998	70,4	59,0	54,8	5,5
1999	71,0	60,3	49,6	5,3
Akmola				
1994	70,7	59,4	59,8	5,8
1995	69,0	57,8	38,0	5,7
1996	69,6	58,1	73,5	5,0
1997	69,0	57,9	61,9	-
1998	69,6	57,9	61,5	-
1999	69,4	59,2	61,6	8,7
Aktobe				
1994	70,6	60,0	20,5	10,4
1995	69,9	58,4	45,7	11,8
1996	70,7	59,1	41,2	-
1997	70,0	58,0	76,3	3,0
1998	70,2	58,3	58,9	4,0
1999	70,7	59,9	44,0	5,5
Almaty				
1994	71,3	61,7	36,9	10,3
1995	71,1	60,7	47,8	16,0
1996	71,7	60,6	64,0	11,4
1997	71,4	61,0	41,7	12,0
1998	71,5	61,9	8,5	1,9
1999	71,5	62,7	18,0	5,6
Almaty city				
1994	71,1	59,5	52,0	12,5
1995	70,7	58,5	98,6	12,5
1996	70,9	59,1	69,1	9,7
1997	71,7	60,9	80,2	9,0
1998	73,0	61,3	26,0	30,7
1999	73,5	62,1	16,1	4,5
Atyrau				
1994	68,5	58,1	28,0	19,0
1995	68,7	57,7	93,5	18,2
1996	69,1	57,7	22,3	7,3
1997	68,6	56,7	63,3	9,1
1998	69,3	58,2	36,5	1,5
1999	69,5	60,4	36,7	3,5
Eastern Kazakhstan				
1994	69,7	58,9	90,1	11,8
1995	68,8	56,8	82,1	11,7
1996	69,4	56,8	90,5	8,4
1997	69,1	56,0	112,4	6,4
1998	69,7	57,0	123,5	12,9
1999	70,4	59,2	102,1	7,7
Zhambyl				
1994	69,9	60,3	40,0	3,8
1995	69,6	59,8	33,7	4,1
1996	70,4	59,7	27,4	-
1997	70,3	59,0	23,2	4,5
1998	71,2	60,0	18,3	2,1
1999	71,4	61,4	92,5	3,9
Western Kazakhstan				
1994	70,3	59,6	40,2	20,8
1995	69,8	58,6	46,2	18,5
1996	70,4	57,9	93,3	-
1997	70,5	58,8	65,8	14,4
1998	70,4	59,2	78,4	9,6
1999	70,7	59,1	28,4	2,4

	Life expectancy, years		Maternal mortality (per 100,000 life births)	Tertiary natural and applied science (as % of female tertiary)
	Female	Male		
Karaganda				
1994	69,9	58,4	35,4	15,9
1995	68,0	56,5	62,3	12,1
1996	68,1	55,5	73,4	4,2
1997	68,0	55,3	74,0	7,8
1998	68,5	55,9	49,3	13,6
1999	69,4	57,9	35,8	6,5
Kyzylorda				
1994	67,9	59,4	22,9	13,7
1995	66,4	58,0	12,8	12,1
1996	67,8	59,3	20,9	5,3
1997	67,8	60,0	7,4	3,7
1998	67,8	60,0	41,3	4,6
1999	68,6	61,3	15,7	11,6
Kostanai				
1994	71,9	61,0	32,6	23,2
1995	70,8	58,4	80,3	22,9
1996	71,0	58,8	55,0	2,5
1997	70,4	58,5	76,3	14,0
1998	70,6	58,6	90,3	3,6
1999	70,8	59,2	46,5	5,7
Mangystau				
1994	70,1	60,8	42,3	3,6
1995	69,8	58,8	76,2	5,1
1996	70,4	58,6	14,5	2,2
1997	67,7	57,1	14,7	-
1998	70,0	58,7	15,0	-
1999	70,3	59,7	67,4	-
Pavlodar				
1994	70,2	58,8	51,6	16,4
1995	69,8	57,0	40,7	17,0
1996	70,4	58,0	35,2	15,8
1997	70,1	57,6	80,0	9,1
1998	70,0	58,0	32,1	2,6
1999	70,7	59,2	34,4	2,3
Northern Kazakhstan				
1994	71,2	60,5	51,3	30,5
1995	70,2	58,8	84,0	24,6
1996	70,5	58,6	47,4	6,3
1997	69,7	57,6	67,9	7,4
1998	69,9	58,0	84,0	5,6
1999	70,6	59,0	89,7	10,6
Southern Kazakhstan				
1994	70,8	62,8	65,8	5,7
1995	70,0	61,2	53,4	8,5
1996	69,8	61,2	43,6	2,1
1997	70,3	61,7	54,5	8,2
1998	70,9	61,6	80,2	12,0
1999	70,1	63,1	53,6	5,1
Astana				
1994	71,5	59,6	...	...
1995	69,2	57,7	...	...
1996	70,0	58,1	...	...
1997	72,1	59,2	...	...
1998	71,8	60,1	...	...
1999	73,0	61,8	27,7	2,5

## 9. HEALTH PROFILE

	Death from circulatory system diseases (as % of all causes)	Death from malignant cancers (as % of all causes)	AIDS cases (number of cases)	Alcohol sales (litres of pure alcohol per capita)	Number of people per doctor
Kazakhstan					
1994	48,1	14,2	1	1,94	261
1995	47,6	13,1	-	1,53	261
1996	47,6	12,8	2	1,41	267
1997	47,6	12,8	7	1,60	279
1998	48,7	13,0	10	1,84	281
1999	50,0	13,2	5	...	295
Akmola					
1994	51,3	14,3	-	0,85	262
1995	49,7	13,9	-	0,70	254
1996	50,1	18,1	-	0,68	264
1997	49,2	13,2	1	0,42	271
1998	49,8	13,6	-	0,40	516
1999	52,5	13,6	-	...	375
Aktobe					
1994	46,2	16,4	-	2,25	209
1995	46,4	15,8	-	2,06	212
1996	47,9	15,3	-	3,01	221
1997	48,7	14,4	-	3,35	256
1998	47,9	15,0	-	2,20	252
1999	50,9	14,9	-	...	278
Almaty					
1994	51,8	12,6	-	2,03	400
1995	50,1	11,9	-	1,11	415
1996	50,0	12,4	-	0,37	426
1997	50,9	11,8	-	0,42	419
1998	55,1	11,9	-	0,64	432
1999	55,2	11,1	-	...	483
Almaty city					
1994	54,5	15,4	-	2,51	113
1995	53,3	15,1	-	2,39	113
1996	53,1	15,2	-	4,59	111
1997	53,3	15,9	-	5,97	115
1998	54,4	15,1	-	9,38	117
1999	54,6	15,7	-	...	134
Atyrau					
1994	32,1	12,6	-	0,79	282
1995	34,1	12,3	-	0,63	290
1996	37,9	10,6	-	0,16	300
1997	37,6	12,3	-	0,41	311
1998	39,0	11,6	-	0,93	339
1999	39,9	11,8	-	...	351
Eastern Kazakhstan					
1994	49,8	14,6	1	6,56	253
1995	48,3	13,2	-	5,95	250
1996	48,4	13,0	-	2,39	253
1997	47,9	13,4	-	2,00	252
1998	48,4	13,9	-	2,34	275
1999	50,1	14,1	-	...	278
Zhambyl					
1994	44,6	12,2	-	2,29	342
1995	45,7	11,4	-	1,60	337
1996	44,8	11,2	1	0,75	356
1997	45,2	10,6	-	0,66	373
1998	47,1	10,6	-	0,92	380
1999	47,6	11,5	-	...	398
Western Kazakhstan					
1994	45,0	14,6	-	2,02	312
1995	46,1	13,2	-	0,92	315
1996	45,0	13,3	1	1,56	322
1997	47,1	13,9	-	1,32	315
1998	47,0	14,5	-	1,36	393
1999	52,6	14,2	-	...	308

	Death from circulatory system diseases (as % of all causes)	Death from malignant cancers (as % of all causes)	AIDS cases (number of cases)	Alcohol sales (litres of pure alcohol per capita)	Number of people per doctor
Karaganda					
1994	50,0	14,1	-	3,23	201
1995	50,2	14,5	-	2,41	196
1996	49,7	10,7	-	1,34	208
1997	49,3	11,2	6	1,41	227
1998	50,2	11,3	9	1,37	233
1999	51,1	12,5	5	...	233
Kyzylorda					
1994	41,9	12,1	-	1,23	277
1995	40,8	11,1	-	0,79	311
1996	40,4	11,7	-	0,61	312
1997	40,6	12,6	-	0,59	353
1998	41,4	13,2	-	0,72	345
1999	42,4	12,6	-	...	339
Kostanai					
1994	50,3	15,3	-	2,23	354
1995	48,5	13,9	-	1,72	347
1996	48,2	19,3	-	0,90	344
1997	48,4	12,7	-	1,64	375
1998	48,8	13,2	-	2,20	389
1999	49,5	13,0	-	...	409
Mangystau					
1994	35,3	14,6	-	1,27	353
1995	33,9	13,1	-	0,89	253
1996	34,9	11,7	-	0,58	261
1997	32,6	12,6	-	0,65	267
1998	37,3	12,8	-	0,53	259
1999	38,2	12,6	-	...	280
Pavlodar					
1994	47,9	14,6	-	1,98	286
1995	47,2	13,2	-	1,45	282
1996	46,2	13,5	-	0,66	283
1997	47,3	13,8	-	1,66	306
1998	46,8	13,4	-	1,17	308
1999	48,4	13,5	-	...	294
Northern Kazakhstan					
1994	44,7	17,3	1	6,16	254
1995	46,8	15,3	-	4,31	252
1996	46,3	15,2	-	1,87	261
1997	44,7	14,9	-	1,19	271
1998	42,8	15,2	-	0,85	255
1999	45,4	15,3	-	...	429
Southern Kazakhstan					
1994	45,9	11,1	-	0,90	364
1995	45,7	11,2	-	0,65	360
1996	46,5	10,5	-	0,33	388
1997	48,6	10,1	-	0,48	387
1998	50,1	10,3	-	0,49	390
1999	51,0	11,3	-	...	387
Astana					
1994			-	-	...
1995			-	-	...
1996			-	-	...
1997	46,2	15,8	-	7,53	...
1998	45,5	16,2	-	6,71	172
1999	44,5	16,7	-	...	149



## 10. EMPLOYMENT (BY OBLAST)

	Labour force (% of the total population)	Employment of the population, %			Labour force replacement *
		Agriculture	Industry	Services	
Kazakhstan					
1994	43,7	21,5	25,6	52,9	1,547
1995	45,8	22,0	22,2	55,8	1,527
1996	47,0	21,3	20,6	58,1	1,507
1997	46,9	23,9	18,4	57,7	1,480
1998	46,8	22,2	18,4	59,4	1,450
1999	47,3	22,0	18,3	59,7	1,419
Akmola					
1994	48,3	21,6	24,6	52,8	1,482
1995	48,9	25,7	21,2	53,1	1,464
1996	51,2	22,7	19,2	58,1	1,441
1997	49,8	26,5	19,7	53,8	1,410
1998	47,1	29,6	17,3	53,1	1,385
1999	47,6	24,3	15,8	59,9	1,358
Aktobe					
1994	42,9	25,8	23,9	50,2	1,673
1995	44,2	24,0	21,2	54,8	1,645
1996	45,4	17,6	18,5	63,9	1,617
1997	46,5	22,5	16,2	61,3	1,588
1998	46,3	23,5	17,4	59,1	1,549
1999	47,4	24,5	19,0	56,5	1,514
Almaty					
1994	40,5	32,3	16,3	51,4	1,674
1995	39,5	31,4	14,8	53,8	1,654
1996	42,4	30,6	17,8	51,6	1,632
1997	43,3	32,3	10,0	57,7	1,597
1998	43,2	23,4	11,5	59,1	1,550
1999	42,3	30,9	9,8	59,3	1,508
Almaty city					
1994	52,2	0,7	28,1	71,1	1,087
1995	61,8	0,6	20,6	78,8	1,064
1996	63,1	0,7	17,9	81,4	1,039
1997	58,0	0,6	17,9	81,5	1,011
1998	56,5	2,1	17,8	80,1	0,986
1999	57,5	1,6	18,0	80,4	0,952
Atyrau					
1994	39,0	20,5	24,4	55,1	1,883
1995	42,5	16,8	22,1	61,1	1,857
1996	44,1	16,9	20,2	62,9	1,839
1997	45,2	15,6	20,3	64,1	1,807
1998	44,6	9,9	24,0	66,1	1,774
1999	44,6	8,8	25,1	66,1	1,731
Eastern Kazakhstan					
1994	45,2	22,4	27,4	50,2	1,388
1995	45,2	21,6	25,2	53,2	1,352
1996	46,1	20,6	22,3	57,1	1,322
1997	48,9	25,0	20,3	54,7	1,292
1998	49,0	19,0	20,1	60,9	1,254
1999	48,6	24,5	19,1	56,4	1,218
Zhambyl					
1994	37,8	17,3	21,5	61,2	1,760
1995	41,5	25,0	16,9	58,0	1,745
1996	43,7	24,4	16,0	59,5	1,726
1997	44,6	25,5	15,1	59,4	1,696
1998	43,8	24,3	14,2	60,9	1,660
1999	44,1	23,0	15,3	61,7	1,625
Western Kazakhstan					
1994	43,3	33,4	20,0	46,6	1,558
1995	45,0	30,5	17,9	51,6	1,541
1996	45,0	27,9	17,4	54,6	1,520
1997	46,1	28,6	15,1	56,3	1,496
1998	47,0	26,8	11,5	61,7	1,468
1999	47,6	29,0	14,3	56,7	1,431

	Labour force (% of the total population)	Employment of the population, %			Labour force replacement *
		Agriculture	Industry	Services	
Karaganda					
1994	49,2	10,6	39,0	50,4	1,311
1995	50,3	10,6	37,1	52,3	1,290
1996	50,2	13,0	34,4	52,7	1,272
1997	48,3	15,1	32,7	52,2	1,246
1998	49,9	15,6	30,6	53,8	1,218
1999	49,8	14,4	30,8	54,8	1,194
Kyzylorda					
1994	39,7	20,9	15,4	63,7	2,075
1995	38,7	20,9	12,8	66,3	2,046
1996	41,5	18,1	12,3	69,6	2,034
1997	39,1	26,8	11,9	61,3	2,015
1998	40,9	24,6	12,8	62,6	1,975
1999	42,6	26,8	18,0	55,2	1,950
Kostanai					
1994	44,0	28,3	24,7	47,0	1,376
1995	48,2	28,2	22,4	49,4	1,342
1996	49,5	26,4	20,9	52,7	1,310
1997	48,1	27,3	19,3	53,4	1,272
1998	46,0	26,4	20,7	52,9	1,232
1999	47,4	23,4	18,5	58,1	1,197
Mangystau					
1994	43,1	4,5	36,3	59,2	1,651
1995	46,2	5,3	29,5	65,2	1,661
1996	48,3	4,7	27,5	67,8	1,620
1997	48,5	9,7	28,5	61,8	1,573
1998	49,0	9,1	32,5	58,4	1,548
1999	46,9	8,2	28,9	62,9	1,540
Pavlodar					
1994	45,9	20,6	36,6	42,8	1,364
1995	50,2	18,6	32,5	48,9	1,325
1996	52,3	18,4	31,5	50,1	1,294
1997	51,0	20,0	25,4	54,6	1,253
1998	50,7	18,8	24,6	56,6	1,216
1999	51,4	20,2	24,4	55,4	1,179
Northern Kazakhstan					
1994	47,5	29,3	20,2	50,5	1,437
1995	46,6	32,5	17,7	49,8	1,410
1996	46,6	27,3	15,9	56,8	1,379
1997	46,9	31,1	13,4	55,5	1,344
1998	47,6	32,4	12,0	55,5	1,310
1999	49,1	27,7	14,5	57,8	1,266
Southern Kazakhstan					
1994	35,5	26,9	20,6	52,5	2,109
1995	39,8	31,6	14,8	53,6	2,109
1996	40,2	35,6	13,1	51,3	2,105
1997	41,8	37,0	12,6	50,4	2,089
1998	41,0	38,0	12,4	49,8	2,068
1999	42,5	35,6	11,2	53,2	2,041
Astana					
1994	...	...	...	...	1,091
1995	...	...	...	...	1,052
1996	...	...	...	...	1,034
1997	...	...	...	...	1,017
1998	53,1	0,8	24,2	75,0	0,989
1999	53,4	0,9	26,0	73,1	0,942

\* Labour force replacement index - ratio of group of the population aged under 15 to one third of the population aged 15-59

## 11. UNEMPLOYMENT (BY OBLAST)

	Unemployed people as of end of year (thousand)	Official unemployment rate * (%)
Kazakhstan		
1994	70,1	1,1
1995	139,6	2,1
1996	282,4	4,1
1997	257,5	3,8
1998	251,9	3,7
1999	251,4	3,9

	Unemployed people as of end of year (thousand)	Official unemployment rate * (%)
Akmola		
1994	2,9	0,7
1995	5,4	1,3
1996	10,2	2,4
1997	14,0	4,4
1998	9,8	3,9
1999	15,5	4,3
Aktobe		
1994	2,8	0,9
1995	7,3	2,5
1996	19,9	6,4
1997	13,8	4,5
1998	13,2	4,3
1999	10,4	3,6
Almaty		
1994	5,7	0,9
1995	11,8	2,0
1996	18,8	3,0
1997	16,9	2,7
1998	9,9	1,6
1999	8,0	1,4
Almaty city		
1994	0,3	0,1
1995	0,9	0,2
1996	4,1	0,7
1997	7,8	1,4
1998	9,6	1,8
1999	11,9	2,1
Atyrau		
1994	5,8	3,5
1995	6,7	3,8
1996	11,6	6,3
1997	10,3	5,5
1998	8,6	4,6
1999	13,2	7,3
Eastern Kazakhstan		
1994	14,1	1,9
1995	23,7	3,3
1996	44,8	6,2
1997	41,5	5,4
1998	36,9	4,8
1999	35,8	4,9
Zhambyl		
1994	2,3	0,7
1995	4,5	1,2
1996	9,6	2,5
1997	9,1	2,3
1998	18,7	4,6
1999	9,7	2,5
Western Kazakhstan		
1994	4,4	1,6
1995	7,6	2,8
1996	17,5	6,5
1997	12,3	4,4
1998	12,1	4,3
1999	10,1	3,6
Karaganda		
1994	1,7	0,2
1995	3,9	0,5
1996	14,5	2,1
1997	13,9	2,0
1998	12,4	1,8
1999	19,4	3,0
Kyzylorda		
1994	3,1	1,4
1995	7,5	3,6
1996	12,7	5,6
1997	11,8	5,5
1998	10,0	4,7
1999	9,9	4,6

	Unemployed people as of end of year (thousand)	Official unemployment rate * (%)
Kostanai		
1994	3,5	0,7
1995	7,6	1,4
1996	13,3	2,5
1997	13,3	2,7
1998	12,1	2,5
1999	18,1	4,3
Mangystau		
1994	1,0	0,8
1995	1,9	1,4
1996	5,6	3,8
1997	9,5	6,2
1998	12,2	7,8
1999	18,1	12,0
Pavlodar		
1994	4,3	1,1
1995	8,5	2,0
1996	18,8	4,3
1997	22,4	5,4
1998	25,5	6,1
1999	27,3	7,0
Northern Kazakhstan		
1994	7,1	1,3
1995	13,6	2,6
1996	23,7	4,6
1997	35,0	7,0
1998	36,0	7,2
1999	22,1	6,8
Southern Kazakhstan		
1994	11,1	1,7
1995	28,6	4,0
1996	57,3	7,7
1997	25,9	3,5
1998	21,8	3,0
1999	18,8	2,6
Astana		
1994	...	...
1995	...	...
1996	...	...
1997	...	1,9
1998	3,0	2,1
1999	3,1	2,1

\* % of economically active population as at the end of year

## 12. DEMOGRAPHIC PROFILE BY OBLAST

### Population as at the beginning of year, thousand people

	1994	1995	1996	1997	1998	1999
<b>Kazakhstan</b>	<b>16334,9</b>	<b>15956,7</b>	<b>15675,8</b>	<b>15480,6</b>	<b>15188,2</b>	<b>14957,8</b>
Akmola	1052.9	1009.6	970.7	937.8	879.3	837.4
Aktobe	734.8	720.7	711.7	705.3	694.6	683.1
Almaty	1643.9	1616.1	1596.9	1584.6	1569.1	1559.5
Almaty city	1125.8	1114.7	1111.7	1117.7	1120.1	1129.3
Atyrau	436.1	435.7	435.2	436.4	437.9	439.3
Eastern Kazakhstan	1753.2	1685	1638.3	1600.2	1562.3	1532.5
Zhambyl	1031.6	1013.3	1002	998.5	989.7	984.2
Western Kazakhstan	660.8	652.7	647	640.3	629.3	618.4
Karaganda	1646.1	1584.8	1537.2	1501	1461.1	1413.7
Kyzylorda	599.3	590.9	587.4	589.2	592.2	595.7
Kostanai	1239.3	1201.6	1159.5	1133	1076.5	1022.3
Mangystau	325.2	305.1	306.3	309.9	314.7	316.3
Pavlodar	941.9	912	885.3	865.8	837.8	807.4
Northern Kazakhstan	916.7	880.6	843.3	804.3	756.7	726.9
Southern Kazakhstan	1932.7	1940.7	1953.6	1969.4	1966.4	1973.7
Astana	294.6	293.2	289.7	287.2	300.5	318.1

### 13. NATURAL RESOURCES BALANCE SHEET (BY OBLAST)

	Land area* (thousand square km)	Population density (people per sq. km, as at the beginning of year)	Arable land (as % of all causes)	Irrigated land (as % of all causes)	Annual fresh water withdrawals per capita (thousand cubic m.)
Kazakhstan					
1994	2724,9	6,0	12,4	0,9	2,0
1995	2724,9	5,9	11,7	0,9	3,4
1996	2724,9	5,8	10,7	0,9	3,2
1997	2724,9	5,7	9,8	0,9	1,6
1998	2724,9	5,6	8,9	0,9	1,5
1999	2724,9	5,5	8,0	0,8	1,4
Akmola **					
1994	121,7	8,7	44,6	0,4	0,4
1995	121,7	8,3	43,8	0,4	0,9
1996	121,7	8,0	42,4	0,4	0,8
1997	121,7	7,7	40,2	0,4	0,3
1998	121,5	7,2	37,2	0,4	0,1
1999	146,7	5,7	33,4	0,3	0,1
Aktobe					
1994	300,6	2,4	6,3	0,2	0,6
1995	300,6	2,4	5,5	0,2	0,8
1996	300,6	2,4	4,8	0,2	0,8
1997	300,6	2,3	3,6	0,2	0,4
1998	300,6	2,3	3,3	0,2	0,3
1999	300,6	2,3	2,0	0,2	0,3
Almaty					
1994	224,0	7,3	7,4	2,9	3,4
1995	224,0	7,2	6,5	2,9	10,5
1996	224,0	7,1	5,6	2,9	10,5
1997	224,0	7,1	5,1	2,9	2,7
1998	224,0	7,0	4,9	2,9	2,5
1999	224,0	7,0	4,9	2,9	2,0
Almaty city					
1994	0,2	5629,0	-	9,2	0,3
1995	0,2	5573,5	-	9,2	0,3
1996	0,2	5558,5	-	9,2	0,3
1997	0,2	5588,5	-	10,3	0,3
1998	0,3	3733,7	8,9	11,4	0,3
1999	0,3	3764,3	6,4	17,9	0,3
Atyrau					
1994	118,6	3,7	0,2	0,4	1,1
1995	118,6	3,7	0,1	0,4	1,4
1996	118,6	3,7	0,1	0,4	1,3
1997	118,6	3,7	0,1	0,4	1,0
1998	118,6	3,7	0,0	0,4	1,0
1999	118,6	3,7	0,0	0,4	0,5
Eastern Kazakhstan					
1994	283,3	6,2	7,3	0,8	0,8
1995	283,3	5,9	6,3	0,8	1,2
1996	283,3	5,8	5,5	0,8	0,9
1997	283,3	5,6	3,8	0,8	0,5
1998	283,2	5,5	3,1	0,8	0,5
1999	283,2	5,4	3,1	0,8	0,4
Zhambyl					
1994	144,3	7,1	6,9	1,7	3,7
1995	144,3	7,0	6,8	1,7	7,8
1996	144,3	6,9	6,4	1,6	7,1
1997	144,3	6,9	6,4	1,6	2,9
1998	144,3	6,9	6,4	1,7	2,6
1999	144,3	6,8	6,4	1,7	2,7
Western Kazakhstan					
1994	151,3	4,4	12,7	0,4	1,8
1995	151,3	4,3	12,1	0,4	3,0
1996	151,3	4,3	9,6	0,4	2,5
1997	151,3	4,2	7,3	0,4	1,5
1998	151,3	4,2	6,4	0,4	1,1
1999	151,3	4,1	3,8	0,4	0,9



	Land area* (thousand square km)	Population density (people per sq. km, as at the beginning of year)	Arable land (as % of all causes)	Irrigated land (as % of all causes)	Annual fresh water withdrawals per capita (thousand cubic m.)
Karaganda					
1994	428,0	3,8	5,1	0,2	1,2
1995	428,0	3,7	4,7	0,2	1,4
1996	428,0	3,6	4,4	0,2	1,2
1997	428,0	3,5	4,2	0,2	1,0
1998	428,0	3,4	2,9	0,2	0,9
1999	428,0	3,3	2,4	0,2	1,0
Kyzylorda					
1994	226,0	2,7	1,0	1,3	10,3
1995	226,0	2,6	0,9	1,3	13,9
1996	226,0	2,6	0,8	1,3	14,3
1997	226,0	2,6	0,6	1,3	8,2
1998	226,0	2,6	0,6	1,3	9,4
1999	226,0	2,6	0,5	1,2	8,2
Kostanai					
1994	196,0	6,3	34,1	0,2	0,4
1995	196,0	6,1	33,3	0,2	0,8
1996	196,0	5,9	28,9	0,2	0,7
1997	196,0	5,8	28,9	0,2	0,3
1998	196,0	5,5	28,6	0,2	0,3
1999	196,0	5,2	28,5	0,2	0,2
Mangystau					
1994	165,6	2,0	0,0	0,0	3,8
1995	165,6	1,8	0,0	0,0	5,2
1996	165,6	1,8	0,0	0,0	5,1
1997	165,6	1,9	0,0	0,0	3,7
1998	165,6	1,9	0,0	0,0	2,6
1999	165,6	1,9	0,0	0,0	2,3
Pavlodar					
1994	124,8	7,5	26,3	0,7	3,8
1995	124,8	7,3	24,3	0,7	6,7
1996	124,8	7,1	22,2	0,6	4,7
1997	124,8	6,9	20,1	0,5	3,2
1998	124,8	6,7	14,8	0,5	3,1
1999	124,8	6,5	10,4	0,5	2,8
Northern Kazakhstan					
1994	124,2	7,4	50,2	0,3	0,2
1995	124,2	7,1	48,9	0,3	0,6
1996	124,2	6,8	48,4	0,3	0,5
1997	124,2	6,5	44,5	0,3	0,2
1998	123,2	6,1	40,9	0,3	0,1
1999	98,0	7,4	40,3	0,2	0,1
Southern Kazakhstan					
1994	117,3	16,5	9,6	4,3	2,5
1995	117,3	16,5	8,8	4,3	5,9
1996	117,3	16,7	7,6	4,3	6,0
1997	117,3	16,8	7,0	4,3	2,0
1998	117,2	16,8	7,3	4,3	1,9
1999	117,3	16,8	7,2	4,3	1,7
Astana					
1994	...	...	...	...	...
1995	...	...	...	...	...
1996	...	...	...	...	...
1997	...	...	...	...	...
1998	0,3	1001,7	7,0	8,9	...
1999	0,3	1060,3	7,0	8,9	...

\* Data of committee on management of land resources under Ministry of agriculture of Kazakhstan

\*\* Akmola Oblast including Astana city

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Cover page - fragment of tapestry "Korkyt Ata", State National Museum of the RK

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## NOTES

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**FOR THE SPECIAL CONTRIBUTION TO THE PRINTING OF THE NHDR 2000  
AND TO THE PROMOTION OF HUMAN DEVELOPMENT, APPRECIATION GOES  
TO THE FOLLOWING PARTNERS:**



*Working with UNDP to support SME development and income generation in the Caspian region*

*Collaborating with UNDP to create a conducive business environment and support self-employment in the Caspian region*



*Cooperating with UNDP to prevent spread of HIV/AIDS and STI in Karagandy oblast, particularly in Temirtau*

*Partnering with UNDP to help people in the Caspian region*





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