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RURAL DEVELOPMENT, SOCIAL PROTECTION AND GENDER EQUALITY IN KAZAKHSTAN

Kazakhstan is the ninth largest country in the world in terms of territory. In 2015, the total area of sown agricultural crops was 21,022.9 hectares, two-thirds of which were located in the Akmola, Kostanai and North Kazakhstan regions.

On 01 January 2016, the population was 17.67 million people, and the rural population represented 43 percent of the total population. In 2014, 3.771 million women lived in rural areas, out of a total population of 9 million women. On 01 January 2015, the structure of the rural female population was as follows: women below working age (under 15 years) represented 29.7 percent of the rural female population; women of working age (16-57 years) represented 56.7 percent; and women above working age represented 13.5 percent.1

During the years of independence, there have been significant changes in the structure of GDP (see Figure 1). In the 1990s, price liberalization, deregulation and privatization had a significant impact on agriculture and led to the deterioration of villages. The liquidation of collective and state farms was not accompanied by the creation of new businesses in their place. The privatization of state property in rural areas, without taking into account specific rural conditions, was the main cause of the reduction in agricultural production, crops, livestock and poultry. The privatization of agricultural lands after the adoption of the new Land Code in 2004, reinforced the 1990s trend of allocating land to a narrow circle of people. This has contributed to a radical restructuring of the economy. In 1990, the contribution of agriculture to GDP was 34 percent; by 2014, this had fallen to 4.2 percent.

Figure 1. The structure of GDP in 1990 and 2014 (%)

Source: Calculated by the author and based on data from the Committee on Statistics.

High rates of economic growth in Kazakhstan in the 2000s were caused by high oil and mineral resource prices in global markets. The export of hydrocarbons amounted to almost 70 percent of the country’s exports, which represented more than half of consolidated budget revenues and almost a quarter of GDP.\(^4\) However, dependence on oil makes the economy vulnerable to fluctuations in oil prices on the international market, and results in volatile economic growth.

In 2005, the World Bank placed Kazakhstan within the group of middle-income countries. Per capita GDP increased from 1 200 USD in 2000 to 13 612 USD in 2013, although this decreased to 10 435 USD in 2015 as a result of devaluation. Inequality in income distribution, measured by the GINI Index, declined from 0.36 in 2001 to 0.28 in 2014.

Because of its large territory, Kazakhstan is characterized by the uneven development of its regions. This is related to the structure of local economies and the contribution of particular sectors to Gross Regional Product (GRP, Figure 2). The largest contributor to the GRP of the regions is Almaty with a share of more than 20 percent. When combined, Atyrau region and Astana contribute little more than 20 percent. The regions that specialize in agriculture contribute less than five percent to GRP, and similarly have lower budget revenues.

The areas with the highest levels of poverty are: South Kazakhstan Region (6.1 percent), North Kazakhstan Region (4.2 percent) and Kyzylorda Region (3.2 percent). The latter is an oil-producing region. The majority of people with low incomes live in rural areas and in small towns. Since 2005, when Kazakhstan was recognized as a middle-income country, poverty has not been prioritized in public policy, and no specific programmes have been adopted for poverty alleviation. In 2015, about three percent of the population had incomes below the subsistence minimum (compared with 46.7 percent in 2001). The main causes of poverty are the large size of households (families with children), the low educational level of the head of the household and limited employment opportunities for household members.

Imbalances in the levels of regional economic development have led to increased internal migration and the resettlement of the economically active population, from disadvantaged regions to regions with better economic profiles. Each region has disparities in income and development opportunities between urban and rural areas. Moreover, secondary school graduates have very little chance of finding a job in their home village. A lack of work and poor social infrastructure in rural areas contribute to the Exodus to cities, especially by young people.\(^5\)

Although the 2009 census shows a small statistical increase in the rural population size (three percent in twenty years), this does not reflect the real population decline that is taking place due to intensive migration from villages to towns. On the one hand, this can be explained by the fact that urban settlements have been re-categorized as rural settlements in official statistics. On the other hand, the

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\(^4\) UHY SAPA Consulting, 2014.
\(^5\) Makhmutova, 2013.
difficulty of registration in the cities contributes to the preservation of rural population numbers. The analysis of statistical data shows that the rural population will age due to the out-migration of youth.

The Republic of Kazakhstan ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), as well as a number of International Labour Organization (ILO) conventions relating to the equal treatment of, and equal opportunities for, working women and men with family responsibilities, and the Maternity Protection Convention. In 2005, the government approved the “Strategy for gender equality in the Republic of Kazakhstan for 2006-2016”, aimed at creating conditions for the implementation of equal rights and equal opportunities for women and men and their equal participation in all spheres of society.

The Gender Inequality Index (GII), calculated using UNDP methodology, has decreased from 0.459 in 2008 to 0.373 in 2014, due to a reduction in maternal mortality and an increase in the birth rate.

Economic stabilization and annual growth throughout the 2000s has led to a growth of demand in the labour market and to improved employment levels. In 2014, there were 9 million economically active people, of whom 4.4 million were women. The level of economic activity is approximately 71 percent, but this rate is lower for women (65.4 percent). However, the picture becomes less optimistic if one takes into account the numbers of self-employed people. In 2014, there were 2.4 million self-employed people (27 percent of all employed people), including 1.3 million men and 1.1 million women. There is a lower level of rural unemployment because the majority of rural residents, or 1.6 million people, are considered to be self-employed. Fifty five percent of self-employed women live in Almaty, Zhambyl and the East and South Kazakhstan, where the share of the rural population is larger in comparison with other regions.

The rate of unemployment was not recorded until 1994. The unemployment rate increased from zero in the period 1991 to 1993 to 13.5 percent by 1999. It then decreased to 5.1 percent in 2015. However, women are less in demand than men in the labour market. According to data from 2015, women represented 55 percent of unemployed persons. The unemployment rate was five percent in 2014, but female unemployment was higher at 5.8 percent; in the age group 30-34 years, the unemployment rate reached 8.4 percent; in the age group 25-29 years it was 6.6 percent; and in the age group 55-59 years it was 6.5 percent.

Women’s wages are almost a third less than those of men (67 percent), because women work in traditionally female sectors such as health care, education and the service sector (70.1 percent). In industry, 17.9 percent of all employed people are women, and in agriculture 12.0 percent are women. In 2014 in the oil-producing regions of Atyrau and Mangystau, women’s wages were only 48.6 and 43.8 percent (respectively) of men’s wages, because it is mostly men that are employed in the oil sector in jobs associated with heavy physical work. Consequently, women in Atyrau and Mangystau make the lowest contribution to GRP out of the regions (see Figure 3).

There are many government programmes that support village development, including, the "Strategy of Territorial Development of Kazakhstan till 2015" and the "State Programme of Development of Rural Territories of Republic Kazakhstan for 2004-2010". However, according to the Accounts Committee, the implementation of these programmes is characterized by low efficiency.

![Figure 3. The share of regions in GRP and women’s contribution to the GRP of regions in 2014](image)

Source: Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan.

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6 Ibid.
7 Data from the Committee on Statistics.
8 Committee on Statistics, 2015b.
9 Committee on Statistics, 2015a.
10 Self-employment is an activity in which the size of remuneration depends on income received from the production and sales of goods and services (where personal consumption is classified as part of the income).
Given the shortage of specialists, several programmes have been implemented to help young people return to the villages after graduation from high school. For example, the Ministry of Agriculture developed the project “With diploma – to the village”. Between 2012 and 2014, the national budget provided 216 billion KZT for this project, with the aim of attracting more than 16 000 young specialists. An Action Plan of Nationwide Initiative, “Auylzhastary”, offered support for rural young people between 2009 and 2011. Since 2010, the “Rural Mortgage” programme has provided loans at an interest rate of 0.01 percent to 4 747 young people to enable them to buy houses, and the total value of the loans has exceeded 6 billion KZT.

Among 12 993 agricultural producers registered in the country, 12.2 percent are headed by women. Out of 7 991 acting agricultural producers, 11.9 percent are headed by women. Out of 185 533 acting farms, 18.6 percent are headed by women.

There are 1.6 million people employed in agricultural production: 736 300 are women and 35 percent of this group are located in Almaty and in the South Kazakhstan region.

Targeted social assistance (TSA) is paid to individuals and families with an average monthly income per family member that is below the poverty line. The provision of TSA in rural areas takes into account availability of private plots and ownership of real estate, livestock and poultry as potential revenue, which therefore limits rural dwellers’ access to social protection. In 2014, the average amount of TSA was 1 970.7 KZT per month (a minimum of 1 109 KZT in Pavlodar region and a maximum of 3 008 KZT in Almaty) and there were 56 108 recipients.

In 2014, there were 1.9 million pensioners. The average pension was 36 068 KZT (201 USD), with a minimum pension of 20 782 KZT, plus a basic state pension of 9 983 KZT, which is received by all pensioners. The total number of women pensioners is 2.5 times higher than the total number of men pensioners, but there are significantly less women among the recipients of average size pensions: 1 366 female pensioners receive an average pension of 33 648 KZT, and 552 000 male pensioners receive 42 057 KZT.

The increase in the retirement age for women, due to be implemented from 01 January 2018, has not been supported by the appropriate calculations. In the villages there is virtually no work for women or men, and a pension is sometimes the only monetary source of income for the household. Women work in low-paid sectors – education and health care – and an additional five years of work will not increase their pension savings. Women approaching retirement age have to fight to hold onto their jobs until they reach 63 years of age, which simultaneously prevents young people from entering the labour market. In addition, women over 45 are not the preferred candidates for jobs. As noted earlier, female unemployment is on the rise in the age group over 45. Recognizing the failure of its actions, the government adopted a Comprehensive Plan to promote the employment of people aged 50 years and older (50 + initiative). However, a lack of specific indicators to monitor the implementation of this plan raises the possibility that the initiative is little more than a good intention.

In 2015, the economy of Kazakhstan faced two major problems: falling oil prices (the main export commodity in the international market), and a decreased trading turnover due to the country’s membership in the Eurasian Economic Union.

Reducing dependence on oil presents a good opportunity for the development of agriculture. The most effective way of preventing another economic downturn is to diversify the economy in order to support small and medium-sized businesses. However, the development of entrepreneurship is currently...
limited by a lack of starting and working capital. Therefore, supporting women’s entrepreneurship in small and medium-sized businesses in rural areas will contribute to the sustainability of regional economies.

Currently, food security is not guaranteed and approximately 60 percent of food is imported. One of the main problems in rural areas is the marketing of agricultural products. The government and local authorities need to create advantageous conditions for the development of business in relation to the purchase and processing of agricultural products.

The fertility rate is higher in rural areas than it is in urban areas. The average age of rural women is 31.7 years, and the average age of rural men is 29.5 years. However, over time the ageing of the rural population will become a problem, particularly because many young people leave the villages when they reach 15 years of age and complete 9th grade of secondary school. Although the idea of young specialists returning to the village after graduating from higher education institutes is an appealing one, without further development of village infrastructure, villages will be unable to retain their workforces over a long period of time. The development of infrastructure requires the provision of: access to water, uninterrupted power supply, gas, roads, Internet, sports facilities and leisure activities. Without these, villages will not be able to maintain their young populations. Moreover, elderly village residents require vital access to social services and health care. Even if it is possible to establish modern infrastructure in rural areas through the state budget, ongoing maintenance is then required. Therefore, the radical improvement of rural women’s and men’s lives is improbable without the creation of jobs, the development of agricultural production and processing industries in the villages, and the development of appropriate infrastructure.

References


22 Committee on Statistics, 2015a.