Kazakhstan

NGOs:

Participation in Poverty Reduction

Published with support of UNDP Kazakhstan







EXECUTIVE SUMMARY

The socio-economic changes, which took place in Kazakhstan as well as in other CIS countries in the beginning of the 1990s, negatively affected living standards of the population.

The National Poverty Reduction Programme for 2003-2005 is being implemented in Kazakhstan. One goal of the programme is aimed at increased participation of, and cooperation between, non-governmental organizations (NGOs) in poverty reduction activities. NGOs are important articulators of needs of different groups in society; they also provide social services as well as empower people to take action in their lives.

Kazakhstan has already achieved two of the Millennium Development Goals, namely universal primary education and equal access to education for boys and girls. Kazakhstan has a strong potential for meeting the goals of eradicating extreme poverty and hunger; and ensure access to safe potable water. However, achievement of other goals related to halting the spread of HIV/AIDS, reducing child mortality and improve maternal health, as well as ensuring environmental sustainability remain serious challenges.

Chapter 1. Causes and conditions of poverty in Kazakhstan

There are several approaches to the measurement of poverty including absolute, relative and subjective. The criterion for absolute poverty is the subsistence minimum (SM) measuring the cost of goods and services that is considered to be essential for survival. As the living standards have changed during transition there is today a need for development of the subsistence minimum methodology. Research shows that if subsistence minimum adequately should reflect actual expenditures of the households on food and non-food items the current proportion of 70 and 30 percent is not adequate. Therefore it is suggested to revise proportions to 60 and 40 percent.

The economic growth in recent years has been conducive to poverty reduction in Kazkahstan. In 2003 the incidence of absolute poverty was 19.8% in Kazakhstan, compared to 39% in 1998. However, there are great differences within the country, 30.9% of rural and 10.8% of urban population have consumption levels below the subsistence minimum. The same year, the proportion of population with income lower than the cost of the food basket was 6.3%.

In the 1997, UNDP in its Human Development Report proposed to consider poverty from the human development perspective. The human poverty is considered as a multifaceted social phenomenon with indicators reflecting human development (life expectancy, school drop-out and unemployment) along with traditional measures of income poverty, such as proportion of population with consumption below the subsistence minimum.

The Human Poverty Index (HPI) for Kazakhstan shows that in 1998, 31% of the population and in 2003 – 21% were deprived. Although the HPI has been decreasing, the poverty problem in Kazakhstan remains urgent.

Chapter 2. Employment and unemployment in Kazakhstan

During the transition period the number of employed people decreased drastically. In 1999, in relation to the revival of economy the increase of employed and decreased unemployment rate took place. In 2003, 7 million people were employed, that is 276.3 thousand people (4.1%) more than in 2002. The employment level reached 91.2% in 2003.

Wages remain the major source of income for the Kazakhstan population. Minimum wage increased in 2003 almost twice compared to 2000, from 2,680 to 5,000 tenge. However, minimum wage is still below the subsistence minimum (in 2003 subsistence minimum was 5,128 tenge). Low incomes in some sectors has become an additional factor of poverty and employees in these sectors have become so-called "working poor", even with two working spouses in a family the salaries are insufficient to feed one or two children.

Women's wages are lower than men's in all sectors of the economy, which is one factor of so-called "feminization of poverty". Further, women are placed in a disadvantaged position of career development because of unequal distribution of responsibilities in the family.

The unemployment rate drastically increased

form 7.5% in 1994 to 13.0% in 1996. The revival of economic activity in the country since 2000, related to establishment of new production, development of market infrastructure, support to small entrepreneurship resulted in a decrease of unemployment rate to 8.8% in year 2003. However, the unemployment remains a serious socioeconomic problem and a main cause of poverty. The unemployment rate is higher for women than men, the number of unemployed was 672,100 people in 2003, and out of these 58.1% were women.

While considering the unemployment rate by region, it could be noticed that there is a significant difference between urban and rural population. The level of unemployment is also connected to quality and access to education. Almost a third of the population with vocational training, i.e. qualified workers couldn't find a job in the rural areas. The profiles of graduates from higher and secondary professional schools fail to meet the demands of the labour market.

Chapter 3. Social protection

At present time the social security system in Kazakhstan is comprised of two main elements: social transfers and social services. The development of the economy has created the opportunity for further improvement of the social protection system.

State targeted social assistance was introduced in 2002 and is provided to the poorest people whose income is below 40% of subsistence minimum. However, even partial coverage of those in need of social assistance did not help to overcome the financial difficulties for the majority of poor people.

Minimal social guarantees, such as minimal wage, minimal pension and child allowances should be in certain correlation with subsistence minimum. However, this is still only the case with pensions. Taking into account the fact that the wage should cover the worker's and his/her family's cost of life, the minimal amount should cover at least two subsistence minimums. This is recommended for preventing people from falling into absolute poverty.

Kazakhstan is the first of CIS countries implementing accumulative pension system.

Chapter 4. The participation of NGOs in social development

Non-Governmental Organisations (NGOs) are becoming very important articulators of interests of different social groups. More and more, NGOs are striving to express and strengthen these interests in corresponding laws and other normative acts. Today there are more than 4,500 NGOs in Kazakhstan, working in practically all significant spheres of society. For effective involvement of NGOs in policy making it is important with "supportive" relationships with legislation bodies at all levels. Involvement of citizens in the process of decision-making is necessary to enable optimal decisions.

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FOREWORD

by Gordon Johnson, Deputy Resident Representative UNDP Kazakhstan

The socio-economic changes, which took place in Kazakhstan as well as in other CIS countries in the beginning of the 1990s, negatively affected living standards of the population.

In 2003, the proportion of population in Kazakhstan living in absolute poverty was 19.8% and the proportion of population living below the food basket level was 6.3%. Even if the figures are lower than those of preceding years, they still indicate that the incomes of one out of five people in the country are below the subsistence minimum. There is also a growing disparity between urban and rural communities. The highest incidence of poverty is found in rural areas (30.9%) and the lowest in big cities and the capital (2.1-3.9%).

The National Poverty Reduction Programme for 2003-2005 is being implemented in Kazakhstan. One goal of the programme is aimed at increased participation of, and cooperation between, non-governmental organizations (NGOs) in poverty reduction activities. The programme is based on the National Development Strategy "Kazakhstan – 2030" as well as on the Strategic Development Plan of Kazakhstan to 2010. These two framework documents target the achievement of the Millennium Development Goals set forth by the UN General Assembly in 2000.

Currently there are more than 4,500 non-governmental organisations in Kazakhstan. They work in various development spheres covering almost 2 million people. NGOs are fundamental to solving social problems in the society. In order to allow more effective participation of organizations there is a need to develop partner relations with the state. This will require a special strategy for joint work between non-governmental organizations and the state.

In the framework of the UNDP support to poverty reduction, workshops on poverty and labour issues were organized for socially-oriented NGOs. The objective of the workshops was to expand interactions between NGOs and state bodies.

This publication is based on the needs expressed by NGO representatives and prepared in support of the Millennium Development Goals, with a particular focus on Goal 1, to eradicate extreme hunger and poverty. We truly hope that this joint product of UNDP Kazakhstan and NGO "Central Asian Sustainable Development Network (CASDIN)" will contribute to strengthening socially-oriented NGOs in the area of poverty reduction, as well as promoting increased dialogue between government bodies and NGOs on the issues of living standards in Kazakhstan.



Gordon Johnson

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INTRODUCTION

As this publication is based on the needs expressed by representatives of Non-Governmental Organisations (NGOs) in Kazakhstan, the aim is enhanced use of statistical and social monitoring tools, in the daily activities of NGOs. That could allow more effective participation of NGOs in constructive dialogue with state authorities on questions related to the improvement of living standards of the population, including the challenges of poverty reduction. Further it's an attempt to discuss the role of NGOs in poverty reduction interventions.

This book is complementing other publications by UNDP, such as Poverty in Kazakhstan: Causes and Cures (2004), Living Standards and Poverty in Kazakhstan – Statistical Monitoring (2004) in cooperation with Agency of Statistics of Kazakhstan and the Expanded UN Theme Group on Poverty Alleviation, Millennium Development Goals in Kazakhstan (2002) and National Human Development Reports for Kazakhstan.

The first chapter deals with the causes and conditions of poverty in Kazakhstan. It also includes various approaches to the definition of poverty. Chapter 2 focuses on the employment and unemployment in the framework of poverty reduction. The third chapter is devoted to the issues of social security. The last chapter outlays the important role of NGOs in social development. Annexes include a glossary on poverty (from the publication Poverty in Kazakhstan: Causes and Cures) as well as excerpts of various relevant laws.

Millennium Development Goals

Poverty reduction is not just a national priority but also a global problem. The largest gathering of world leaders in history, the Millennium Summit, was convened at the United Nations General Assembly in September 2000. The 147 heads of states and governments adopted the Millennium Declaration, which is now signed by 191 countries including Kazakhstan.

The Millennium Declaration emphasizes the extremely uneven human development in the world and recognized "a collective responsibility to uphold the principles of human dignity, equality and equity at the global level". In this document, the world leaders committed themselves to the achievement of the Millennium Development Goals (MDGs):

- Goal 1 – Eradicate extreme poverty and hunger;
- Goal 2 – Achieve universal primary education;
- Goal 3 – Promote gender equality and empower women;
- Goal 4 – Reduce child mortality;
- Goal 5 – Improve maternal health;
- Goal 6 – Combat HIV/AIDS, malaria, and other diseases;
- Goal 7 – Ensure environmental sustainability.

The problems of poverty, hunger, HIV/AIDS and other mortal diseases, illiteracy alleviation, climate changes, shortage of clean drinking water are not problems of separate countries but pose a common threat to the whole humanity. Therefore the Declaration has included a goal directed towards the development of international cooperation for resolution of common problems:

- Goal 8 – Develop global partnership for development.

The Millennium Declaration also clarifies the roles and responsibilities of key partners: governments, international organizations, citizens, civil society organizations and the private sector.

For achievement of the 8 goals, 18 targets were determined that yield to quantitative measurement and evaluation of progress to 2015. The baseline year for the MDGs is 1990. Moreover, 49 indicators were developed in order to compare situations in different countries.

In 2002, the Government of Kazakhstan in collaboration with the UN issued the first report on achievement of Millennium Development Goals in Kazakhstan. Presently Kazakhstan has already met two of seven MDGs, namely universal primary education and equity in primary and secondary education. Kazakhstan has a strong potential for meeting the goals of eradicating extreme poverty and hunger; and ensure sustainable access to safe potable water. However, the achievement of goals and targets related to halting the spread of HIV/AIDS, reducing child mortality and improve maternal health, as well as ensuring environmental sustainability is in question (Table 1).

Table 1.

Progress towards the Millennium Development Goals in Kazakhstan

Goals/Targets	WILL THE TARGET BE IMPLEMENTED?			
	Most probably	May be	Unlikely	No information
ACHIEVE UNIVERSAL PRIMARY EDUCATION Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	ACHIEVED			
GENDER EQUALITY Eliminate gender disparity in primary and secondary education preferably by 2005	ACHIEVED			
EXTREME POVERTY Halve the proportion of people living below the subsistence minimum by 2015	X			
HUNGER Halve the proportion of underweight among under-five years olds- by 2015	X			
BASIC AMENITIES Halve the proportion of people without access to safe drinking water		X		
HIV/AIDS Halt and reverse the spread of HIV/AIDS by 2015			X	
MATERNAL HEALTH Reduce maternal mortality ratio by three-quarters by 2015			X	
CHILD MORTALITY Reduce under-five mortality by two-thirds by 2015			X	
ENVIRONMENTAL SUSTAINABILITY Reverse loss of environmental resources by 2015			X	

Source: UN Millennium Development Goals in Kazakhstan, 2002.

During the years of reforms the living standards of most people have declined. It has caused increase of social tension and sometimes refusal to support reforms by the socially vulnerable part of population. Certain groups of the population suffer from economic problems and deprivation of living conditions compared to the level that is considered to be necessary for active participation in society.

However, according to international experiences, success of socio-economic reforms heavily depends on active participation of most people that is affected by reforms. Experience of more economically developed countries shows that progress could be achieved if choosing goals and targets which will provide high living standards, high level of social activity and the possibility for personal self-development.

1 Causes and conditions of poverty in Kazakhstan









Poverty incidence grew in Kazakhstan as a consequence of the transition to market economy. The poverty situation was conditioned by such factors as drastic economic recession, increased unemployment, decline in incomes and critical budget deficit. The situation stabilized in 1996 when it was possible to hold up inflation and in 1997 to achieve some growth of GDP[1] . At that time different groups of the population had suffered from decline in incomes caused by slump in purchasing power[2] of monetary incomes, or loss of job. The poor people mainly emerged from such groups as doctors, teachers, and qualified workers.[3]

There is no single used definition but several approaches to poverty and its measurement. There are traditional approaches to poverty and its measurement, absolute and relative, which are associated exclusively with income or consumption. Absolute poverty refers to some absolute standard of minimum requirement, while relative poverty refers to falling behind most others in the society. Also, poverty can be determined based on people's opinion on the required level of income/consumption that gives them a sense of not being the poor. It is called subjective poverty[4].

Absolute poverty refers to the level of minimum income that is needed for a person to fulfill basic needs in terms of water, food, clothing and housing.

The criterion for absolute poverty is subsistence minimum (SM). Subsistence minimum is the determined level of income (consumption) measuring the cost of goods and services that is considered to be essential for survival. The food basket is determined based on a diet that provide needed calories for an individual taking into consideration local habits and availability of goods at local market. Presently the food basket in Kazakhstan consists of 20 products that provide 2172 calories a day. This corresponds to recommendations by the World Health Organization. It amounts to 70% of the cost of subsistence minimum (SM). The proportion of non-grocery goods and services amounts to 30% of the cost of minimum subsistence level.

Currently, the subsistence minimum is composed mostly of food items, thus, its composition does not reflect the changes in the proportion of food and non-food items in the expenditures of the households. Along with increase in living standards of population, the share of food items in total expenditures of the households spent for consumption declines, while the share of non-food items increases. This fact proves that the methodology of the subsistence minimum calculation needs be improved[5].

UNDP experts conducted several researches on improvement of the subsistence minimum methodology. The results of the research show that as the subsistence minimum is implied to reflect the actual expenditures of the households, on food and non-food items, their proportion in the subsistence minimum's structure should be revised to become 60 and 40 percent.

Comparison between the level of subsistence minimum and the monetary income or consumption by the population allows determining the proportion of absolute poor (Table 2).

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[1] *GDP is a macroeconomic indicator representing the total output of goods and services for final use produced by an economy, by both residents and non-residents, during a given period of time, regardless of the allocation to domestic and foreign claims and is calculated without making deductions for depreciation.*

[2] *Purchasing Power of monetary incomes defines how many sets of goods and services of the subsistence minimum can be obtained for the population's income. This indicator allows defining the real monetary incomes of people.*

[3] *Poverty Monitoring Indicators in Kazakhstan. Statistics Agency of Kazakhstan/UNDP, 2003.*

[4] *Poverty in Kazakhstan: Causes and Cures. UNDP Kazakhstan, 2004.*

[5] *Poverty in Kazakhstan: Causes and Cures. UNDP Kazakhstan, 2004.*

Table 2

Poverty in Kazakhstan, 1998-2003

	1998	1999	2000	2001	2002	2003
Value of Subsistence minimum, tenge	3,336	3,394	4,007	4,596	4,761	5,128
Proportion of population with income lower than subsistence minimum, %	39.0	34.5	31.8	28.4	24.2	19.8
Urban areas	38.5	32.9	30.0	20.4	15.6	10.8
Rural areas	47.7	37.1	34.2	38.0	34.7	30.9
Cost of food basket, tenge	2,335	2,376	2,805	3,217	3,333	3,788
Proportion of population with income lower than the cost of food basket, %	16.2	14.5	11.7	11.7	8.9	6.3

Source: Living Standards and Poverty in Kazakhstan (statistical monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.

Income inequality is conditioned by the following: income disparities, including property ownership and accumulated wealth, difference in level of expenditure and consumption. These can be divided into two groups: individual traits of people that influence the possibilities for receiving income (such as gender, age, marital status, education, skills, needs etc.) and structure of the distribution mechanism of national income influencing the access to resources for different parts of the population. In extreme inequality the benefits of economic growth are consumed by a smaller part of the population and the living standards of the majority are decreasing or not changing.

Income inequality is measured by two indicators:

- Assets coefficient measuring the gap between the richest and poorest population groups. It is a comparison between the total incomes of the poorest and richest 10 (or 20) % of the population.
- Gini coefficient measures the inequalities in distribution of income among different groups of population. A value of 0 represents perfect equality, a value of 1 perfect inequality.

A decrease of these indices from 2002 to 2003 shows the slow down of income concentration by the more wealthy population (Table 3). Unequal access to resources and incomes determines the reasons of disparity. In 2003, 20% of the population of Kazakhstan held 40% of the incomes. The remaining 80% of the population had in total only 60% of all incomes[6].

Table 3

Economic disparity in Kazakhstan, 1998-2003

	1998	1999	2000	2001	2002	2003
Assets coefficient	11.3	11.0	11.9	11.3	9.8	8.9
Gini Coefficient	0.347	0.340	0.343	0.348	0.312	0.300

Source: Living Standards and Poverty in Kazakhstan (statistical monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.

In 1997, UNDP in its Human Development Report proposed to consider *poverty from the human development perspective*. It suggests that poor people lack opportunities and choices that are basic to human development: to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-respect and respect of others. Human poverty is then considered as a multifaceted social phenomenon. From the human development perspective UNDP has proposed statistical indices for measuring poverty:

[5] *Living Standards and Poverty in Kazakhstan (statistical monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.*

- Human Poverty Index (HPI -1) for developing countries;
- Human Poverty Index (HPI - 2) for developed countries.

The Human Poverty Index (HPI) was introduced in Kazakhstan in the National Human Development Report 2000.

Box 1[7]

Human poverty index in Kazakhstan

Human Poverty Index (HPI) for Kazakhstan was calculated for the first time in 1998. This indicator was developed based on UNDP propounded human poverty indices HPI-1 and HPI-2 for developing and developed countries respectively, taking into account the specifics of poverty in Kazakhstan. This index is composed of four indicators:

- proportion of population with consumption below the subsistence minimum;
- proportion of population not surviving the age of 60;
- proportion of 16-year-olds dropping out of school;
- proportion of the unemployed population.

There is a clearly positive dynamic of the HPI-3, i.e. during 1998-2003 there was a decrease from 31.0 to 21 percent, which testifies to an improvement in the overall poverty situation over recent years.

Analysis of individual components of the HPI-3 in 2003 shows that almost one fifth of the population in Kazakhstan had incomes/consumption below the subsistence minimum; the life expectancy for 20% of Kazakhstan residents was under 60 years; 3 percent of 16-years-olds did not receive decent education and 9.3 percent of the labour force were unemployed.

In 1998 and 1999 the HPI-3 was calculated separately for men and women showing different situations for men and women in Kazakhstan. In 2001 for the first time the HPI-3 was calculated separately for rural and urban areas.

First component when calculating HPI is the "percentage of population with consumption levels below the subsistence minimum" (Table 4).

Table 4

Percentage of population with consumption levels below the subsistence minimum, %

Regions	2003		
	total	including	
		urban population	rural population
Kazakhstan	19.8	10.8	30.9
Akmola	6.4	10.9	20.6
Aktobe	19.0	6.8	35.5
Almaty	25.3	10.5	31.5
Atyrau	32.7	25.5	44.0
West-Kazakhstan	17.1	7.0	23.9
Zhambyl	30.0	21.0	36.6
Karaganda	15.1	9.0	40.1
Kostanay	21.0	9.2	34.3
Kyzylorda	27.1	17.9	42.2
Mangistau	26.0	19.1	59.9
South-Kazakhstan	26.1	19.2	29.8
Pavlodar	17.1	7.1	32.8
North-Kazakhstan	11.9	3.8	17.0
East-Kazakhstan	16.9	10.1	26.8
Astana city	2.1	2.1	...
Almaty city	3.9	3.9	...

Source: Living Standards and Poverty in Kazakhstan (Statistical Monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.

[7] *Poverty in Kazakhstan: Causes and Cures. UNDP, 2004.*

Deterioration of living standards are evident in the southern regions of Kazakhstan where the poverty levels are 25.3% in Almaty, 30.0% in Zhambyl, 27.1% in Kyzylorda and 26.1% in South-Kazakhstan oblasts.

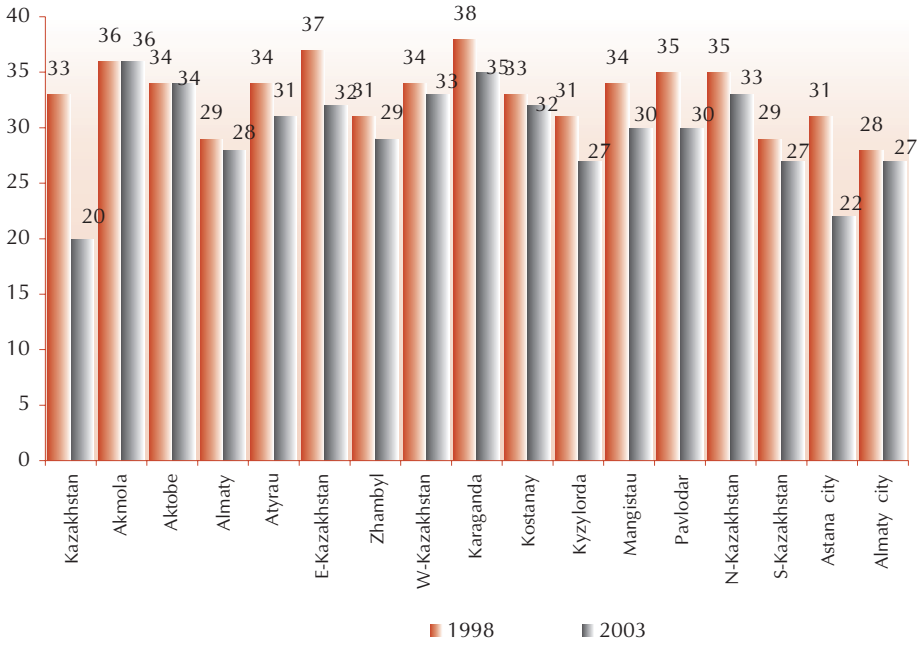
Significant difference in poverty levels is present in rural, compared to urban, areas (30.9% of rural and 10.8% of urban population have consumption levels below the subsistence minimum) that is characterized by traditionally big families, limited possibilities to receive monetary incomes and low efficiency of production. This highly relates to Mangistau (59.9%), Atyrau (44%) and Kyzylorda (42.2%) oblasts.

Number of children in the household influences the risk of falling into poverty. In 2003, the majority of low-income population was children under the age of 14 (33.2%) and youth at the age of 15-19 (12.7%)[8].

The second component in calculation of Human Poverty Index is measuring longevity. The indicator is "proportion of population not surviving the age of 60" (Chart 1).

Chart 1

Proportion of population not surviving the age of 60, %



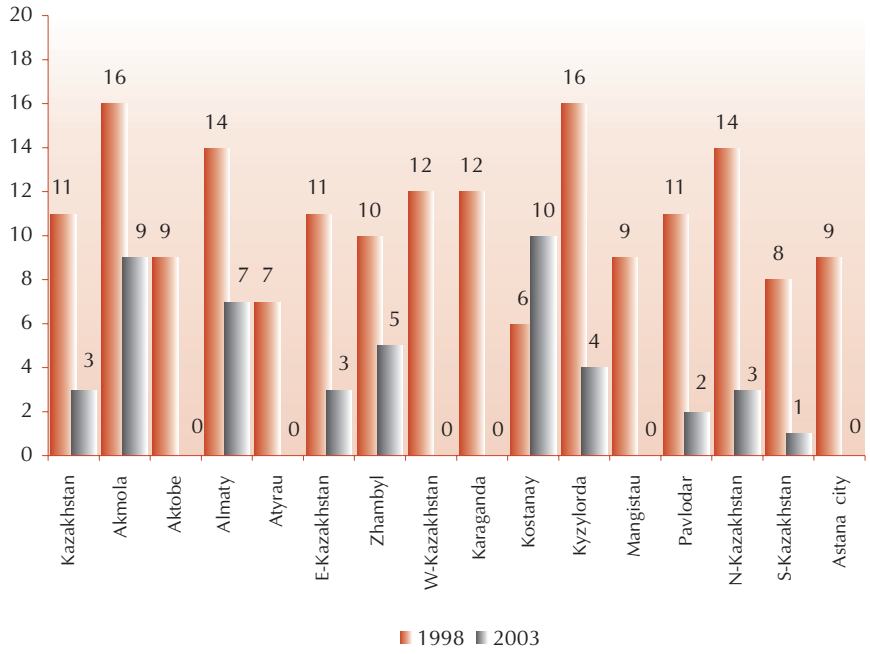
Source: Data from the Statistics Agency of Kazakhstan.

The indicator "proportion of 16-year-olds dropping out of school" is used as indicator of deprivation of the possibility to receive adequate education (Chart 2). This indicator was selected due to the fact that in Kazakhstan children begin school at the age of six or seven and are expected to be in school at the age of 16. Moreover, with compulsory 11-year education it is expected that 16-year-olds would continue their education. However, teenagers often leave secondary school after finishing just grade nine.

[8] *Living Standards and Poverty in Kazakhstan (statistical monitoring). Statistics Agency of Kazakhstan /UNDP, 2004.*

Chart 2

Proportion of 16-year-olds dropping out of school, %

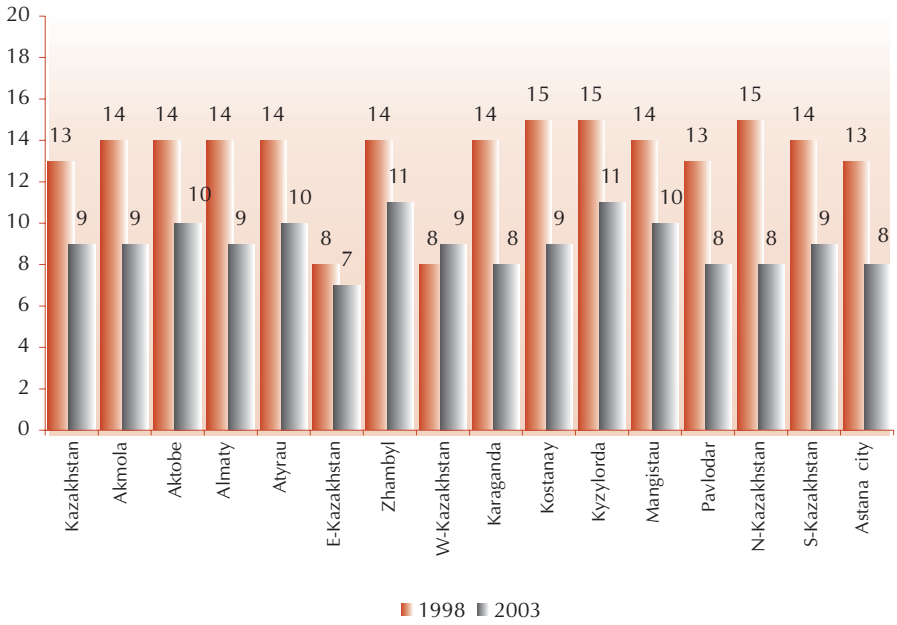


Source: Data from the Statistics Agency of Kazakhstan.

The *last indicator* used for calculation of Human Poverty Index is "proportion of unemployed among economically active population" (Chart 3). The unemployment rate in Kazakhstan was 8% in 2003, for women – 10.4% and for men– 7.2% correspondingly. The highest unemployment rate in 2003 was in Kyzylorda (11%) and Zhambyl (11%) oblasts.

Chart 3

Unemployment rates, %



The Human Poverty Index in Kazakhstan shows that in 1998, 31% of the population and in 2003 – 21% were deprived. Although the HPI has been decreasing, poverty remains an urgent problem in Kazakhstan (Chart 4).

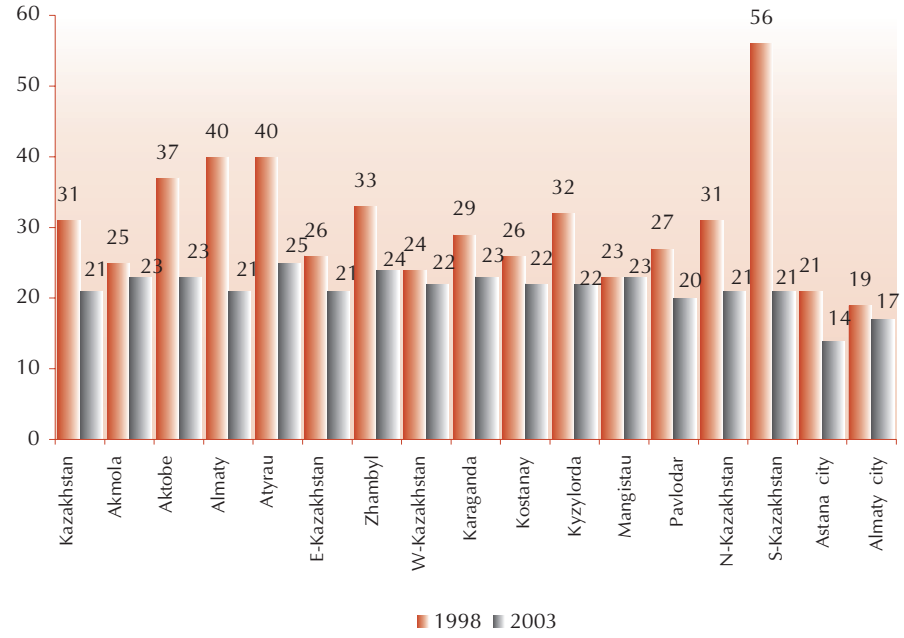


Chart 4

Human Poverty Index by regions in Kazakhstan, %







Employment and unemployment in Kazakhstan 18

2.1. Employment 18

2.2. Unemployment 22

2.1. Employment

Market economy makes new rules and employment now relates to the supply and demand of workforce. During the transition period, especially in the beginning, the number of employed people decreased drastically. In relation to revival of the economy in 1999, the increase of employed and decreased of unemployment rate took place. In 2003, 7 million people were employed, that is 276.3 thousand people (4.1%) more than in 2002. The employment level reached 91.2% in 2003 (Table 5).

Table 5

Main indicators of labour market in 2000 – 2003

	2000	2001	2002	2003*
Economically active population, thousands of people	7,107.4	7,479.1	7,399.7	7,657.3
Proportion of economically active population, %	66.0	70.2	70.1	70.0
Employed, thousands of people	6,201.0	6,698.8	6,708.9	6,985.2
Employment rate, %	87.2	89.6	90.7	91.2
Wage labourers, thousands of people	3,504.4	3,863.3	4,030.2	4,229.6
Self-employed, thousands of people				
Unemployed, thousands of people	2,696.6	2,835.5	2,678.7	2,755.6
Unemployment rate, %	906.4	780.3	690.7	672.0
Youth unemployment rate, %	12.8	10.4	9.3	8.8
age 15-24 years)	-	19.1	17.3	14.5
Long-term unemployment rate, %	-	7.8	6.0	5.3
Economically inactive population, thousands of people	3,655.2	3,175.8	3,155.3	3,278.6
Proportion of economically inactive population,%	34.0	29.8	29.9	30.0

** Source: Labour Market in Kazakhstan: 1991-2002. Statistics Agency of Kazakhstan, 2003.*
** Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.*

Self-employment is employment where the compensation directly depends on income received from production (sale) of goods and services (where consumption by oneself is considered as part of the income). The proportion of women among self-employed was 54.1% in 2003 (Chart 5). Housekeeping is becoming, especially in the rural areas, the major source of family maintenance for women.

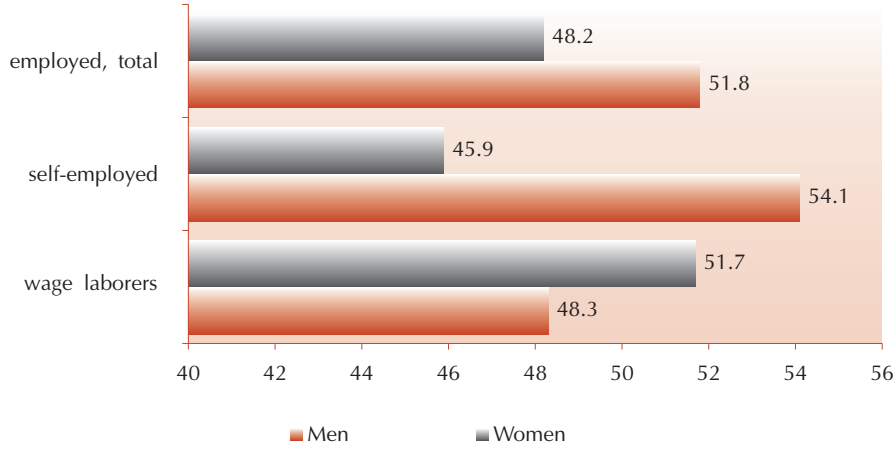


Chart 5

Employment Structure with gender aspect, %

Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

Employment in the public sector or in unsuccessful state enterprises, as well as agriculture, has become an additional factor of poverty, as the wages are generally very low (Chart 6). Generally, employees in these sectors are so-called "working poor", even with two working spouses in a family salaries are insufficient to feed one or two children.

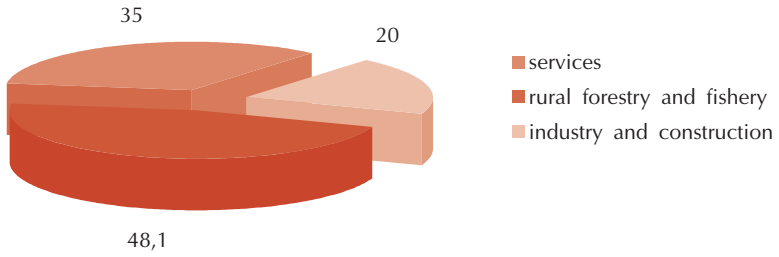


Chart 6

The employment structure by sectors, 2003, %

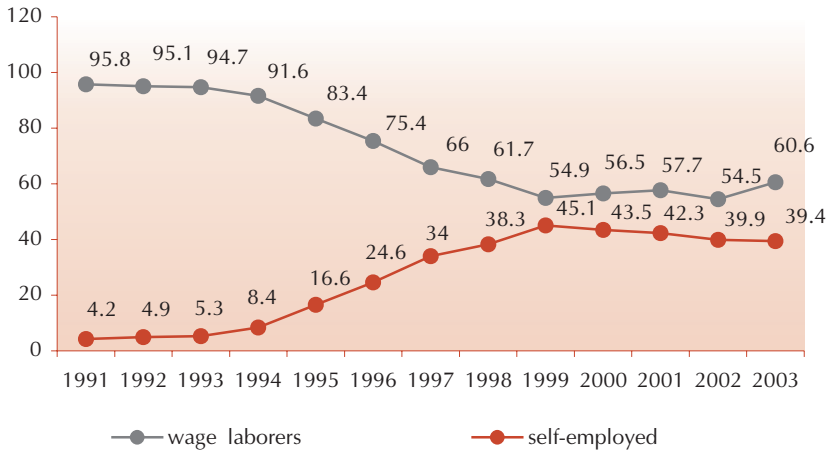
Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

In 1991, 95.8% of employed population consisted of wage labourers at enterprises and organizations and only 4.2% were self-employed but by 2003, the proportions had changed to 60.6% and 39.4% respectively (Chart 7). Such proportions possibly indicate at favorable economic conditions in terms of poverty reduction by creating new sources of income[9]. On the other hand, during transition, many enterprises especially in rural areas were liquidated and the population had to start looking for new sources of income, including starting their own business, maintaining individual household plots, etc.

[9] *Poverty in Kazakhstan: Causes and Cures. UNDP Kazakhstan, 2004.*

Chart 7

Employment structure by employment status, %

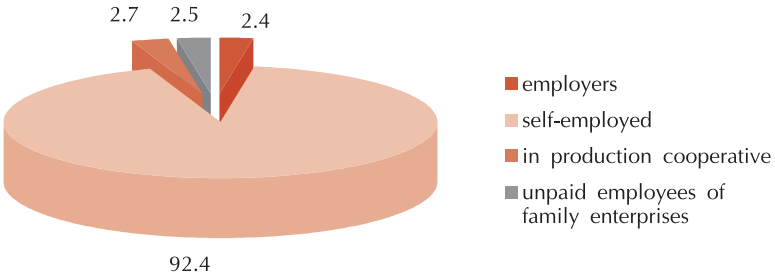


Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

The major part of the self-employed population is active in trade; maintenance of cars, domestic appliances and durable items; agriculture; transport and communication sectors (Chart 8).

Chart 8

Structure of self-employed population, 2003, %



Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

The changes at the labour market have also led to temporary jobs, household work, flexible working hours and part-time nature of formal full-time employment.

The latter refers to the situation when workers remain at the enterprise during period of production slow down not to lose their official employment. Since they do not have enough work, as a result of partial or full production stop, they are forced to be on leave, most of the time without compensation. In 2003, according to estimations, 1.8 million people or 25.3% of the employed in Kazakhstan were underemployed or only part-time employed. The socioeconomic consequence of this hidden unemployment is abrupt decline of incomes, for many resulting in poverty.

Wages remain the major source of income for the population in Kazakhstan (Table 6). Minimum wage increased in 2003 almost twice compared to the level in 2000, from 2,680 to 5,000 tenge. However, minimum wage is still below the subsistence minimum (in 2003 subsistence minimum was 5,128 tenge).

Table 6

Wage indicators, 2000 – 2003

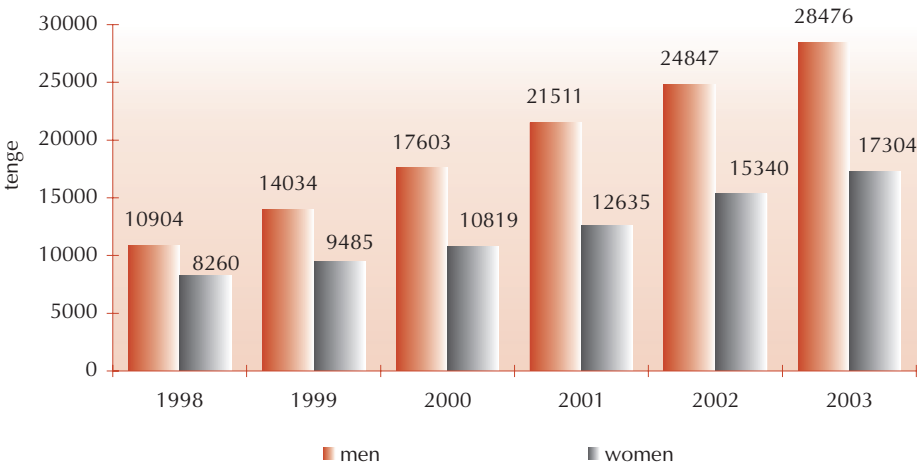
Indicator	2000	2001	2002	2003
Minimum wage rate, tenge	2,680	3,484	4,181	5,000
Ratio of minimum wage rate and subsistence minimum, %	62.1	70.2	81.3	97.5
Average monthly nominal wage, per one labourer, tenge for:	14,374	17,303	20,323	23,221.1
men	...	21,511	24,920	28,645
women	...	12,653	15,217	17,310
Ratio of average monthly nominal wage with subsistence minimum, %	332.8	350.1	426.9	452.8
Ratio of women's and men's wages, %	...	58.7	61.7	60.7

Source: Living Standards and Poverty in Kazakhstan (statistic monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.

Women's wages are lower than those of men in all sectors of economy (Chart 9). That is one factor of so-called "feminization of poverty". Further, women are placed in a disadvantaged position for career development, because of unequal distribution of responsibilities in the family. Women usually occupy the posts, which require spending less effort and are less perspective from career view, thus less paid.

Chart 9

Average monthly wage of men and women in Kazakhstan, 1998 – 2003

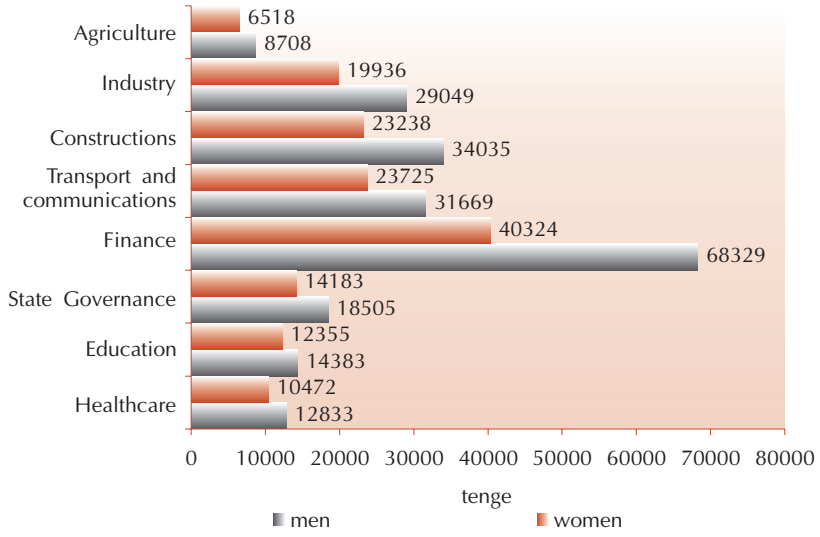


Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

Women are most often employed in low paid sectors such as healthcare, social services and education (Chart 10). Preferences of the employers, often based on different responsibilities of men and women in the family, as well as existing stereotypes, decrease the competitiveness of women. This influences living standards of those families where the main provider is a woman, including single mothers.

Chart 10

Average monthly wage of men and women by sectors of economy in 2003



Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

2.2. Unemployment

Unemployment is a socioeconomic phenomenon where some part of the economically active population of the country for some time or constantly does not have a job or earnings. This could partly be explained by the fact that certain part of the workforce is not demanded in the labour market.

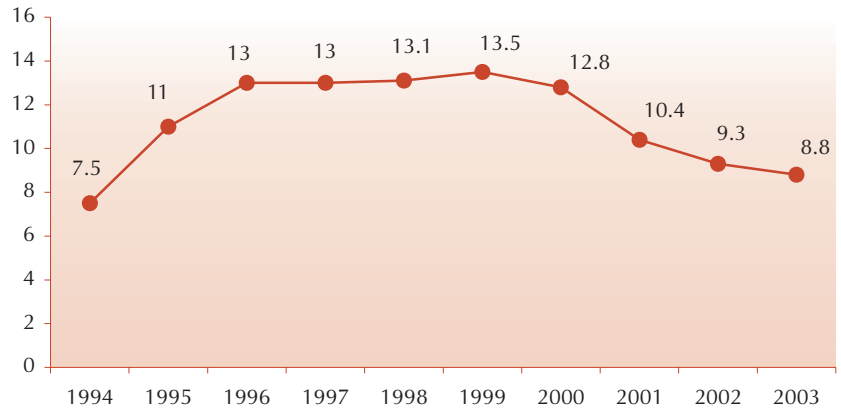
In the Law "On Employment" the unemployed are individuals who are capable to work, are at active working age but that due to different reasons don't have a job, don't have earnings (wage), are registered in the Employment center as looking for job, are ready to work and to whom this authority didn't make a job offer. In accordance with the definition given by the International Conference of Labour Statisticians in October 1982, "unemployed" include all individuals older than a certain age that during the report period were:

- "without job", i.e. they were not wage labourers or self-employed;
- "were ready to work at this moment", i.e. ready to work as wage labourers or work for their own enterprise during the reported period;
- "were looking for a job", i.e. were in specific activities last year in order to find a job or work for their own enterprise.

During the initial period of economical reform in Kazakhstan, enterprises and organizations used different approaches for employment regulation: reduced schedules, temporary employment forms, decrease of number of employees. The unemployment rate drastically increased form 7.5% in 1994 to 13.0% in 1996 (Chart 11). During the following three years the unemployment rate was almost constant. The revival of economic activity in the country since year 2000, related to establishment of new production, development of market infrastructure, support to small entrepreneurship resulted in a decrease of unemployment rate to 8.8% in year 2003.

Chart 11

Unemployment rate, 1994 – 2003, %



Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

The unemployment rate is higher for women than men (Chart 12). This can only partly be explained by the fact that many women has become housewives as the competition intensified on the labour market. According to the Statistics Agency of Kazakhstan, the number of unemployed was 672,100 people in 2003; out of these 58.1% were women.

Chart 12

Unemployment rate by gender and age, 2003, %

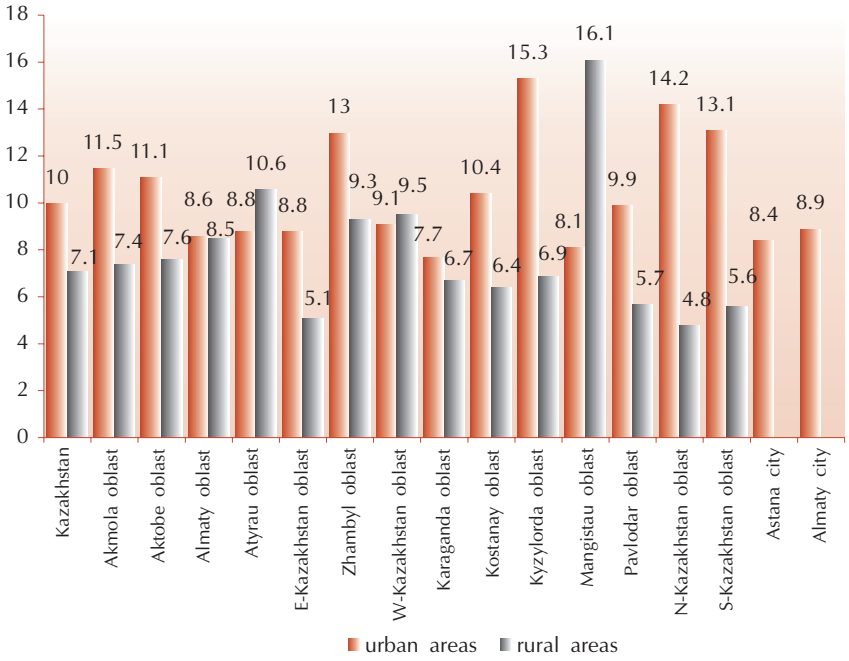


Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

Among the regions, the most successful situation with employment is in East-Kazakhstan oblast where the unemployment rate was down to 7.3% in 2003. The most unsuccessful in this aspect are Zhambyl and Kyzylorda oblasts where the total unemployment rate is 11.1 % and 11.4% correspondingly (Chart 13). While considering the unemployment rate by region, it could be noticed that there is a significant difference between urban and rural population. The highest level of rural unemployment was in Mangistau – 16.1% and Atyrau – 10.6% oblasts. For urban population, the highest unemployment rate in 2003, was 15.3% in Kyzylorda oblast, and 14.2% in North-Kazakhstan oblast.

Chart 13

Unemployment rate by regions in 2003, %

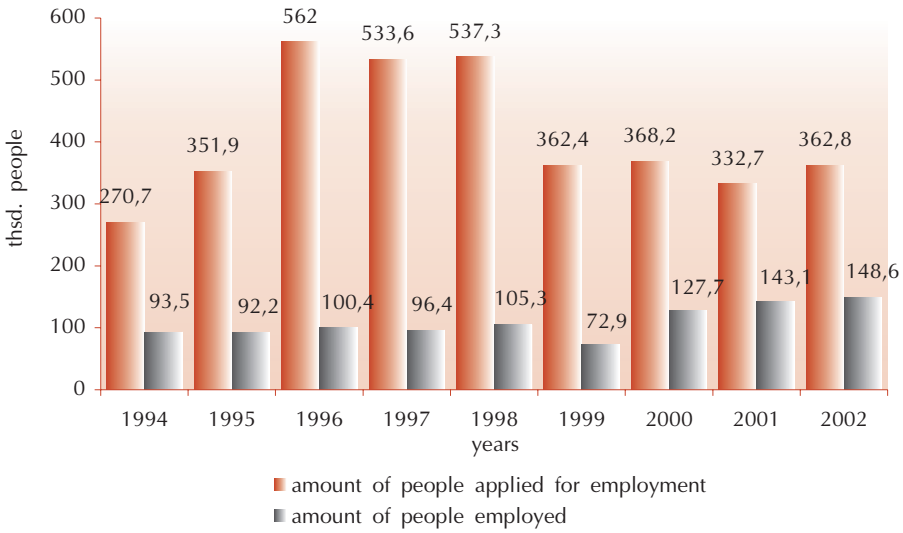


Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

Till 2001 a term "official unemployment" was used in national statistics, referring to the total number of registered/recorded unemployed without consideration of seasonal fluctuations. The unemployment rate that is based on data of registered unemployed people inaccurately characterizes the actual unemployment level (Chart 14). Firstly, not all unemployed register at the Employment centers. Secondly, not all of the people who are looking for job get the unemployment status.

Chart 14

Amount of people appealed for employment and employed people, at the employment agencies in 1991–2003

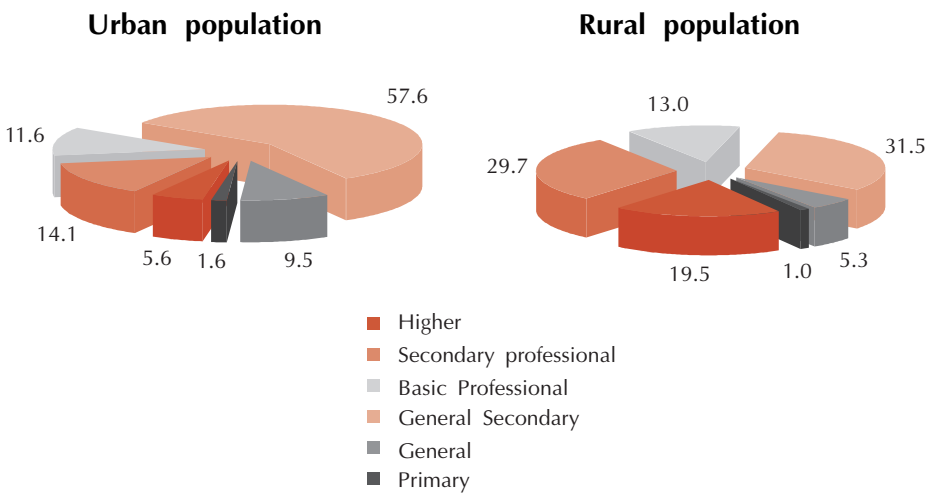


Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

The level of unemployment is connected with level of education and has also particular differences related to rural and urban areas. Thus, in 2003 there were just 5.6% of unemployed people with higher education among urban population while 57.6% of unemployed people were those with secondary education (Chart 15). Almost a third of the population with secondary (or secondary professional education) i.e. qualified workers couldn't find a job in the rural areas. During transition the needs of qualified workers and specialists by the economy of Kazakhstan hasn't been accurately identified.

Chart 15

Structure of unemployed population as per level of education, 2003 %



Source: Main Indicators of Labour Market in Kazakhstan. Statistics Agency of Kazakhstan, 2003.

Box 2[10]

Professional education: Supply and demand of human resources in Kazakhstan

In UNDP report "Poverty in Kazakhstan: Causes and Cures" the issue of professional specialists training and their demand in different sectors of economy was discussed.

During long period the higher and vocational education has not met the needs of the economy. In 2001/02 academic year there were 59.8% graduating with higher education and 40.2% with vocational education. In 2002/03 academic year, the amount of specialists with higher education increased to 62.2% while the amount of specialists with vocational education decreased to 37.7%. At the same time in 2002, the economic demand for these two categories of specialists was 38.7% and 61.3% accordingly.

Large discrepancies persist between the graduates' qualifications and the demands of a developing economy.

In 2001, there were 16.6% of graduates with vocational education in the field of natural sciences or health care, while the demand for them was 36.2%. There were 64.9% of graduates with financial, economic and social education, while employment of these middle level specialists was just 45% of all employees with middle level qualifications. According to expert estimations, the same trends were observed in 2002.

The quality of professional education also remains a serious problem. Standards of vocational and higher education, the choice of specialization and content of subjects taught are lagging behind the needs of the economy. There are no effective links between employers and placement services. Employers themselves do not invest enough into professional training and capacity building of their staff through pre- and in-services programs.

[10] *Poverty in Kazakhstan: Causes and Cures". UNDP Kazakhstan, 2004.*









Social security is the object of rapt attention, not just because it is affecting many spheres of life, but also for being an indicator reflecting the depth of social changes in society. Social security correlates with poverty reduction: it should help those already living in poverty and also prevent from poverty, those who are at risk, through prevention and stimulation measures.

Social allowances in Kazakhstan[11]

State social benefits:

1. Disability benefit (3-15 MUR)
2. Loss of breadwinner benefit (2-10 MUR)
3. Old age benefit (3 MUR)

State social benefits (8 MUR):

1. For persons who worked in underground and open cast mining, former #1 List of dangerous occupations

One-time social benefits:

1. Childbirth benefit (15 MUR)
2. Benefit to victims of political repression (up to 100 MUR)

Special state benefits:

1. USSR Heroes, Social Labour Hero. Chevalier of Glory of three degrees (9 MUR)
2. Great Patriotic War (GPW) Participants (5.8 MUR)
3. Disabled Soldiers of GPW (7.1 MUR)
4. Persons equated to GPW participants (2.4 MUR)
5. Persons equated to disabled soldiers of GPW (5.7 MUR)
6. Non-married widows of soldiers died during GPW (2.7 MUR)
7. Families of died military men (2.8 MUR)
8. Wives (husbands) of died disabled soldiers (0.9 MUR)
9. Persons awarded with USSR orders and medals for committed labour and unexceptionable military service on home front during GPW (0.5 MUR)
10. Disabled people of 1st and 2nd category (1.4 MUR)
11. Disabled people of 3rd category (0.6 MUR)
12. Disabled children under 16 (0.9 MUR)
13. Mothers of large families awarded medal 'Altyn Alka' or with status 'Mother-Hero' and awarded order 'Maternal Glory' of 1 and 2 degree (1.9 MUR)
14. Mothers of large families with 4 or more young children living together (1.9 MUR)
15. Victims of political repression (1 MUR)
16. Persons with pensions awarded for special contributions for Kazakhstan (1 MUR)

State targeted social assistance is a cash payment to poor persons or families with monthly income below the "poverty line".

Housing allowance is a cash payment to low-incomes persons or families to cover housing costs (excluding individual house) and cost of utilities. Housing assistance is provided to persons permanently living in a given locality and owning or renting housing.

[11] According to data provided by State center on pensions of the Ministry of Labour and Social Protection.

Poverty in Kazakhstan: Causes and Cures. UNDP, 2004.

At present time the social security system in Kazakhstan is comprised of two main elements: social transfers and social services. ***Social transfers*** include social welfare (pensions and state benefits) and social assistance (targeted social assistance, housing allowance, one-time payments for childbirth and others). ***Social services include*** provision of prosthetic and orthopedic equipment, special medical and social facilities, provision of social care at home and other types of social services[12].

The development of the economy in the last years has created opportunity for further improvement of the social security system. In 2001, the Government of Kazakhstan adopted the Concept of Social Protection of the Population of Kazakhstan.

Box 3

Concept of social protection of the population of Kazakhstan[13]

The *Concept of Social Protection of the Population of Kazakhstan* was adopted in 2001 taking into account present and future priorities and capacities of Kazakhstan. The new system of social security includes elements of both collaborative and single systems and compulsory and voluntary insurance and provides social security of the population from the main risks that an individual may experience in life.

According to the Concept, *the social security system* in Kazakhstan includes the following main elements:

1. *State benefits,* serving to provide all citizens with a guaranteed certain level of benefits in case of circumstances liable to social security;
2. *Compulsory social insurance* funded through money deducted by employers and employees and serves for additional social security of employees of the 'formal' sector of the economy and depends on the level of contributions made by the payer;
3. *Accumulative pension provision* implying management of formation of each citizen's pensions savings.

Social assistance as additional security of individual groups of the population through the national budget. In addition, each citizen has the right to take out the voluntary insurance in case of social risks.

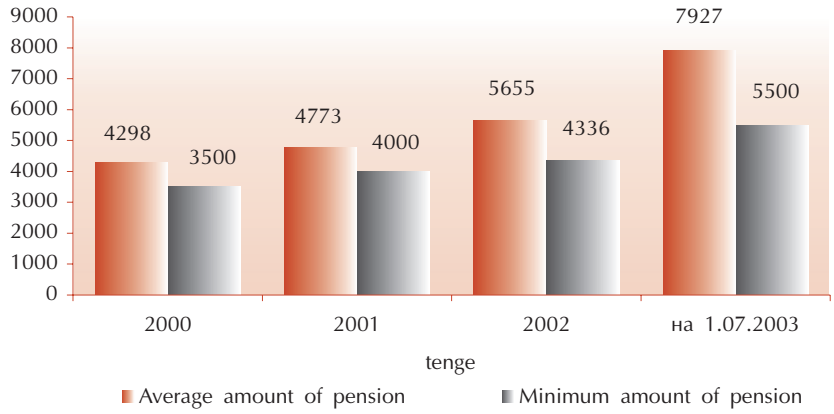
Poverty in Kazakhstan: Causes and Cures. UNDP, 2004.

Kazakhstan is the first of CIS countries implementing accumulative pension system (Chart 17). Along with this reform, measures for increasing the pension rates paid under the collaborative solidarity system were undertaken. In 2002 there were 1,749,100 people receiving pensions and 97.5% out of them were pensioners at age and 2.5% of those who worked out the long service bonus[14]. The average amount of pensions in 2000-2002 years did not significantly exceed subsistence minimum[15]. Starting from June 2003, a differentiated increase of pension was undertaken depending on labour contributions of the pensioners, along with an increase of minimum pension from 5,000 to 5,500 tenge[16]. Starting from 1 June the pensions of 1,055,000 people was increased; number of pensioners receiving the minimum pensions decreased three times and more than 450,000 people received maximum pensions. As a result, in January 2004 the minimum pension was 5,800 tenge and the average pension size – 8,335 tenge[17].

[12] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection / UNDP Kazakhstan, 2004.*
[13] *The Concept of Social Protectionof Population in Kazakhstan. Adopted by the Government's Decree as of 27 June 2001, # 886.*
[14] *Statistical Yearbook for 2003. Statistics Agency of Kazakhstan, 2003.*
[15] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*
[16] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*
[17] *Data from Ministry of Labour and Social Protection.*

Chart 16

Minimum and average pensions, 2000 – 2003



Source: Some Aspects of Social ProtectionSystem in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.

In 2003, there were 391,311 people with disabilities registered in Kazakhstan (Table 7). The Programme of Rehabilitation for People with Disabilities for the period of 2002-2005 was adopted in December 2001, the draft law on "Social Protection of People with Disabilities in Kazakhstan" was elaborated aiming at further improvement of medical and social expertise and rehabilitation of disabled people, development of prosthetic and orthopedic equipment industry, development of infrastructure of social services provided for rehabilitation of people with disabilities[18].

Table 7

Number of people with disabilities of all categories based on disability[19] As per January 2004. (data provided by Ministry of Labour and Social Security)

	Number of disabled*		including				Disabled women with children
	total	including women	I degree	II degree	III degree	disabled children under 16	
Kazakhstan	391,311	174,806	40,010	183,942	120,357	47,002	10,807
Akmola oblast	19,501	8,059	2,095	8,572	7,058	1,776	201
Aktobe oblast	14,265	7,140	1,537	6,068	4,855	1,805	104
Almaty oblast	44,962	22,556	4,210	22,597	12,556	5,599	9,527
Atyrau oblast	11,601	5,639	1,053	5,763	3,165	1,620	40
East-Kazakhstan oblast	41,483	19,650	4,929	19,190	12,632	4,732	136
Zhambyl oblast	24,891	8,897	2,719	11,838	7,150	3,184	60
West-Kazakhstan oblast	17,898	6,794	1,314	7,748	6,518	2,318	238
Karaganda oblast	37,499	15,793	4,872	17,666	10,773	4,188	15
Kostanai oblast	17,819	6,443	1,677	7,492	6,531	2,119	158
Kyzylorda oblast	19,725	9,451	1,726	9,507	5,874	2,618	19
Mangistau oblast	8,349	3,578	675	4,733	1,704	1,237	5
Pavlodar oblast	19,124	8,112	2,438	8,645	5,945	2,096	12
North-Kazakhstan oblast	23,033	9,604	2,062	10,821	7,880	2,270	141
South-Kazakhstan oblast	58,386	28,765	4,741	26,434	18,912	8,299	102
Astana city	6,913	2,755	825	2,990	2,215	883	2
Almaty city	25,862	11,570	3,137	13,878	6,589	2,258	47

**Including those being on military service.*
Source: Women and Men of Kazakhstan. Statistics Agency of Kazakhstan, 2004.

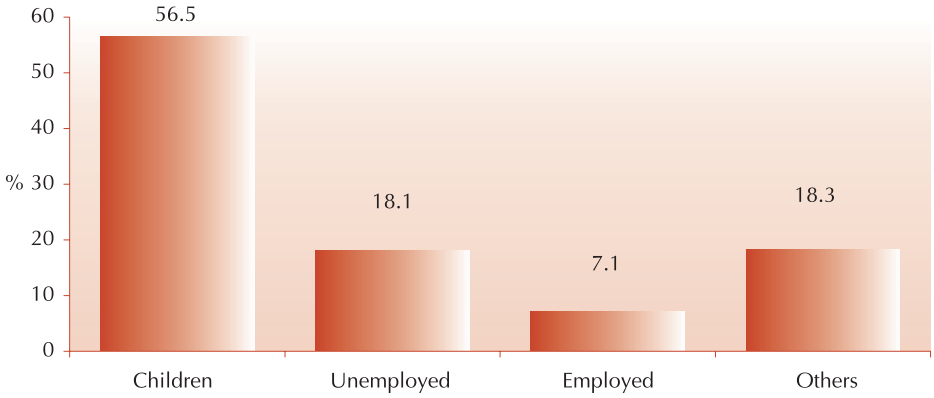
[18] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*
[19] *Disability - permanent or temporary, full or partly loss of labour ability leading to irreversible dysfunction of the human body due to birth defects, disease or trauma. The disability of the 1st, 2nd and 3rd degrees is defined by the medical social commissions depending on the degree of dysfunction of the body and limited activity. Children under 16 are given the category of 'disabled child'.*

Starting from 1 January 2003, one-time childbirth benefits were introduced at the amount of 15 MUR (monthly unit rate is used when accounting social benefits. In 2003 the MUR was equal to 872 tenge) which were paid from state budget to all families irrespective of their incomes. In addition to one-time childbirth benefits there will be further measures of social support to mothers and children through introduction of additional child allowances[20].

State targeted social assistance was introduced in January 1st, 2002 and is provided to poor people, whose level of incomes is below the "poverty line" or 40% of subsistence minimum (2,017 tenge in 2003). Lack of jobs and low incomes defined the structure of targeted social assistance recipients in 2002; those were children, unemployed and working citizens (Chart 17)[21].

Chart 17

Targeted social assistance recipients[22], 2002, %



Source: Poverty Monitoring Indicators in Kazakhstan. Statistics Agency of Kazakhstan/UNDP, 2003.

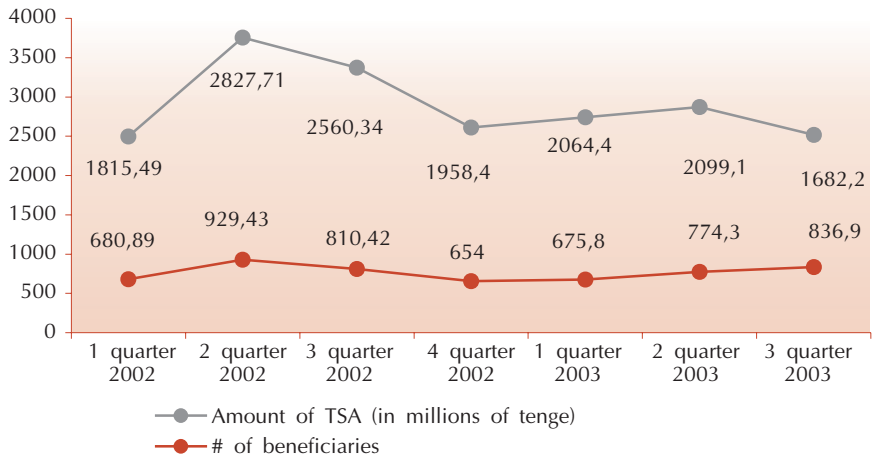
In 2003 the average amount of state targeted social assistance was 1,032 tenge; 1,145 tenge for urban and 986 tenge for rural population[23].

According to regional social security agencies, for the period of January to November 2003, the targeted social assistance was paid to 852,600 citizens whose incomes were below the "poverty line". That is 1.4 times less compared to the same period in 2002. Among the recipients of the state targeted social assistance, rural population amounted to 551,900 people or 64.7%[24]

[20] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*
[21] *Poverty in Kazakhstan: Causes and Cures. UNDP, 2004.*
[22] *People with disabilities, pensioners, students, military students, migrants (oralmans) and others made up the category of beneficiaries titled as "Others".*
[23] *Living Standards and Poverty in Kazakhstan (statistics monitoring). Statistics Agency of Kazakhstan / UNDP, 2004.*
[24] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*

Chart 18

State targeted social assistance, number of recipients (in thousands of people) and amount of payments (in millions of tenge)



Source: Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.

In 2002, the administrative "poverty line" in Kazakhstan was determined as only 40% of the level of the subsistence minimum, meaning that the average per capita and households incomes, used for consumption did not exceed 60% out of subsistence minimum even after receiving state targeted social assistance. Therefore, according to data provided by Statistics Agency, even partial coverage of those in need of social assistance didn't help to overcome the financial difficulties for the majority of poor people.

The state targeted social assistance is considered to be a modest financial support provided to the poorest groups of population. Legislative introduction of the definition of "poverty line" along with the subsistence minimum indicates the shortage of state funds devoted to targeted social assistance. In the future it is advisable to provide state targeted social assistance primarily to poor families with members who are unable to work or with dependents. Cash allowances, as the state targeted social assistance, could be accompanied with in-kind assistance (e.g. food) especially to children.[25]

Along with targeted social assistance, housing allowance is paid as financial assistance to citizens with low incomes as to compensate their expenses for housing and utilities. In 2003, 1.6 billion tenge was released for housing assistance[26].

According to the methodology of the International Labour Organization, which Kazakhstan is a member of, and according to internationally accepted definitions, the strategy of social security should include the following:

- Promotion of sustainable income-generating activities;
- Payment of compensations in case of social risks such as illness, old age, temporary inability to work; disability, loose of provider, upbringing of children, maternity, accidents and professional diseases, unemployment, as well as their prevention, e.g. through social insurance mechanisms;
- Provision of social assistance designed for vulnerable groups or certain individuals who are not covered by the social insurance;
- Access to basic rights and services such as housing, education and health services for people with disabilities as well as adherence to basic principles of justice and individual security.

[25] *Poverty in Kazakhstan: Causes and Cures. UNDP, 2004.*
[26] *Some Aspects of Social Protection System in Kazakhstan (in figures). Ministry of Labour and Social Protection/ UNDP Kazakhstan, 2004.*

Table 8

Indicators of social welfare in Kazakhstan

Number of retired and average size of monthly pension (as of end of 2003, Ministry of Labour and Social Security data)

	Total, thousands of people	Distribution by gender, %		Average amount of monthly pension, tenge	Women's pension as percentage of men's, %
		Women	Men		
2000	1,786.8	67.4	32.6	4,298	78.2
2001	1,749.1	66.7	33.3	4,947	77.2
2002	1,690.5	69.1	30.9	5,818	81.6
2003*	1,660.0	67.5	32.5	8,198	80.2

* *taking into account military servants*

Number of recipients of state targeted social assistance and average size of entitled monthly allowances (as of end of 2003, Ministry of Labour and Social Security data)

	Total, thousands of people	Distribution by gender, %		Average amount of monthly pension, tenge	Women's pension as percentage of men's, %
		Women	Men		
2000	637.8	62.8	37.2	3,391	104.5
2001	792.3*	62.7	37.3	3,630*	103.6
2002	791.8*	60.7	39.3	3,391*	101.7
2003	786.4*	60.0	40.0	3,647*	104.6

* *taking into account military servants*

State targeted social assistance to families with children, by regions (as of end of 2003, the Ministry of Labour and Social Security data)

	Established poverty line, tenge	Entitled assistance for children	
		number of recipients, people	Average size per one child, per month (tenge)
Kazakhstan	1,985	518,643	727.9
Akmola	1,954	18,187	740.3
Aktobe	2,005	26,978	764.0
Almaty	1,939	68,666	609.1
Atyrau	2,451	38,905	1,061.6
East-Kazakhstan	1,906	57,073	891.0
Zhambyl	1,710	42,727	411.1
West-Kazakhstan	1,998	24,132	807.7
Karaganda	1,957	35,395	814.5
Kostanay	1,814	16,804	529.6
Kyzylorda	1,761	38,805	756.8
Mangistau	2,762	15,356	1,045.5
Pavlodar	1,881	22,947	905.9
North-Kazakhstan	1,917	20,914	623.8
South-Kazakhstan	1,706	84,794	560.0
Astana city	2,022	1,493	1,044.6
Almaty city	2,242	6,187	1,092.0

Source: Women and Men of Kazakhstan. Statistics Agency of Kazakhstan, 2004.

Minimal social guarantees, such as minimal wage, minimal pension and child allowances should be in certain correlation with subsistence minimum. However, in Kazakhstan this is only the case with pensions. For example, the level of minimum wage is lower than subsistence minimum. There is very low correlation between average wage and subsistence minimum, average amount of pension and subsistence minimum and average and minimal wage.

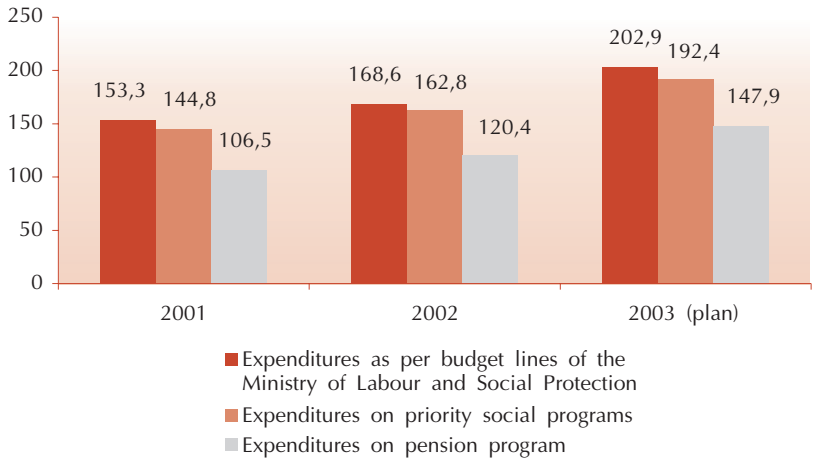
Taking into account the fact that the wage should cover the worker's and his/her family's cost of life, the minimal amount should cover at least two subsistence minimums. Along with that, in order to increase the work motivation the amount of minimal wage should be greater than other guarantees mentioned above.

The minimum wage, in 2003, reached the level of minimum pension and from January 1st, 2004 it was increased from 5000 to 6600 tenge (32%). Wages of employees in the sectors financed from the national budget would be increased by on average 20% and for the civil servants by 50%.

During the past years there was some positive dynamics in the growth of the state budget expenditures on social security (Chart 19).

Chart 19

State budget expenditure on social security, billions of tenge



Aspects of Social Security System in Kazakhstan (in figures). Ministry of Labour and Social Security / UNDP Kazakhstan, 2004.









Participation of NGOs in social development

The economic and political reforms in Kazakhstan are accompanied by profound changes in the whole society. Different players participate in the development of modern social policy.

Box 4

Civil Society[27], Non-Governmental Organizations (NGOs)[28]

Modern definition of the Civil Society refers to the public interest and public will, which are present in the state. The rules of the civil life should take into account the basic human rights. Main elements of the *Civil Society* include existence of different forms of ownership, freedom of labour and entrepreneurship as well as broadening of economical spheres.

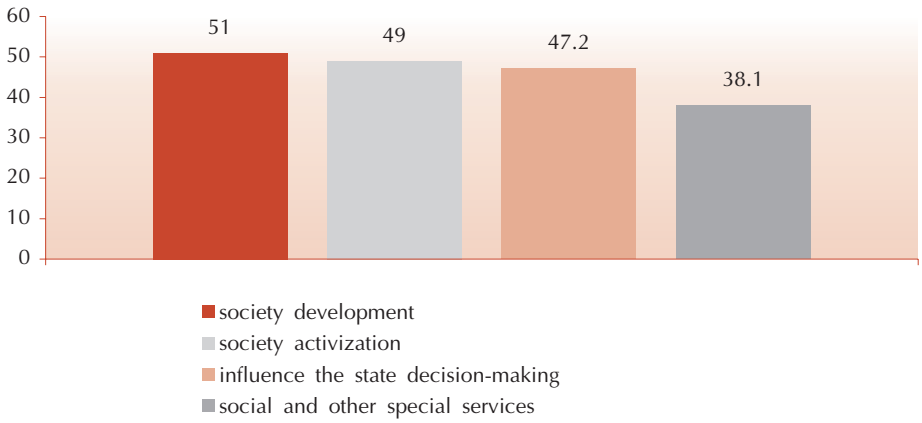
Social relations as well as social interests in the framework of the *Civil Society* are realized through political parties, social movements and associations. Special measures are undertaken in a number of countries to institutionalize the Civil Society as political and legal entity contributing to the law enforcement in all spheres of public life.

Non-Governmental Organizations (NGO) - a type of organizations in civil society, a non-profit organization with membership which is not limited to the professional occupation (thus, the trade unions are not considered as NGOs) and which do not strive to gain the political power (NGOs do not include political parties).

The government determines main goals, tasks and principles of social development in relation to society in general. Regional authorities develop corresponding acts and social programs taking into account the peculiarities of regional development (levels of economic and social development, historical, cultural, and other features). Along with that, the perseverance of the former "monopoly" role of the state in developing social policy is becoming impossible in relation to new democratic development. Because of shortage of state resources, it is also becoming essential to attract different social actors, in the implementation of social reform.

Chart 20

Assessment by NGO representatives on the character of activities by the third sector[29], 2003, %



Source: Органи3ация, #3 (12). Institute for Development Cooperation, 2003, p. 27.

[27] *Social Policy, Living Standards and Quality of Life. V.N. Bobkov, A. P. Pochinok, eds. Moscow, 2001.*
[28] *Non-Governmental Organizations of Kazakhstan: Past, Present, Future. UNDP, 2002.*
[29] *Data of the sociological survey by International Development Cooperation institute aimed at studying the attitude of the NGOs to selection processes. 120 regional NGOs have participated in this research.*

NGOs are becoming very important articulators of the interests of different social groups. More and more, NGOs are striving to express and strengthen these interests in corresponding laws and other normative acts. The participation of NGOs in development of social policy is expressed on different levels of interaction with authorities. Today there are more than 4,500 NGOs in Kazakhstan. They work practically in all significant spheres. It is estimated that almost 200,000 people work in the non-governmental sector. Approximately 2 million people get services from Kazakhstani NGOs. NGOs in Kazakhstan can be divided in the following sectors:

- Socially oriented NGOs (women's NGOs, NGOs for vulnerable groups, NGOs providing social services for the community);
- Socio-political (law observing, ecological, youth, analytical, NGO associations etc);
- Field associations[30].

There is increased activity by NGOs in development of social policy at almost all stages of the legislative process. For effective involvement of NGOs in policy making it is important with "supportive" relationships with legislation bodies at all levels.

In the 1998 Presidential Programme on Democratization of the Society, the issues of state support to the participation of the NGO sector was addressed: the Concept and Programme of State Support to non-governmental organizations in Kazakhstan was adopted on 23 of January 2002 and on 1 of March 2003 accordingly.

The Civil Forum "State and NGO" held from 14-15 October 2003 confirmed that the relations between state and NGOs should be collaborative and that there should be joint cooperation strategy elaborated that will allow more active involvement of NGOs in solving social problems.

In his speech at the Civil Forum, the President of Kazakhstan Mr. Nazarbayev, mentioned that NGOs should more actively collaborate with the Government in solving the most important social problems. This is an important work that includes environment security, increase of health care and education quality, housing, poverty reduction, prevention of drug abuse and trafficking in people. Special attention was also paid to the position of NGOs in Kazakhstan in targeting social problems. In the strategic planning it will result in the step-by-step transfer of the social functions of the State to the NGOs with broad involvement of NGO specialists in consultations during decision-making.[31]

For elaboration of NGO cooperation strategy it is important to have comprehensive information on social and economical peculiarities of the region and on activities of local NGOs. Some elements of the NGO cooperation strategy:

- Participation in seminars, discussions and sociological surveys;
- Identification of stakeholders on behalf of the community, Government and NGOs with further clarification of their roles and responsibilities;
- Creating mechanisms for the community involvement;
- Preparation of agreements on participation with clear identification of responsibilities of each involved party;
- Assessment of implementation of the strategy and identification of steps for its further sustainability.

Exchange of information between authorities and NGOs should not be limited to transfer of information "from bottom to top". Rather, involvement of citizens in the process of decision-making would enable making sustainable decisions. Moreover, in the process of implementing decisions, the role of citizens is increasing, as the majority of state decisions are not effectively implemented without wide participation of citizens; the process of state adminis-

[30] *ОрганиЗация, #3 (12). Institute for Development Cooperation, 2003, p. 30*

[31] *"State and NGO: constructive dialogue" (Materials of civil forum, Astana, 14th - 15th of October, 2003). The Ministry of Information/UNDP, 2004*

tration requires feedback and as state tasks are also implemented through the organizations of citizens.

In October 2000 the President of Kazakhstan in his annual speech pointed out the need for development of a system for sponsorship of NGOs for the implementation of socially sound projects. This concept of government assistance to NGOs was approved by the Decree of the Government of Kazakhstan # 85 as of January 23rd, 2002. In this document the informational, consultative, methodical, organizational and state social partnership were marked as the main forms of state support provided to NGOs. State social partnership was determined as the most effective form that could unite two financial mechanisms: state grants for NGOs and support of their participation in the implementation of state social programs within the framework of state social procurement.[32]

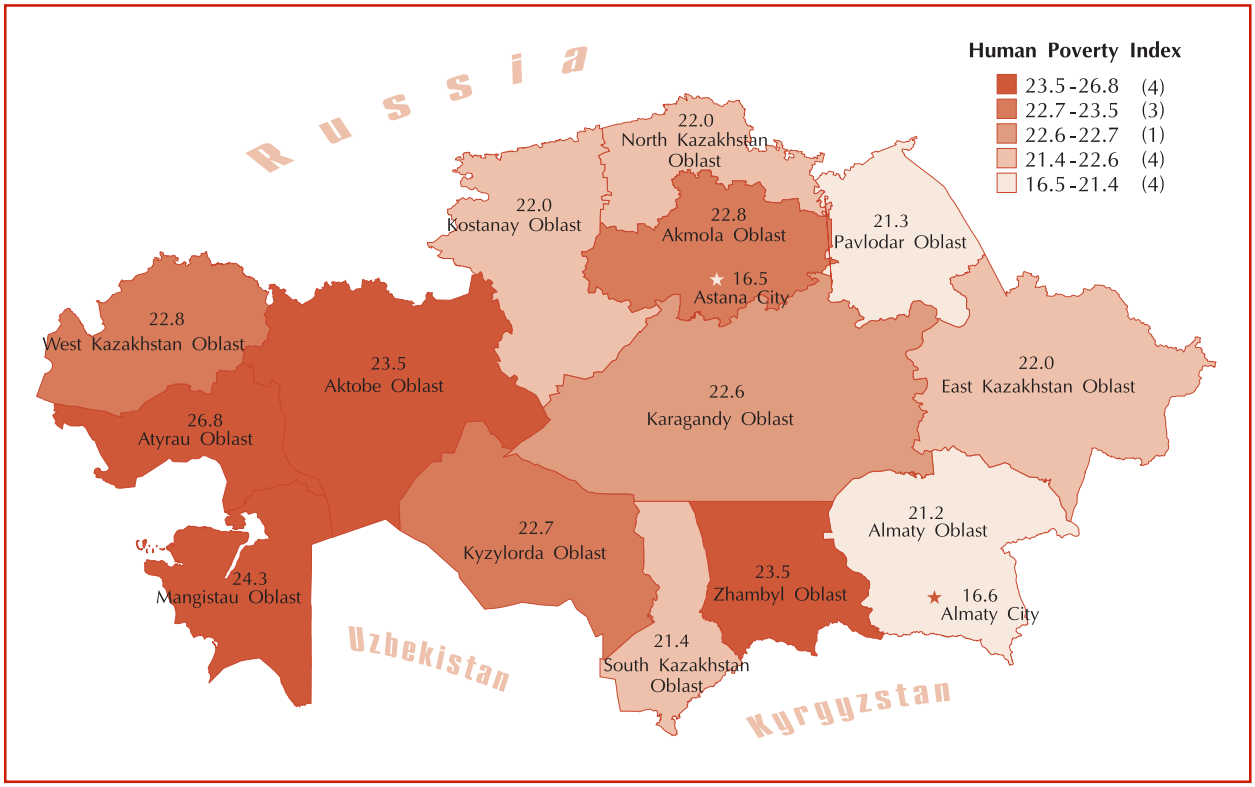
In 2002, Central Asian Development Institute initiated a project on development of the law on state social partnership as well as on research of social partnership issues. In accordance with results of this research, the following was mentioned as the basic forms for cooperation between state and non-governmental organizations:

- Funding of social projects by state organizations, implemented by NGOs through provision of grants and signing of agreements on provision of social services;
- Assistance to NGOs in implementing their social programs, by state organizations through in-kind support such as free of charge or discount provision of equipment and facilities and their repair, etc.;
- Attraction of NGOs for development and implementation of joint charity and social projects at regional and national levels, including participation of international organizations. [20]

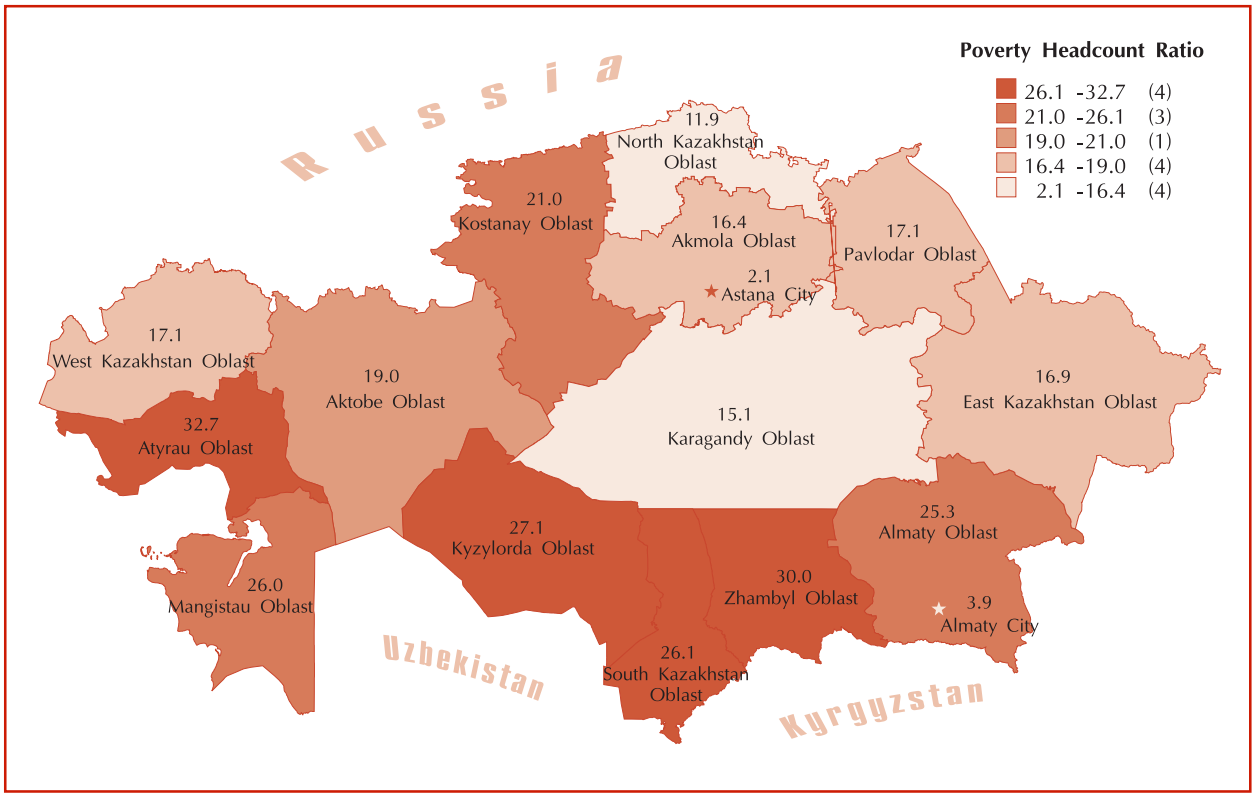
On March 17th 2003, the Government of Kazakhstan approved the Programme of State Support of NGOs for 2003-2005. Presently the draft law on state social partnership is under development. It will provide the necessary legal foundation for state support to NGOs in the forms of social partnership.

[32] *"State and NGO in Kazakhstan: experience and forms of cooperation". UNDP, 2003.*

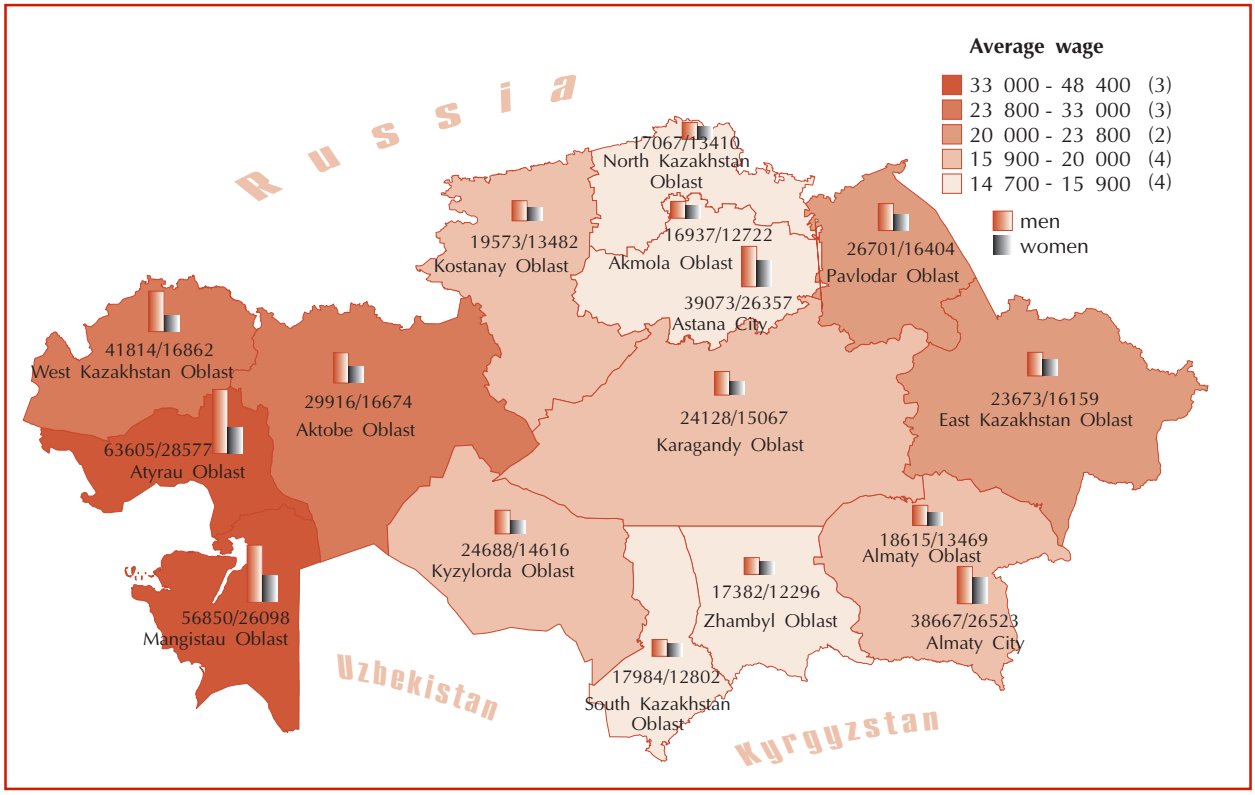
Human Poverty Index by Regions, 2003



Poverty Incidence by Regions in Kazakhstan, 2003



Wages by Gender in Kazakhstan, 2003



Unemployment Rate by Gender in Kazakhstan, 2003



GLOSSARY ON POVERTY

1. Poverty and its measurement

Poverty

A human condition characterized by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.

According to the absolute approach, poor people are those who have less than a certain absolute minimum. In other words, the concept of absolute poverty is based on establishing a list of a person's minimum basic needs (for example, the minimum consumer basket or the subsistence minimum), and the amount of resources needed to satisfy these needs. In particular, to determine needs for grocery items, physiological norms for calorie, protein, fat and carbohydrate intake are used.

According to the relative approach, wealth indicators for defining poverty are related to the predominant level of material wealth in a given country, rather than to minimum needs. In other words, people who have less than others are considered to be poor. In practice, according to this concept the relative poverty line is established as relative percentage of household's average or median income.

The subjective approach is based on the people's subjective assessment of their living standards, it gives a possibility to the people themselves to judge if they are poor and if their income is enough to live a normal life. In this regard, this concept is closely connected with the principles of freedom and dignity of the human being and its rights to decent living standards, standard nutrition, access to health care services, education and other social and economic achievements of society. The subjective approach is widely used for qualitative analysis along with quantitative analysis.

Poverty Headcount Ratio (or Incidence of Poverty)

The incidence of poverty, expressed as a headcount ratio, is simply an estimate of the percentage of people with income below the subsistence minimum. It does not indicate anything about the depth or severity of poverty and thus does not capture any worsening of the conditions of those already in poverty.

Subsistence Minimum

Subsistence level is the value of goods and services at prevailing prices necessary to meet the basic requirements of a human being for supporting life. The subsistence minimum in Kazakhstan is an objectively determined level of income (expenditure) proportionate to the value of goods and services included in the consumer basket.

Minimum Consumer Basket

The minimum consumer' basket includes goods and services necessary to meet the basic requirements of a human being to support life. The consumer's basket consists of food basket, which includes foodstuff necessary to meet a certain nutritional intake expressed by calorie intake (2172 kcals), and 30% added for essential non-food items and services that comprise a minimum requirement; such as, for example, clothes, shoes, housing and different kinds of services.

Poverty Depth Index

Poverty depth index shows 'how poor are the poor' and it measures average consumption/income shortfall of poor population expressed as a proportion of absolute poverty line (subsistence minimum in Kazakhstan). Poverty incidence is considered as deep if average income (consumption) of the poor is far below the poverty line (subsistence minimum in Kazakhstan).

Poverty Severity Index

Poverty severity index shows 'how poor are the poorest of the poor', i.e. income inequality among the poor. Poverty severity is an additional characteristic of poverty, when the poverty headcount ratio and poverty depth index don't change. The higher value of the poverty severity index means more severe conditions of poverty.

'Food Basket' Cost

The food basket cost in Kazakhstan is calculated in order to meet a certain nutritional intake of an individual expressed mainly by calorie intake. The food basket contains the items at the per-capita level of 2172 kcals per day, which refers to the WHO standard. The food basket also considers local/national food habits and the availability of the goods in the local market.

Incidence of Food Poverty (or proportion of population with income below food basket cost)

Incidence of 'food' poverty is measured as proportion of the population with income/consumption levels below a 'food basket' cost.

Human Poverty Index

A comprehensive aggregate index reflecting various aspects of deprivation in a person's life in all three main elements reflected in the Human Development Index (HDI): longevity, knowledge and decent standard of living. The difficulty of measuring other components of human development, such as political freedom and personal safety, makes it impossible to include them in the poverty indices.

a) HPI-1 for developing countries was for the first time calculated in the Global Human Development Report for 1997 via the following formula:

$$HPI\text{-}1=\left[\left(P_1^3+P_2^3+P_3^3\right)/3\right]^{1/3},\ \text{where}$$

P1 - the percentage of people not expected to survive to the age of 40;
P2 - percentage of illiterate adults;
P3 - the percentage of people without access to safe water, health care services, and percentage of underweight children under age of 5.

b) In the Global Human Development Report for 1999 HPI-2 for developed countries was calculated via the following formula:

$$HPI\text{-}2=\left[\left(P_1^3+P_2^3+P_3^3+P_4^3\right)/4\right]^{1/4},\ \text{where}$$

P1 - the percentage of people not expected to survive to the age of 60;
P2 - the percentage of functionally illiterate people;
P3 - the percentage of people with income below 50% of the average disposable personal income in the country;
P4 - the level of long-term unemployment (unemployment for 12 months or more)

c) The HPI-3 for Kazakhstan was calculated in 2000 via the following formula:

$$HPI\text{-}3=\left[\left(P_1^3+P_2^3+P_3^3+P_4^3\right)/4\right]^{1/3}\quad \text{where}$$

P1 - the percentage of population not surviving till the age of 60;
P2 - the percentage of 16-year olds dropping out of school;
P3 - the percentage of population with consumption below the subsistence minimum;
P4 - the general unemployment level.

Human Development Index (HDI)

Human Development Index was developed by UNDP in the early 1990s. It is a composite index measuring average achievement in three basic dimensions of human development - a long and healthy life (life expectancy at birth rate), knowledge (adult literacy rate and the combined primary, secondary and tertiary gross enrolment rate) and decent standards of living (GDP per capita, PPP US$).

2. Employment and unemployment

Labour Force

Labour force refers to part of country's population (labour supply available for production of goods and services) including those employed (people above a specific age who, during the reference period, were in paid employment at work, self-employed or with a job but not at work) and unemployed (people above a specific age who, during the reference period, were without work, currently available for work and seeking work).

Labour Force Participation Rate

Provides an indication of the relative size of the country's labour supply available for the production of goods and services. It is expressed as a percentage of the number of persons in the labour force in the total number of working-age population.

Employment

Activity of citizens, which brings them income or remuneration, necessary to meet their personal needs;

Full - the employment rate when everyone who wants a job has one, excluding those in a period of 'frictional' unemployment. It is suggested that such a situation means full use of all labour resources of the country.

Self-employment - an occupation in which remuneration is directly related to profit raised from production of goods and services (and the person's own consumption is considered as a part of profit).

Employment Rate

Shows share of the total number of employed as a percentage of the labour force.

Unemployment

A social and economic phenomenon determined by lack of demand on the labour market for a part of labour force; a condition in which people are willing and able to work, but cannot find a job.

Unemployment (general) is determined on the basis of the Labour Force Survey by Statistics Agency in compliance with the ILO requirements. A person is called unemployed if the following criteria are met:

a) does not have a job/income

b) actively seeks a job

c) is willing to start a job in a certain period of time (as a rule, within two weeks).

Official (registered) - total number of registered/recorded unemployed without consideration of seasonal fluctuations. This indicator does not show hidden unemployment.

Hidden unemployment covers the employees, who are considered by official statistics as employed, however, in fact they are in forced leaves or work reduced working hours.

Long-term - unemployed for 12 or more months.

Unemployment Rate

Unemployment rate (general) refers to a proportion of unemployed in total labour force. The general unemployment rate is calculated based on the Labour Force Survey by the Kazakhstan Statistics Agency using ILO methodology. A person is considered employed if (s)he works at least an hour a week.

Official (registered) unemployment rate refers to a proportion of unemployed, registered in state employment bodies, in the total labour force.

Unemployment by Age

Unemployment among the labour force categorized by different age groups. It is a percentage distribution of an economy's total unemployed according to certain age groups. In Kazakhstan the indicator refers to the proportion of unemployed at a given age to the total number of people at the same age.

Unemployment by Level of Education

Unemployment categorized by different levels of educational attainment. Specifically the indicator is a percentage distribution of an economy's total

unemployed according to levels of schooling. In Kazakhstan the indicator refers to the proportion of unemployed with a given level of education in the total number of people who have the same level of education.

Youth Unemployment

For the purpose of this indicator the term 'youth' covers persons aged 15 to 24 years, and thus the term 'adult' refers to those aged 25 and over.

(a) youth unemployment rate (youth unemployment as a percentage of the youth labour force);

(b) ratio of the youth unemployment rate to the adult unemployment rate;

(c) youth unemployment as a proportion of total unemployment; and

(d) youth unemployment as a proportion of the youth population.

Average Unemployment Duration

Number of months during which a person was unemployed.

Minimum Wage

Minimum wage is a minimum money payment guaranteed by Kazakhstani Constitution to all employees irrespective of the ownership (state or private) of the employing organization.

Nominal Wage

Nominal wage means any monthly remuneration, including basic wages, wage supplements, bonuses, premiums and one-time payments. It is calculated as a ratio of the total wages fund to the average number of actually working persons (i.e. payroll number).

Real Wage Index

Real Wage Index refers to the nominal wages index corrected for changes in purchasing power measured by the consumer price index. Real wages are defined as the goods and services, which can be purchased with wages or are provided as wages.

3. Income and inequality

Inequality

This is the difference in income and living standards between the different groups of population, which are caused by a number of reasons of economic, regional, social, cultural and political nature.

Gini Coefficient

Gini coefficient, which is one of the income differentiation indexes, measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal distribution. A value of '0' represents perfect equality, a value of '1' perfect inequality.

Assets Coefficient (Richest-to-Poorest Ratio)

Assets coefficient reflects the income gap between the richest and the poorest population of a country. It is calculated as correlation between total incomes of the richest 10% of population and total incomes of the poorest 10% of population. Belongs to a group of income concentration indices.

Consumer Budgets' System

Living standard assessment system, which includes a set of social standards, representing different levels of well-being among the population:

- Subsistence Minimum (SM),
- Minimum Consumer Budget (MCB) and
- High Income Budget (HIB).

The subsistence minimum (SM) determines the limit of absolute poverty of a person. It is the monetary income a person needs to purchase minimum consumer basket that satisfies basic human needs, at a level accepted by society at a particular stage of its development. A normative-statistical approach is used to calculate the subsistence minimum.

Minimum consumer basket - a budget equal to twice the subsistence minimum. It refers to the higher levels of income compared to the subsistence minimum that provides better living conditions as well as better spending of spare time.

High-income budget - a budget equal to seven subsistence minimums. This social standard allows one to satisfy mostly rational physical and mental needs and provides a comfortable level of consumption.

This system was introduced by specialists of Russian Living Standards Centre in 1993.

Population's Purchasing Power

Living standard indicator, which refers to the correlation between average money incomes and the subsistence minimum. It defines how many sets of goods and services from the subsistence minimum structure can be obtained with the population's incomes.

Low - the value of the income purchasing power index is less than 2.

Average - the value of the income purchasing power index is higher than 2, but less than 7.

High - the value of the income purchasing power index is higher than 7.

Average Household Income

Incomes obtained by household members, such as: wages, incomes from entrepreneurship, pensions, stipends, benefits, compensations and other payments (including charity), dividends, rents and other incomes from property, income from household production and other monetary incomes.

Incomes can be nominal (not excluding taxes and other mandatory payments) and available (excluding above mentioned payments).

Average income is calculated by dividing the total amount of income by the total population.

Real income - income, which excludes changes in consumer prices. It is calculated by dividing monetary income by the consumer price index.

Real available income - income, excluding mandatory payments and taxes, taking into account changes in consumer prices.

4. Social security in Kazakhstan

Minimum Pension

Minimum amount of pension payment defined by the State under the provisions of pension legislation.

Average Pension (Assigned)

Average monthly amount of pension per pensioner. It is calculated as a correlation between the total sum of assigned monthly pensions of all registered pensioners and their number at the end of the year.

Social Benefit on disability, loss of breadwinner and old age

Regular monetary transfers to citizens who need them due to disability, loss of breadwinner and old age.

Social Benefit to former recipients of in-kind benefits

Monetary transfer to those who need special social protection - a monetization of former in-kind additions to the pension or salary. It is given regardless of other types of allowances. Persons eligible for the benefit include participants and disabled of World War II, families of dead military personnel/policemen, persons rewarded with orders and medals of the Former Soviet Union for their hard work during World War II, etc.

Social Benefit to those who worked in former 'List #1' jobs

Monetary transfer to those who worked in jobs on 'List #1'. List #1 includes work in underground and open mining jobs, in jobs with especially harmful and/or especially severe work conditions. The eligibility criteria are: for men at the age of 53 to have 20 years' work experience, including at least 10 years in jobs on the List; for women at the age of 48 to have at least 10 years' work experience, of which 7 years must have been in jobs on the list. The benefit is given regardless of the worker's wage. After reaching pension age, the recipients decide whether to continue receiving the benefit, or start receiving a pension.

Housing Allowance

Housing benefit is a monetary transfer to low-income residents who own or rent housing to cover housing costs and/or utilities. Housing benefit is determined and paid at local level from local budget.

State Targeted Social Assistance

State targeted social assistance is a monetary transfer to poor persons (families) with incomes below the 'poverty line' established quarterly for each oblasts, Almaty and Astana cities. The 'poverty line' in Kazakhstan is established annually as percentage of the subsistence minimum (minimum consumer basket), defined depending upon availability of budget financial resources. In 2002 the 'poverty line' was fixed at 40% of the subsistence minimum.

'Poverty Line' as criteria for state targeted social assistance (in Kazakhstan)

The 'poverty line' in Kazakhstan is used specifically as criteria for the state targeted social assistance. It is established annually as percentage of the subsistence minimum (minimum consumer's basket), defined depending upon availability of budget financial resources. In 2002 the 'poverty line' was fixed at 40% of the subsistence minimum.

5. Macroeconomic indicators

Gross Domestic Product (GDP)

Macroeconomic indicator representing the total output of goods and services for final use produced by an economy, by both residents and non-residents, during a given period of time, regardless of the allocation to domestic and foreign claims and is calculated without making deductions for depreciation. There are three methods of GDP calculation:

Production method calculates and sums up the gross value added created in all industries or sectors of the economy, provides data for analysis of the industrial and sector structure of the economy.

Income distribution method calculates and sums up the components of income paid to all institutional units engaged in the production of goods and services; yields the data required to analyze the structure of the income originating in the process of GDP production remuneration, operating surplus, production and import taxes, etc.

Final expenditure method comprises the total expenditure of all units on final consumption, gross capital formation (investment) and exports, provides data for an analysis of the structure of the overall GDP, establishing the ratio between final consumption and capital formation, between the consumption of goods and services by households (individual consumption) and by general government bodies (collective consumption).

GDP by Industrial Origin refers to the breakdown of GDP by sectors of economy, such as industry, agriculture or services as defined according to the International Standard Industrial Classification (ISIC) system. Industry refers to the mining and quarrying, manufacturing, construction and public utilities, including gas, water and electricity. Agriculture refers to agriculture, hunting, fishery and forestry. Services refer to wholesale and retail trade; restaurants and hotels; transport, storage and communications; finance, insurance, real estate and business services; and community, social and personal services.

Real GDP Growth

Refers to the annual changes in GDP output as a percent to the previous year.

Gross National Product, or Gross National Income (GNP, or GNI)

A macroeconomic indicator reflecting the final product produced by an economy during a given period of time, calculated at market prices. GNP includes both cost of the products produced in the country and outside the country using industries belonging to the country.

Gross Regional Product (GRP)

Macroeconomic indicator showing aggregate value of goods and services produced during a given period of time in a certain region of the country.

GDP per Capita

Refers to the GDP value divided by the average annual population of the country.

Consumer Price Index (CPI)

The consumer price index measures changes over time in the general level of prices and services that a reference population acquires, uses or pays for. A consumer price index is estimated as a series of summary measures of the period-to-period proportional change in the prices of a fixed set of consumer goods and services of constant quantity and characteristics, acquired, used or paid for by the reference population. Each summary measure is constructed as a weighted average of a large number of elementary aggregate indices. Each of the elementary aggregate indices is estimated using a sample of prices for a defined set of goods and services obtained in, or by residents of, a specific region from a given set of outlets or other sources of consumption goods and services.

Inflation Rate

Refers to the rate of increase of the level of prices (measured by the consumer price index) during a given period.

Purchasing Power Parities (PPP)

The number of units of a country's currency required to purchase the same representative basket of goods and services (or similar basket of goods and services) that a US dollar (the reference currency) would buy in the United States.

6. Demographic indicators and reproductive behavior

Life Expectancy at Birth

Life expectancy at birth is a widely used measure of general level of mortality in a country. This is a theoretical number of years a new-born would live if the age-specific mortality rates in the year of birth are taken as constant.

Rate of Natural Population Increase

Rate of natural population increase is the difference between the number of births and the number of deaths during the given year divided by mid-year population.

Rate of Children Involved in Divorce

The rate of children involved in divorce shows the number of children aged 0-17 involved in divorces per 1,000 people aged 0-17.

Total Fertility Rate

Total fertility rate is the overall measure of fertility, which represents an average number of children a woman would bear during reproductive period (15 to 49) if the age-specific fertility rates remained unchanged during her lifetime.

Crude Birth Rate

Crude birth rate measures the frequency of childbirths in a population. It represents a number of life births per 1,000 mid-year people.

Birth Rate by Age

Birth rate by age measures the frequency of childbirths among women of a certain age group. It represents a number of life births among women of a certain age group per mid-year female population in the same age group.

Life Births

There are two definitions of the live birth notion. 'WHO standard definition' refers to the live births include all births, with the exception of stillbirths, regardless of the size, gestation age, or 'viability' of the newborn infant, or his or her death soon after birth or before the required birth registration date. 'The Soviet concept' excludes infants born with no breath, but with other signs of life ('stillbirths' in the Soviet concept) and infants born before the end of the 28th week of pregnancy at a weight under 1,000 grams or a length under 35 centimeters and who die during the first seven days of life ('miscarriages'). In Kazakhstan the Soviet concept is used to define live births.

Contraceptive Prevalence Rate

Contraceptive prevalence rate measures the percentage of women aged 15-49 who are practicing, or whose partners are practicing, any form of contraception whether modern or traditional.

Contraceptive Prevalence Rate (among married women)

Contraceptive prevalence rate measures the percentage of married women aged 15-49 who are practicing, or whose partners are practicing, any form of contraception whether modern or traditional.

Abortion Rate

Abortion rate refers to the number of abortions per 100 live births and it includes early fatal deaths and excludes spontaneous abortions.

7. Health indicators

Infant Mortality Rate (IMR)

The IMR is a measure of the frequency of deaths of infants between birth and 1 year of age. It represents the annual number of deaths of infants under 1 year of age per 1,000 live births during the same period.

Under 5 Mortality Rate (U5MR)

Measures the probability of dying between birth and age 5. It represents the annual number of deaths of children under age 5 per 1,000 live births. In this case the U5MR had been calculated by comparing the number of under-5 deaths to the number of live births in the current year rather than in the year the deceased children were born.

Maternal Mortality Rate (MMR)

The MMR refers to the annual number of deaths of women due to pregnancy or childbirth-related causes per 100,000 live births.

Mortality Rate

The mortality rate measures the frequency of death in population. It represents the number of deaths per mid-year population.

Birth Attended by Skilled Personnel

The births attended by skilled personnel refer to the percentage of deliveries attended by a doctor, nurse or mid-wife or trained traditional birth attendant in total number of births in certain period.

Infants under Qualified Medical Personnel Care

The indicator refers to the proportion of newborns under patronage of medical personnel in total number of newborns.

Prevalence of Wasted Children (Low Weight-for-Height among Under-fives)

Wasting or thinness indicates in most cases a recent and severe process of weight loss, which is often associated with acute starvation and/or severe disease. It is calculated as a proportion of under-fives falling below minus 2 or minus 3 standard deviations from the median weight-for-height of the reference population.

Prevalence of Stunted Children (Low Height-for-Age among Under-fives)

Stunted growth reflects a process of failure to reach linear growth potential as a result of suboptimal health and/or nutritional conditions. On a population basis, high levels of stunting are associated with poor socioeconomic conditions and increased risk of frequent and early exposure to adverse conditions such as illness and/or inappropriate feeding practices. Similarly, a decrease in the national stunting rate is usually indicative of improvements in overall socioeconomic conditions of a country. It is calculated as a proportion of under-fives falling below minus 2 and minus 3 standard deviations from the median height-for-age of the reference population.

Prevalence of Underweight Children (Low Weight-for-Age among Under-fives)

Weight-for-age reflects body mass relative to the chronological age. It is influenced by both the height of a child (height-for-age) and his or her weight (weight-for-height), and its composite nature makes interpretation complex. In the absence of significant wasting in a community, similar in formation is provided by weight-for-age and height-for-age, in that both reflect the long-term health and nutritional experience of the individual or population. In general terms, the worldwide variation of weight-for-age and its age distribution are similar to those of low height-for-age. It is calculated as a proportion of under-fives falling below minus 2 standard deviations (moderate underweight) and minus 3 deviations (severe underweight) from the median weight-for-age of the reference population.

Tuberculosis Prevalence Rate

Tuberculosis prevalence rate refers to the number of TB morbidity cases, including first registered as well as earlier known chronic and long lasting cases, according to certain year data calculated per 100,000 people.

Tuberculosis Incidence Rate

TB incidence refers to the number of new TB cases. A tuberculosis case is defined as a patient in whom tuberculosis has been bacteoriologically confirmed or diagnosed by a clinician.

Number of Cured from Tuberculosis

Number of patients checked out from health centers as fully cured from TB, a qualified physician should confirm this.

Tuberculosis Mortality Rate

TB mortality rate refers to the number of death cases from Tuberculosis per 100 000 people.

Iodine Deficit Prevalence Rate

Iodine deficit morbidity rate refers to the number of iodine deficit cases, including first registered as well as earlier known chronic and long lasting cases, according to certain year data.

Sexually Transmitted Diseases (STD) Prevalence Rate

STD prevalence rate refers to the number of STD morbidity cases, including first registered as well as earlier known chronic and long lasting cases, according to certain year data calculated per 100,000 people.

Sexually Transmitted Diseases (STD) Incidence Rate

Newly registered cases of Syphilis, Gonorrhoea per 100,000 people.

HIV Incidence

Number of newly registered HIV cases.

Health facilities

Number of operational hospitals and health care clinics in a country as of the end of the year.

Hospital Beds per 10,000 population

Number of beds per the number of the population as of the end of the year.

Physicians per 10,000 population

Average number of doctors per average annual number of population in a certain year.

Paramedical Specialists per 10,000 population

Average number of paramedical specialists per average annual number of population in a certain year.

Medical Visits per 10,000 population

An indicator of outpatient's departments/health clinics' capacity. Ratio of the number of the medical attending per shift to the number of the population as of the end of the year.

Population per Physician

Population per physician shows annual average population per number of doctors.

Population per Para-Medical Specialist

Population per para-medical specialists shows the annual average population per number of paramedical personnel.

8. Education

Adult Literacy Rate

Adult literacy rate refers to the percentage of population, 15 years old and over, who can, with understanding, both read and write a short, simple statement on their everyday life as percent of population, aged 15 and above.

Pre-primary Education Enrolment Rate

According to the International Classification System of Educational Levels (ISCED97), pre-primary enrolment rate generally covers children in the 3-6 age group and excludes nursery provision for the 0-2 age group. It is calculated as percent of children aged 3-6.

Basic Education Enrolment Rate	Basic education often called 'compulsory schooling' or 'elementary schooling' normally lasts from age 6 or 7 to age 14 or 15. This is often divided into primary (to age 10) and lower secondary levels.
General Secondary Education Enrolment Rate	According to the ISCED97 general secondary education in CIS countries typically comprises the two or three upper classes of the comprehensive school. It is calculated as a proportion of children aged 11-17 enrolled in secondary school of all kinds in total number of children aged 11 - 17.
Higher Education Enrolment Rate	According to the ICSED07 tertiary enrolment provides a non-doctorate-related university degree or recognized equivalent.
Students per Teacher	Shows the workload of the teacher. Ratio of total number of students to the total number of teachers.

9. Physical infrastructure

Access to Safe Water	Population with access to safe water is the share of the population with reasonable access to an adequate amount of safe water (including treated surface water and untreated but uncontaminated water such as springs, sanitary wells, and protected boreholes).
Proportion of water supply from stand-alone units, with quality below micro-biological standards	Stand-alone water supply sources are wells, springs, and artesian wells without distribution networks.
Proportion of rural settlements without communication along the hard surface roads of general purpose	Percentage of the rural settlements that lack communication possibilities on hard surface roads of general use.
Phone Sets	Number of phone sets identified in examined households, calculated per 100 examined households.
Personal Computers	Number of personal computers identified in the examined households, calculated per 100 examined households.
Internet Users (registered)	Number of Internet users identified in the examined households, calculated per 100 examined households.
Motor Vehicles in Personal Use	Number of motor vehicles identified in the examined households, calculated per 100 examined households.

10. Drug control and crime prevention

Alcoholism Morbidity Rate	Alcoholism morbidity rate refers to the number of alcoholism morbidity cases including first registered as well as earlier known chronic and long lasting cases, according to certain year data.
Drug Addiction Morbidity Rate	Drug addiction morbidity rate refers to the number of morbidity cases from drug abuse including first registered as well as earlier known chronic and long lasting cases, according to certain year.
Crime Rate	The percentage of the population who perceive that they have been victimized by certain types of crime in a preceding year.