

Policies to eliminate poverty

Social policy aimed at improving living standards and reducing poverty

The Kazakh Government gives priority importance to developing the social sector

One of the most successful Central Asian nations to emerge from the breakup of the former Soviet Union, Kazakhstan has essentially completed its transition phase.

A key task in this transition has been to tackle poverty: the country's experience holds many lessons for other transitional and developing economies in this regard, and its policies deserve to be studied carefully.

Since independence two decades ago, Kazakhstan's economy has gone through stages of decline, stagnation, and then high economic growth. The period from 1990 to 1997 saw negative economic growth, or at best stagnation, as the former planned economy broke down. But by 1998 Kazakhstan had entered a phase of strong and sustained growth. Since then, the population living below the poverty line in Kazakhstan has declined significantly from 39 per cent in 1998, to about 20 per cent in 2004, and to the current level of 8.9 per cent.

This is a significant achievement: but the further reduction of poverty is still an important policy goal for Kazakhstan: as President Nazarbayev has pointed out on many occasions, the elimination of poverty is essential for greater equality in society. Poverty reduction helps extend education (especially higher education), which provides a more skilled and competitive workforce. At the same time, poverty reduction also contributes to improvements in maternal health, reduces child mortality, reduces the spread of infectious diseases, and promotes greater gender equality.

A decade of rapid progress

By 1999, when Kazakhstan's economy was experiencing rapid growth, a Presidential Decree was adopted on the first *Poverty Reduction and Unemployment Programme* in Kazakhstan, covering the period from 2001-2002. Its main objective was to address the issues of job creation, and also targeted social aid to the poor. In January 2001 the Poverty Reduction Department (Standard of Living Department) was established and tasked with developing a draft second Programme for the period 2003-2005, with UNDP and ADB technical and financial support. In 2002, Kazakhstan signed up to the Millennium Development Goals (MDG) as part of its commitment to reducing poverty. At present Kazakhstan has achieved two

out of seven MDGs: universal primary education and equal access to education for boys and girls. Two other goals – decreasing the share of the population who have an income lower than subsistence level and the share of population who have no access to safe drinking water – are to be achieved by the year 2015.

Based on the lessons learnt, and following the recommendations of international organisations and suggestions from the NGOs, a second *Poverty Reduction Programme 2003-2005* was developed. This programme, which took into account the complex nature and causes of poverty, focused poverty reduction policies on economic growth; increasing employment and reducing unemployment; targeted social assistance; better access to secondary education, primary health care, housing, transport infrastructure and public utilities, including potable water; efficient administration of budget programmes; more efficient public administration, involvement of civic society in the decision-making process, and improved access to information for the poor.

As already mentioned, the Government gives priority importance to developing the social sector and is working on developing mid-term plans in the fields of education, health, and social protection. Increasing the living standards of the population and reducing the scale of poverty are the principal targets of its social policy and the main criteria of its efficiency.

In conclusion: the economic growth that began in the 1990s has made it possible to implement an active social policy. Under the new conditions reform of the system of social protection focused on legislation to regulate labour relations, active measures to support employment, transition to an accumulative pension system and provision of targeted state support are bearing fruit.

Today, this stage of the reform programme has been completed and a model of social protection appropriate for a market economy has been developed. This is the result of increased employment, implementation of social programmes and provision of targeted state assistance.

Over the last 10 years the share of the poor among the Kazakh population has decreased sharply and overall incomes have increased. Employment is growing, the number of unemployed reduced, and self-employment is increasing at high rates. The results achieved are unambiguously positive. F