



**THE GREAT GENERATION OF KAZAKHSTAN:  
INSIGHT INTO THE FUTURE**



# Economic and political development

- Political situation as well as donor environment in the country is stable
  - GDP growth: 9.8% in 2002 and 10,6% in 2006
  - The overall incidence of poverty decreased from 34.5% in 1999 to 9,8% in 2005
  - The poverty rate in rural areas is almost three times as high as in urban areas: 15,3% and 5,3% respectively in 2005
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# Economic and political development

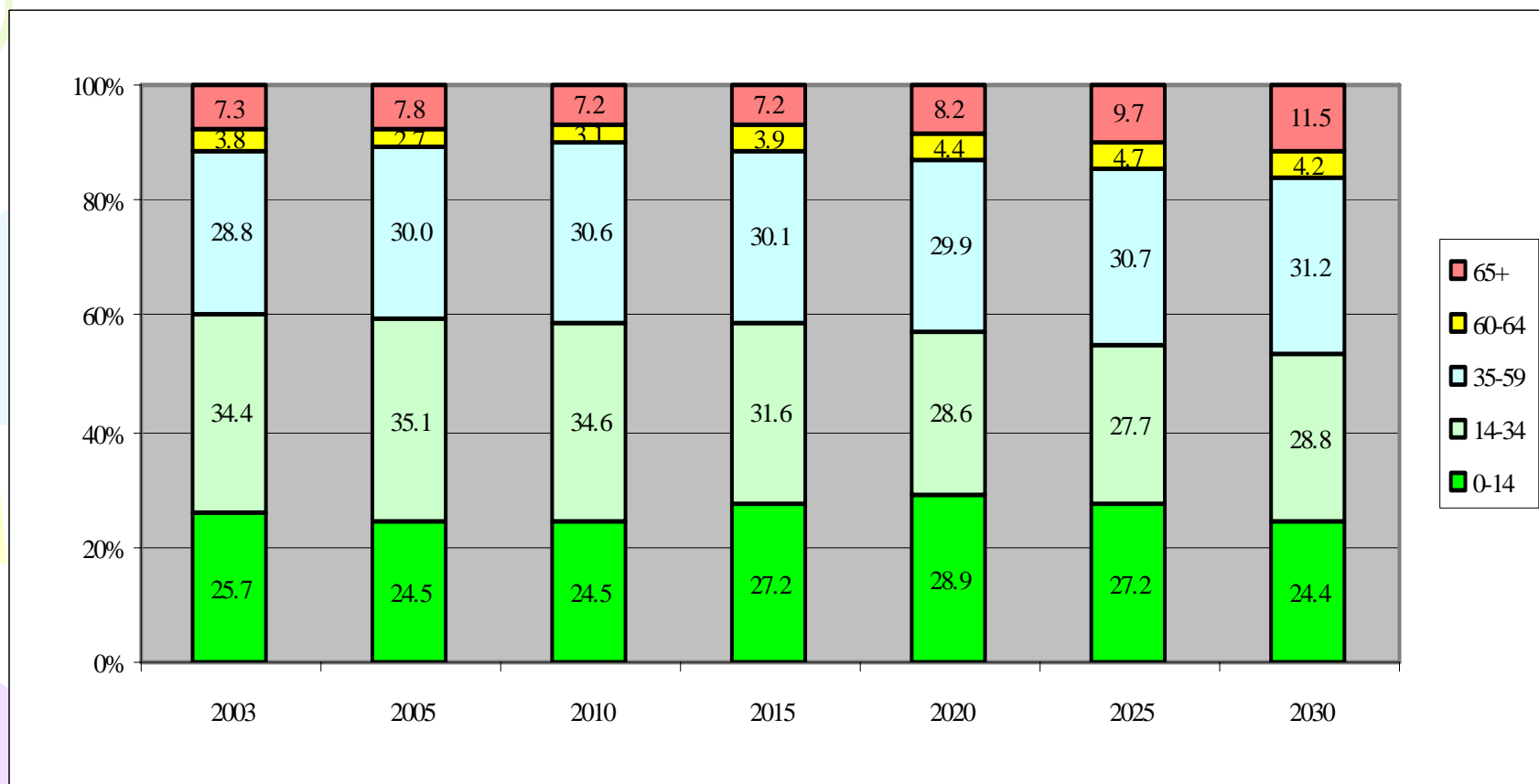
- Growth program for 2006-2008 adopted - sets an ambitious goal for Kazakhstan to become one of the 50 most competitive economies of the world
- The Global Competitiveness Report 2006: Kazakhstan 56<sup>th</sup> out of 125 countries
  - ⊕ life expectancy (96<sup>th</sup>)
  - ⊕ efficiency of legal framework (85<sup>th</sup>)
  - ⊕ institutional development (75<sup>th</sup>)
  - ⊕ infrastructure (68<sup>th</sup>)



## Population

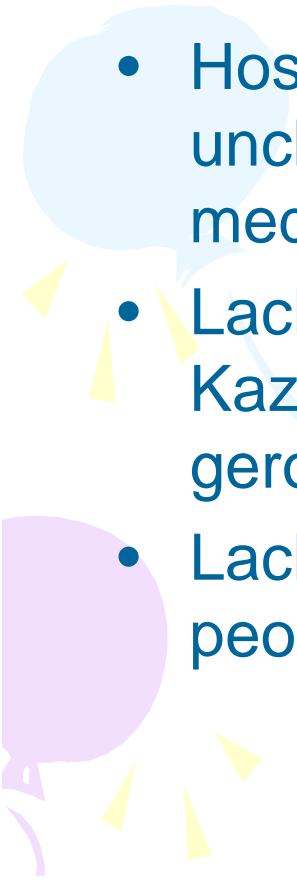
- Population -15, 397 thsd, increase by 17.5% compared to 2005
- Total fertility rate (TFR) - 2.36
- The gap between the life expectancy of males and females— 11,6 years (60.5 and 72.1)
- Ageing of the population
  - 6.7% of older people in 1999
  - 7.84% of older people in 2006
  - 11.5% of older people by 2030

# Age composition of Kazakhstan's population at year start, 2003-2030

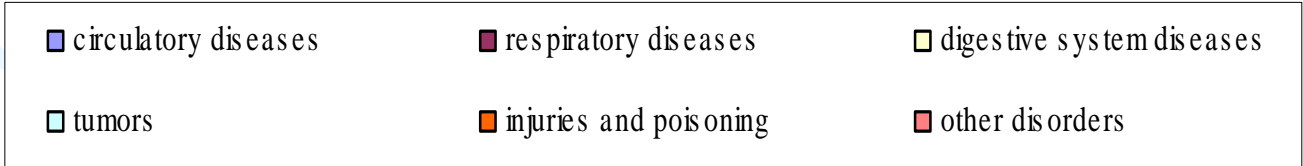
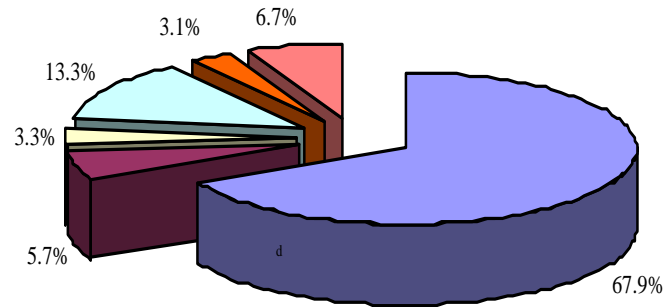




# Health

- High morbidity rates among the population aged 60+ determine their need to access outpatient facilities twice as often as the general population
  - Hospital services for those aged over 60 remain unchanged and do not meet older people's need for medical care
  - Lack of specific gerontology services provided in Kazakhstan and no training is available for gerontologists
  - Lack of official statistics on morbidity rates among older people and their access to medical facilities
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# Causes of death of population aged 60+





## **National strategies, programmes and laws adopted since 2002**

- Poverty reduction programme for 2003-2005
  - Programme of further implementation of social reforms for 2005-2007
  - Employment programme for 2005-2007
  - Programme of rehabilitation of disabled for 2006-2008
  - Health reform programme for 2005-2010
  - Strategic development plan till 2010
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# Some data

- State expenditures on social welfare and social assistance, health care, education and culture - 10-11% of GDP
- 330 functioning centres of provision of social services at home, 6 territorial centres of social services and 11 non-governmental medical-social organizations (January 1, 2007)
- 105 public medical-social facilities (including 76 facilities for the elderly and disabled) with 18,223 persons



***RIS 4. Adjusting the national social security system to demographic changes and resulting social and economic implications***

The national social protection system

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- includes pensions, disability, survival and old age benefits and social services
  - covers 3.5 million people or 23% of the entire population of Kazakhstan
  - based on PAYG principles and extensive state participation
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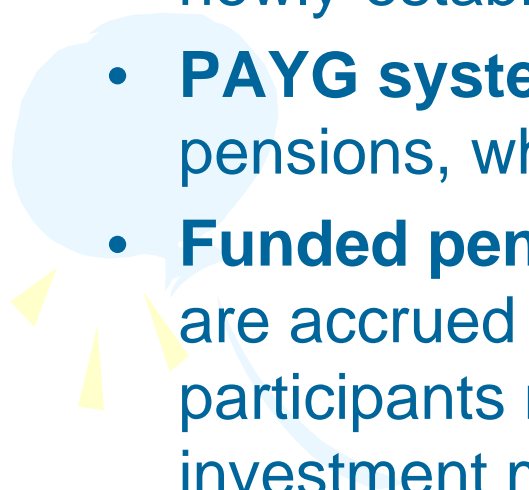



# Multi-level social protection system

- **Primary (basic) level** refers to basic benefits guaranteed by the government
  - **Secondary (mandatory) level** refers to benefits paid out of mandatory social insurance of current or retired employees
  - **Tertiary (supplementary) level** refers to benefits paid out of voluntary contributions
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# Pension system: present situation

- **Combined pension system** = government-provided pensions (pay-as-you-go pension (PAYG) system) + a newly-established funded pension system
  - **PAYG system** - to maintain the achieved level of pensions, which are indexed on an annual basis
  - **Funded pension system** - fixed pension contributions are accrued on personal accounts of the system participants managed by organizations carrying out investment management of pension assets
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# Pension system: further development

- Adequate retirement income for the future generations of pensioners (women, casual laborers, government employees and disabled people)
  - Real growth of income is higher than growth of return on financial instruments used by savings-based pension funds
  - Development of insurance market - pension savings will be replaced by annuity payment by insurance companies
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# Ageing – a challenge and an opportunity for the countries of Eastern Europe, the Caucasus and Central Asia

13-16 March 2007, Moldova

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