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
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 56th out of 125 countries
  - life expectancy (96th)
  - efficiency of legal framework (85th)
  - institutional development (75th)
  - infrastructure (68th)
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
Causes of death of population aged 60+

- Circulatory diseases: 67.9%
- Respiratory diseases: 13.3%
- Digestive system diseases: 3.3%
- Tumors: 3.1%
- Injuries and poisoning: 6.7%
- Other disorders: 5.7%
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
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

- 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
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.
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
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
Ageing – a challenge and an opportunity for the countries of Eastern Europe, the Caucasus and Central Asia

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Ms. Nurgul Nurassylova
Ministry of Labour and Social Protection
Tel. 7 3172 753677
E-mail:nurasylova@enbek.kz

Ms. Shynar Imangaliyeva
United Nations Population Fund
Tel: 7 3272 582643
E-mail: imangaliyeva@unfpa.org