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Life quality: strategy of growth

In keeping with the state leader's instructions development of human capital and life quality's improvement are among priorities of the state policy. First of all the implemented programs are aimed at maintenance of employment, rise of the population's incomes and protection of vulnerable strata. Despite the world crisis the state socially supports its nationals and results of 2008 prove that.

Social support

Last year the state expenditures on social assistance reached KZT 566, 5 bln or 22, 5% against 2007, trice exceeding the sum of 2003 at the same time. Average pension size rose twice in the recent five years. Besides, 150 thousand receive pensions from the saving pension system.

Average social allowances for the disabled with general diseases increased from KZT 4 271 in 2003 to KZT 12 514 in 2008. And social payments, an average size of KZT 4, 8 thousand from JSC SFSI (the state fund of social insurance) became an additional source of the invalids' incomes - participants of the system of obligatory social insurance.

Financial assistance to those who lost the breadwinner approached to KZT 11 315 per one dependent person, twice increasing in comparison with 2003.

Social benefits making up KZT 9 344 (eight MCI) were restored for the List N 2 too.

One-time birth-grant grew to KZT 35 400, and monthly benefit for childcare - by 1,6 time (from KZT 5 840 for first child to KZT 7 582 for fourth and more). About 350 thousand families received the means.

From 1 January of 2008 insurance of pregnancy, childbirth and childcare was introduced and over KZT 25 bln was spent on them.

4, 3 mln - about of the population monthly received social payments. Apart from that KZT 1, 1 bln was allocated to the local budgets to support low-income families; KZT 1, 7 bln - for children's allowances and KZT 3,6 bln - for housing financial assistance.

Improving labor market

Social provision at the same time depends on labor sphere to a great extent and social policy is of special importance in this context.

RK ministry of labor and social protection focuses on reduction of unemployment first of all and

the unemployed "return" to the "working pool".

About 238, 2 thousand new jobs and over ten thousand social working places were created in the accounting term; 216, 6 thousand people were hired or 87, 3% of those applying for help. 26, 4 thousand unemployed completed training and 100, 7 thousand were involved in social works.

To prevent mass dismissal the core department jointly with the Government, TU Federation and Atameken national economic chamber initiated and signed memorandums with big companies in this context. By-date 434 such agreements have been concluded.

And there are examples: about 25 thousand workers subjected to dismissal at 311 businesses and firms were transferred to other works. Moreover, to mitigate social consequences from the job's loss, social insurance (the size of KZT 22 thousand) is used.

Development of labor resources is another goal of our department. Unfortunately domestic labor market is imbalanced: vacancies are kept (14-15 thousand monthly) at unemployment. The fact is connected with incompliance of professionally -qualified structure of labor force and this force's low mobility. There is a shortage of qualified personnel first of all. The question is physicians, teachers, managers as well as turners,

mechanics, millers, tool makers.

This deficit generates such expediency of foreign specialists' hiring. But the measure only partially settles the problem. The world practice shows that the way out is development of human capital and creation of necessary conditions for worthy labor.

System of social partnership

In January of 2008 a document on social-labor relations and advance of UN Global agreement was signed between the core department and business-structures in the frames of the Forum on social responsibility with the state leader held in Zhezkazgan.

The document determines the main indicators of business' social responsibility: labor compensation and protection, professional training and retraining, quota for employment of young people (5% of the personnel at least), obligatory professional medical treatment (KZT 20 thousand per person annually); transparent business, elaboration of system and methods of corporate ethics and forms of social accountability.

Apart from the collective agreements initiated by the state leader (over 40 thousand were signed by 1 January of 2009) memorandums and agreements between local executive bodies and employers are widely practiced: over 4 thousand such documents envisage social investing "worth" KZT 70 bln. The latter provides regional development, including construction of schools, healthcare and social objects and protection of low-income citizens.

Migration policy

The state migration policy is aimed at improvement of economic demand for labor force and rise of its mobility. Within the years of independence our republic has become an active participant of migration processes connected with sustainable economic development; absence of ethnic conflicts, advantageous geographical position and small density of the population residing on vast territory.

Ethnic migration is the keystone of our migration policy. Since 1993 oralmans' resettlement has been regulated by the immigration quotas making up 15 thousand families annually (in 2005-2008), from 2009 it was raised to 20 thousand on the President's instruction.

The state renders a required social support to them: accessibility of education and medical care and social provision. Over 66% of ethnic migrants are involved in different productions and spheres.

In the recent years internal migration has been more active: over 4, 7 mln people were involved in inter-oblast migration in 1991-2007. To-date the internal migrants' number has stabilized at 300 thousand annually and rural residents comprised its lion share.

The internal migration is conditioned by the disproportion in regional development and expansion of economic sectors (industry, urban development, services' sphere) at the account of traditional branches (agriculture first of all) with low labor productivity and salaries. But internal migrants with low adaptation abilities are moving spontaneously causing tension in labor markets, excessive labor force in one region and scarcity of labor in others.

External labor migration became an instrument of quick reaction to the labor demand in globalization conditions. To protect internal labor market and local personnel and minimize the damage to employment, RK Government sets and controls quotas for foreign force's export concurrently replacing foreign specialists by domestic workers (in 2008 this quota made up 132 thousand and 60 thousand were involved in fact).

From June of 2008 new Rules determining this quota, terms and order of licensing for employment of foreign specialists came into force.

To legalize and reduce pressure on internal labor market a range of agreements was signed with neighboring republics - Kyrgyzstan, Russia and Tajikistan.

Unsettled problems

Unfortunately alongside with progress there is a range of problems in social-labor sphere. First of them is a high sensitivity of domestic labor market to internal and external movement of labor force revealing in imbalanced demand-supply, relatively high unemployment level; big share of employment in labor-intensive and low-productive branches (31,2%, of the employed population of the republic were involved in agriculture, including 1,3 mln - in private farming) in 2008.

Low quality of labor force is within the problems' range. Only 26, 8% of the total employed number have higher education, 37, 7 - special vocational training and 35, 5 % - secondary

education.

Collective agreements resting on partnership and mutual confidence are the main instruments regulating labor relations in the conditions of market economy. Unhappily this system is slowly introduced in the sphere of small and medium scale business. To-date only each fifth SMSB subject has a collective agreement.

Introducing standards of labor safety we are also facing challenges: only 3% of all industrial businesses introduced ILO-SLS. And it is a cause of numerous violations of the citizens' labor rights.

Salaries remain low too, particularly in budget sphere, agriculture and forestry. Pensions and social allowances are inadequate to subsistence level to-date: climbing up consumer prices restrict the population's real incomes. Mechanism estimating poverty line and social support of certain population strata requires improvement.

The core ministry's strategic plan - 2009-2011 was designed to handle the problems and fulfill the social liabilities. As opposed to traditional planning it envisages a targeted approach to social risks' management.

Analysis of the current situation speaks on the following social risks: the loss or absence of job; violation of labor rights; uncontrolled migration; vulnerability in old age; incapacity to work or disability and other factors reducing incomes below the set minimum. In this case the ministry envisages a range of steps.

Adequate measures

In compliance with the state leader's instructions and RK anti-crisis Program the employment policy in 2009 is aimed at working places' creation and keeping expansion of employment in construction and repair of roads, agriculture works, and training and retraining.

We are monitoring employment, particularly in the regions subject to the risks of output's reduction and employees' dismissal. Much attention is also given to training and retraining.

Quota for foreign specialists was twice reduced in 2009. Apart from that we plan: to elaborate forecasts of demand-supply in the labor market in the frames of qualification groups and types of economic activity; a general scheme (balance) for working places' creation and their personnel provision; rise of labor force's quality.

To prevent violations of labor legislature, protect labor rights and share responsibility between social partners the following steps are to be taken: expansion of collective agreements; enhancing of control over the main social guarantees' fulfillment; timely payment of salaries first of all; support of inter-branch agreements setting minimum social- labor guarantees and stepwise rise of wages; implementation of the state leader's instructions on rise of salaries in budget sphere.

Moreover, in 2009 three pilot projects on resettlement of 1 051 migrant families in SKO, Kurchatov and Akmola oblast will be implemented. Concurrently measures are to be taken to regulate migration from bordering states: a range of agreements will be signed on attraction of foreign labor force (including in season works) to legalize a shadow employment and reduce pressure on internal labor market.

Social provision and support is one of the key-indexes of the state anti-crisis program. In 2009 the size of basic pension rose by 12% making up KZT 5 388 and the size of solidary pension payments increased by 25% in average. In the result a minimum pension (38, 5 thousand receivers) makes up KZT 15 263, average - KZT 22 493 (over one million pensioners) and maximum - KZT 32 121 (over 290 000).

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