

I. STRENGTHENING INCOME-GENERATING OPPORTUNITIES FOR RURAL WOMEN IN KAZAKHSTAN*

A. Background

1. *Macro- and micro-economic policies to increase rural family earnings*

Land reform in Kazakhstan should primarily be seen against the backdrop of a deep systemic crisis that unfolded over many years. The share of agriculture in the gross domestic product shrank by 2.8 times from 34 per cent in 1990 to 11.9 per cent in 1998. Grain production in 1997-1998 decreased by 2.1 times from the average for 1986-1990. Production of meat items was down by 47 per cent, dairy items by 42 per cent. Serious cutbacks affected the volumes of vegetables and other produce.

The years of reform saw livestock slaughtered by more than half, and areas under crops reduced by almost 50 per cent. Whereas previously croplands occupied 25 million hectares, today they are down to 13.5 million hectares.

The material and technological base of agriculture is in decline. Just 65 to 70 per cent of basic machinery is available. In the past six years nothing was done to replenish rural machinery. The share of machinery that has been in operation for more than five years has gone up to 93 per cent.

Soils are decaying. More than half of all ploughed land (16 million hectares) has a low content of phosphorus and humus. In the past eight years the input of organic and mineral fertilizer decreased by an average factor of 13 to 14 (*Ministry of Agriculture, 1997*). Experts say it will take at least five years to restore soil fertility. Flagrant violations of agronomic

technology are common throughout Kazakhstan. Pests, disease and weeds are destroying around 30 per cent of crops. Shortage of feed and veterinary care leads to loss of farm animals.

Today agriculture is the least secure zone for investment. It is getting more and more difficult to sell produce. Rural poverty, unemployment and crime are rising. Infrastructure and social facilities, particularly education and healthcare institutions, are falling into decay. Many rural areas have become environmentally unsafe.

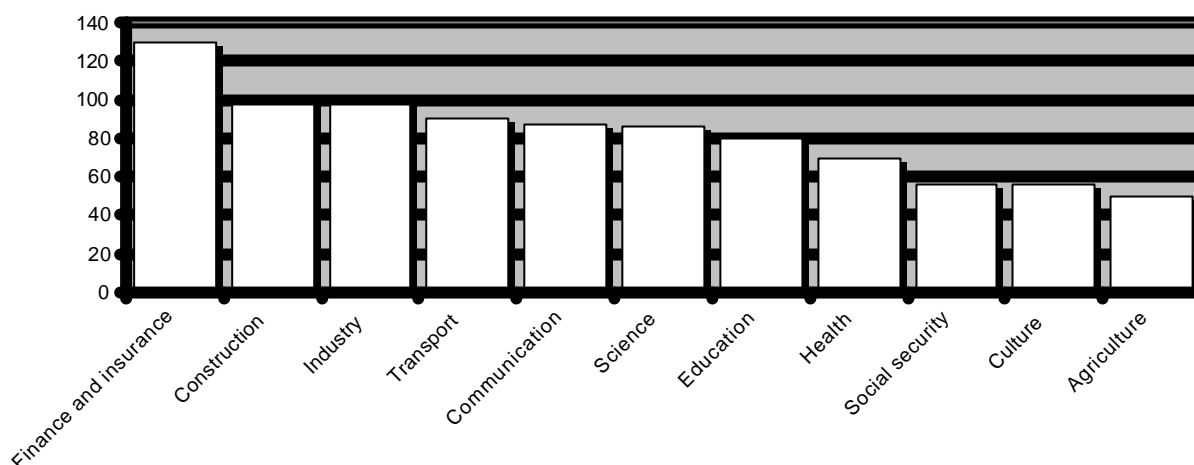
In our opinion, the deep crisis has been caused by: (a) the absence of government policies responsive to the ongoing changes; (b) inconsistency of reforms, from their slowdown in 1992-1994 to the flurry of activity in 1994-1995 to the standstill of 1996-1998; (c) absence of financial resources; (d) absence of private land ownership; (e) lack of reliable markets; (f) deep distortions of market principles by bureaucracies, criminal groups, and corrupt authorities; and (g) entrenched conservatism and poor adaptability of rural residents.

The economic transition affected the living standards of rural residents, particularly their earnings. Today the rural economy is weak and virtually devoid of capacity for development. The worst has been the impoverishment of able-bodied citizens whose wages are not enough to sustain them. The ratio between the average wages and the social subsistence minimum is lowest for agricultural workers (49.5 per cent), meaning that they cannot even sustain themselves (figure I.1).

Sampling surveys suggest that in 1997 per capita incomes of rural residents were 2.5 times lower than in cities and insufficient to purchase even a minimum consumer basket. The agricultural median monthly wage is the lowest compared to other sectors. In 1997 it stood at 3,875 tenge, while the figure for industry was 12,489 tenge; transport, 10,974 tenge;

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Figure I.1. The ratio between median monthly wages in different sectors and the subsistence minimum



and construction, 11,319 tenge. The national median monthly wage is 8,541 tenge. It might be recalled that the wage gap between agriculture and other sectors, particularly industry, kept increasing since the start of the reforms (table I.1).

Table I.1. The ratio between median monthly wages in industry and agriculture

Year	Industry	Agriculture
1986	1	0.98
1987	1	0.98
1988	1	0.93
1989	1	0.92
1990	1	1
1991	1	0.78
1992	1	0.66
1993	1	0.57
1994	1	0.36
1995	1	0.32
1996	1	0.34
1997	1	0.31

Source: National Statistical Board.

The table shows approximate wage equivalence in the two sectors prior to reform (1991). Presently agricultural wages have fallen sharply against industry levels. In 1997 rural residents were earning three times less than industrial workers and 2.2 times less than the national average. The level of wages in agriculture, a sector supplying basic food items, points to the violation wage regulations, and to the failure to protect agriculture.

With zero balances in their accounts, agricultural enterprises are unable to pay wages on time. Frequent payment delays have accentuated rural hardship. A sharp fall in real earnings, growing joblessness, chronic delays in wage and pension payments, among others, force people to seek new sources of income, mainly through secondary employment, non-formal jobs and intensive work at home farms. Pushed by rising prices of consumer goods and services, rural residents sell their produce in the street or exchange it for goods and services.

Statistics point to an increasing share of home farms in the total agricultural production. Cutbacks mainly occur in big farming enterprises while home farms are expanding. In the period 1990-1996, the production of vegetables in the official sector was down by 32 per cent; meat products, by 2 per cent; dairy items, by 21 per cent, while home farms increased output of meat items by 86 per cent; dairy products by 24 per cent, and vegetables by 40 per cent. Home farms are work-intensive but in an unstable

economic environment they are the only means of survival in rural areas, and a source of food for the entire country. However, they are not immune to widespread economic distortions and inflated transport tariffs are beginning to diminish their profitability.

Rural earnings include dividends from land and property shares although proceeds are not significant. Some farms do pay tangible dividends on land and property shares. Others are failing and do not pay even small amounts. Sadly enough, dividends were supposed to be the basic means of gainful utilisation of land and property shares that had been distributed to rural residents.

Social security payments represent 20.5 per cent of the entire earnings and constitute an important source of rural income alongside formal and non-formal wages, and income from land and property shares. Pensions constitute the bulk of social security payments. With one pensioner per every 1.8 worker, funds allocated for social security is running low, which keeps pensions at a standstill.

In 1998 Kazakhstan carried out a drastic pension reform based on the Chilean model, which introduced private pension funds. In June 1996, the Kazakh parliament adopted a law setting a legal framework for the establishment of a voluntary private pension funds, with the National Bank playing a regulatory role. The Government approved in March 1997 the transition to a three-tier system, starting in January 1998. Workers are supposed to contribute to a private pension funds, which would guarantee minimum pensions to each worker with a 30-year work record. Private pension funds would simply serve as investment bodies, with decisions on investment to be taken by finance experts. Presumably, these funds shall invest at least 50 per cent of their assets in government securities. Despite this drastic step, the situation remains tense due to increasing debts of the State Pension Fund which in 1997 stood at US\$ 400 million.

The Kazakh government established a system of social allowances to support low-income families. Entitlement does not guarantee payment, which is reserved for the neediest. The earnings of farmers and self-employed people are hard to calculate. In most cases, their allowances would depend on available information on family earnings and can be deduced from simple observation.

Research suggests that entitlements alone are not efficient. Executing agencies often delay payments indefinitely because of shortage of funds. Whatever the reason, the pension and allowance situation is much better in cities than in rural areas (table I.2).

Table I.2. Unpaid allowances

(percentage)

	Pensions	Allowances for children
Cities	9.2	10.1
Townships	16.5	11.0
Rural areas	15.6	26.2

Source: Pradhaen, 1997: 14.

Obviously, to curb poverty in rural areas, the government should establish rules governing the size of earnings. The re-distribution of earnings between more and less affluent groups would mean a certain retreat from market principles. On the other hand, such a step would contribute to social stability. Global experience shows that in countries with high levels of social protection, the gap between the richest and the poorest does not exceed five to seven times. In Kazakhstan it has gone up to 9.2, and in rural areas, to 11.2 times. A poverty survey carried out in 1996 by the Kazakh National Statistical Board found that 33.9 per cent of rural residents live below the poverty line (subsistence minimum). The figure is lower for big cities – 27.9 per cent, while the average for the republic is 30.9 per cent.

Problems of agriculture require urgent government action and, as a first step, a rethinking of the functions of the state in a transitional economy. The change should consist of moving away from *laissez-faire* to an active and efficient regulation in support of agricultural producers.

2. *The economic status of rural women and their needs*

On 1 January 1998, the agricultural population of Kazakhstan totalled 7,017 million including 3,504 million men and 3,513 million women. The latter accounted for 46.2 per cent of the entire female population (*Women and Children of Kazakhstan*, 1998).

The agricultural population has a slight surplus of women mainly because of their prevalence in senior age groups (over 40 years). Men predominate in the younger segment of the rural population.

(a) *Education of rural women*

In 1994-1995, women accounted for 62 per cent of people with specialized secondary and higher education.

Table I.3. Educational levels of women aged 15 years and above (national census, 1989)

		Education level						
		higher	higher incomplete	specialized secondary	general secondary	secondary incomplete	primary	no primary
Total number of women	5 899 331	576 009	107 843	1 226 257	1 735 308	1 083 865	665 682	504 367
per cent	100	9.8	1.8	20.8	29.4	18.4	11.3	8.5
Total number of rural women	2 279 744	127 666	19 117	373 024	706 753	468 589	326 594	258 001
per cent	100	5.6	0.8	16.4	31.0	20.5	14.3	11.4

Source: Women and children of Kazakhstan, 1998: 15.

Table I.3 shows that women without primary education are the smallest group. This group mainly consists of women over 65 (90.2 per cent) who could not use the advantages of the socialist system. Recent arrivals to this group are, however, much younger, which is due to: (i) a rationalization of the education system that led to the closure of 335 schools in 1997; (ii) an increase in the number of families affected by economic hardship. The earnings and moral climate in these families preclude primary education of children. Already in 1996 14 per cent of boys and girls between 6 and 13 years dropped out of school.

Rural areas are most affected because many households cannot afford enrolment fees, school uniforms, learning aids and transportation for their children. Girls are the first to suffer as they help mothers with chores and retailing. Of the 27,000 girls who stayed out of school in 1997, most lived in rural areas.

Table I.3 indicates that girls and women with specialized secondary, general secondary, or at least secondary incomplete education, form the biggest groups. The 1999 census will provide fresh statistics. The above groups will suffer most, particularly in rural areas where many specialized secondary schools closed down due to lack of finance. The few remaining ones introduced tuition fees and do not guarantee employment. The educational levels of rural women are therefore bound to decline.

(b) *Economic conditions of rural women*

The economic conditions of rural women are best described in terms of employment levels,

unemployment rates, income levels, subsistence minimum, and satisfaction of various needs.

At present, few rural women, except for the self-employed, have jobs. Table I.4 below indicates a drastic reduction in the number of working women. (Figures for 1993 exceed the 1997 figures by two times). E.g. the number of rural employed women halved between 1993 and 1997.

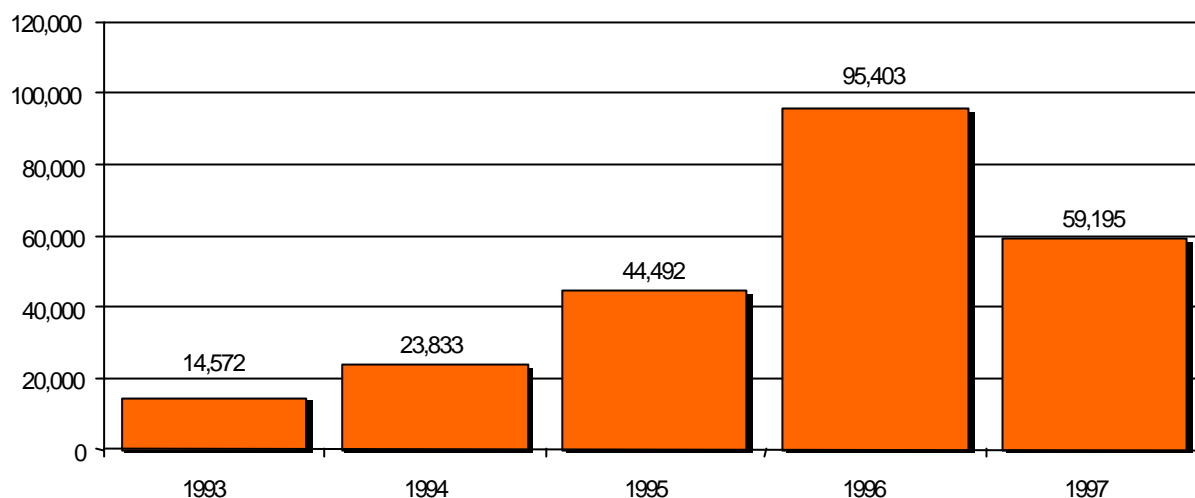
As the number of working women diminished, the female rural unemployment rate grew (figure I.2). In 1997 the trend changed, and in 1998 the official rural jobless rate dropped by 10.1 per cent to 99,600. (*Statistical Press Release, 1998*).

Table I.4. Women employees, 1993-1997

(thousand)

	Total	Rural women
1993	2 663.3	1 016.8
1994	2 473.9	977.0
1995	2 260.4	877.6
1996	1 908.8	746.8
1997	1 547.8	551.0

Source: Labour force, 1993-97

Figure I.2. Number of unemployed rural women

In June 1998, around 42,300 people applied to job agencies, of whom 13,100 in rural areas. Agencies provided 10,500 jobs, including 2,300 in rural areas (*Statistical press release, 1998*). Remarkably, 50 per cent of the jobs went to women, who accounted for 66 per cent of all unemployed. This shows that women are more willing than men to take any opportunity despite their closer attachment to the family, housework, and the responsibility for children.

The significance of these factors in rural areas is accentuated by the specific way of rural life and increasing hardship; poor access to utilities and community services; surplus of rural families with many children over similar urban families.

Significant changes occurred in the structure and value of rural earnings. While wages stagnated, real incomes fell sharply. Most rural households, in their answers on the economic situation of their families, spoke of increasing hardship. Figure I.3 shows the gap between rural median per capita incomes and the subsistence minimum. The size of rural earnings from official work (3,073 tenge in the first quarter of 1998, excluding social payments) points not only to their low level but also to a significant difference from earnings in the city (9,385 tenge). Median monthly wages of agricultural workers

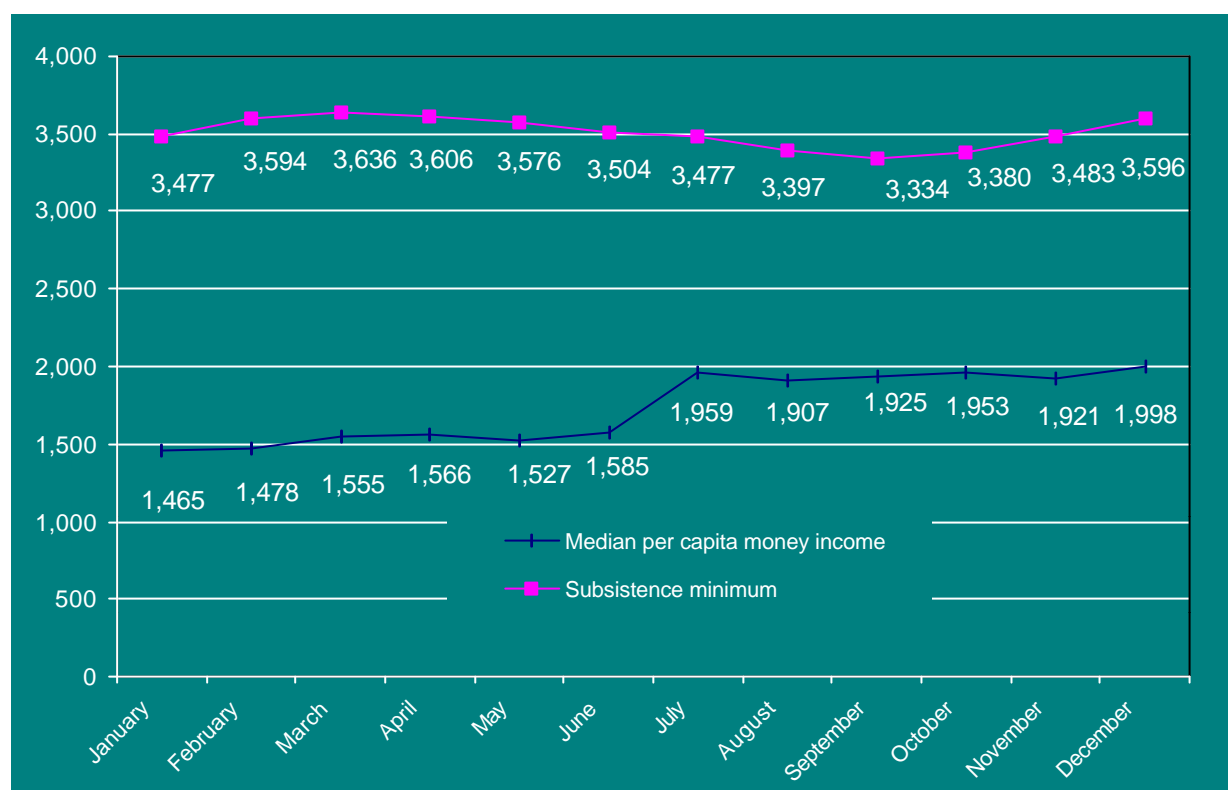
were down to 3,196 tenge in the first quarter of 1998, the lowest for all sectors.

Low wages and high rates of jobless women in rural areas coupled with their high mobility and adaptability (as proven by their readiness to sell retail or venture on shopping tours) mean that wages are not always the main source of income for rural residents of Kazakhstan. Frequently, additional income from retail sales accounts for half the family budget and sometimes exceeds the median per capita income received in the official workplace by 2-2.7 times.

Economic difficulties are complicating the life of rural women and this will hardly improve in the near future. Worse still, women are likely to continue doing mostly unqualified work that requires strenuous efforts and is very inefficient. The gap between the earnings of urban and rural women will only increase if the current trends persist.

A good indicator of the economic status of women is the extent to which their needs are met. Fulfilling the expectations of rural women will give a new meaning to their lives and may greatly facilitate the introduction of new values. Women's aspirations exert therefore an indirect but powerful impact on their social behaviour.

**Figure I.3. Monetary income of rural residents and subsistence minimum, 1997
(per capita average, tenge)**



Women's needs, especially in rural areas, can be classified as indicated in table I.5.

These needs do not differ greatly from those of city women. The only difference lies in the extent to which women fulfil their expectations, the amount of

time required to fulfil them, and availability of required services and their quality.

Physiological needs, coupled with the characteristics of rural work and life, create environments in which rural women struggle under

Table I.5. The needs of rural women

Physiological	Sleeping
	Eating
	Taking care of one's body
Housekeeping-related	Access to appliances, electricity, heating and water supply
Social	Cultural: theatre, movies, opera, musical performances, reading books and newspapers, TV, social activities, pleasure, playing with children, Communication
	Education
	Health care
Professional	Employment and professional development
Religious	Expression of religious beliefs and observation of religious rites

Table I.6. Determinants of women’s economic status in rural areas

Type of need	Determinants of economic status	Influence on the status of rural women
Education	Level of education	The already low and falling educational levels, and the shortage or absence of jobs, coupled with insufficient means of subsistence, result in poor economic status of rural women
Health	Health condition	Rising morbidity, particularly in rural and ecologically challenged areas, coupled with economic hardship and low standards of health services undermine the health of rural women, adding to their predicament
Cultural	Erudition, adaptability, capacity for business, communication skills	Low cultural standards and lack of information, coupled with joblessness and insufficient means of subsistence, push women into retailing or street hawking
Professional	Professional skills and ambitions	Professional ambitions often depend on family status
Religious	Acceptance or rejection of belief	The economic status of women used to depend on the intensity of their faith although this factor has lost in significance due to the dire need for survival generally experienced in big families

enormous pressure and hardly have time for leisure available to their urban counterparts or their husbands. Housekeeping needs are the hardest to satisfy and the rate to which they are fulfilled is frequently negligible. The widespread economic crisis, poor infrastructure and utilities have restricted access to natural resources and led to a virtual absence of household appliances.

The difficulty of fulfilling social needs is the result of the unsatisfactory development of social services (few if any cultural centres, educational or health services); falling educational standards of rural women; and decreasing earnings.

In terms of professional needs, rural women fall in one of the following groups:

- (i) those uninterested in work and accepting the old paradigm in which man is the breadwinner;
- (ii) a small group that want to work, whatever the income earned by the husband; and

- (iii) women needing work for survival. The latter are currently the predominant group.

Women's needs and expectations are therefore inseparable from their outlook on and way of life and determine, among others, their economic condition and status. (see table I.6).

The family status is a powerful determinant of women economic conditions and mainly depends on the income earned by the husband, and the number of children.

Other factors that play a role include restricted job supply, poor physical infrastructure, insufficient channels of information, and the burden of housekeeping.

All of the above not only impede improvement but even stifle initial efforts of women to assert themselves economically. The main difficulty lies in the lack of protection that could otherwise be provided by the state.

3. Access to natural resources, including gas, electricity, and utilities

The economic transition has restricted access to natural resources and utilities. The non-public sector and unorganised market operators are still unable to secure uninterrupted service previously provided by government companies in the power, utilities and amenity sectors. Continuous growth of utility prices affects their structure and volume. The consumption of paid services is slowly diminishing. In rural areas, utilities account for 48 to 51 per cent of all service costs due to an increased consumption of electricity (24 to 30 per cent) and natural gas (12 to 17 per cent). Calculations done by regional and municipal consumer protection departments have shown that only 16 per cent of families are able to pay for utilities and goods, with the average family spending 63 per cent of its income on utilities.

B. The socio-economic status of the population employed in the non-formal sector

1. Self-employment in rural areas

The International Labour Organization defines self-employed people as individuals who fulfil, within a certain period of time, a certain volume of work for profit or family income, i.e. individuals employed in their own business (employers, self-paid workers, members of production co-operatives, family members engaged in home-manufacturing, as well as workers of peasant farms).

The National Statistical Board of Kazakhstan reports that, by early 1998, the total labour resources of Kazakhstan stood at 8.8 million, including 3.513 million in rural areas. The self-employed accounted for 27.2 per cent of the rural labour force (22.7 per cent for urban workers). In 1998 rural labour resources were down by 1.5 per cent from the 1996 level (3.6 million in 1996). The share of the rural self-employed grew from 16.9 per cent in 1996 to 27.2 per cent in 1998 and continues upward. Active intervention in the rural labour market would require investments to create jobs and incentives for self-employment, entrepreneurial activity and small businesses, as well as for the training and retraining of workers.

2. Income gaps between urban, semi-urban and rural households

A survey of household budgets found that the sources of monetary income have not changed significantly from 1994. In 1997 the share of social

Table I.7. The structure of household monetary earnings

(percentage)

	1994	1995	1996	1997
Total money earnings, including	100	100	100	100
Remuneration	73	73	72	74
Social security payments	8	8	9	11
Income from retail sale	8	9	8	7
Other earnings	11	10	11	8

Source: UNDP, 1998.

security payments has grown to 11 per cent of total household earnings (8 per cent in 1994, see table I.7).

Income gaps between urban, semi-urban and rural households are the result of the current economic situation and the difference in production cutbacks in industry and agriculture. Urban, semi-urban and rural earnings are classified, respectively, as high, relatively high and low.

The following statistics describe the trend. In early 1998 the total earnings of urban and semi-urban households stood at 448,495 tenge (average per 100 inhabitants). The level for rural households was 202,250 tenge, or less than half the figure for cities (*Basic earnings and spending of households in the Republic of Kazakhstan, 1997*). Urban earnings in official jobs are 2.8 times higher than in rural areas - 362,163 and 127,919 tenge, respectively (average per 100 inhabitants).

Pension payments, a vital source of income, are 1.5 times higher in cities than in villages. A major portion of total rural earnings (15 per cent) comes from the sale of produce, feed and farm animals. Proceeds from the sale of property, real estate, credits and loans extended to rural households are insignificant.

A comparative analysis of changing income levels shows the increasing gap between rural and urban households. In early 1995, urban earnings were 1.9 times higher than rural ones, which is 13.6 per cent less than in 1997. The difference is growing both in absolute and quality terms. In rural households, progressive sources of income (financial operations, rent, dividends) are slowly phased out, despite the fact that in early 1998 rural earnings from the sale of vouchers, stock, hard currency, exceeded urban incomes by a factor of two.

Table I.8. Per capita family incomes and spending, 1997

	Monetary earnings		Spending	
	Median monthly, tenge	Difference from national average (+/-, per cent)	Median monthly, tenge	Difference from national average (+/-, per cent)
Total	2 849		2 378	
Aqmola	3 130	9.9	2 609	9.7
Aqtobe	2 266	-20.5	1 909	-19.7
Almaty	1 628	-42.9	1 379	-42.0
Atyraü	2 782	-2.4	2 366	-0.5
Eastern Kazakhstan	3 244	13.9	2 795	17.5
Zhambyl	1 875	-34.2	1 619	-31.9
Western Kazakhstan	2 191	-23.1	1 887	-20.7
Qaraqandy	4 198	47.3	3 273	37.6
Qyzylorda	3 425	20.2	2 942	23.7
Qostanaü	3 186	11.8	2 610	9.8
Mangistaü	3 944	38.4	3 346	40.7
Pavlodar	3 087	8.4	2 638	10.9
Northern Kazakhstan	2 586	-9.2	2 129	-10.5
Southern Kazakhstan	1 671	-41.4	1 452	-38.9
Almaty City	5 369	88.5	4 434	86.5

Source: National Human Development Report, 1998.

It should be remembered that the sale of vouchers and stock actually means the sale of land and property shares which were issued to rural residents during privatization. Such a sale produces short-lived gains and deprives households of their property rights, in particular land.

The analysis of per capita monetary earnings carried out by the National Statistical Board identified 20 groups of households in terms of monthly income, ranging from 1,240 to over 23,560 tenge. By early 1998 urban households with median monthly per capita monetary earnings of 1,240 tenge accounted for 10.2 per cent, or three times less than the figure for rural households (30.9 per cent). Urban groups with earnings of 11,160 to 120,400 tenge account for 1.4 per cent, which is 3.5 times more than in rural areas (0.4 per cent). Earnings exceeding 23,560 tenge are normal for 0.8 per cent of urban households and 0.5 per cent of rural households. The survey revealed that the biggest concentration of low-income households is found in rural areas.

The transition to a market economy accentuated regional differences in monetary earnings and spending (table I.8). The lowest income levels were found in the Almaty, Southern Kazakhstan, Zhambyl and Northern Kazakhstan regions, and the highest in the city of Almaty, Qaragandy and Mangistaü regions.

The distribution of earnings has become uneven and has acquired its own specifics. The highest earners are those who benefited from economic transition (private businessmen and high-class professionals). Earnings of the former middle-class (production workers, teachers, health and administrative workers) have fallen sharply. The growing inequality is accompanied by a fall in total earnings.

The deepening gap has led to an increase in the number of people whose earnings are below the subsistence minimum. In 1996 only one-third of the population had disposable incomes that were lower than the subsistence minimum while in 1997 the same group accounted for nearly 43 per cent (39.8 per cent in cities and 46 per cent in rural areas).

3. *Earnings of female-headed households and government support for low-income families*

Today it is not easy to precisely assess the incomes earned by women-headed households. As employment structures evolve, discrimination of women may express itself in a relative reduction in their earnings. Until now, the National Statistical Board of Kazakhstan did not attempt to determine changes in the cost of living by group, or by sex, and has no information on wages and incomes separated by sex. The Kazakhstan Development Institute has conducted its own survey which produced the following figures. More than 50 per cent of respondents said they have no personal income, 16.6 per cent put their monthly income at less than 2,500 tenge. Women that are higher than the average for the country, 9,000 tenge, account for less than two per cent of the total.

On the other hand, women are receiving substantial amounts from the budget in the form of pensions and allowances. More than half of the respondents said these payments represent the bulk of their earnings. Only ten per cent have pointed to private businesses as their main source of income.

At present, social security payments include pensions, allowances to families with children below 18 years, allowances to women with many children, allowances to single mothers, flat-rate allowances to families with children below 18 years, and allowances to non-working mothers with four or more children below seven years.

By 1 January 1998 annual pension approvals totalled almost 9.5 billion tenge, with worker pensions taking the biggest share, 96.8 per cent. Social security payments accounted for 3.15 per cent. In the same period, total approved allowances exceeded one billion tenge, allowances to families with children below 18 years taking the biggest share (99 per cent). The comparative analysis of different periods points to a downward trend in payments.

Government efforts to pay back pension arrears is an important element of state support to vulnerable groups. In 1997 the volume of paid-up pensions exceeded approvals by a factor of 14. This year saw the implementation of various social support schemes, including full payback of social security arrears.

By early 1998, the average volume of paid-up pensions increased significantly, by 15 per cent. The highest median monthly pensions were paid in the Eastern Kazakhstan (4,877 tenge), Qyzylorda (4,838) and Aqmola (4,455) regions. Relatively high pensions are the rule in regions with developed industries or raw materials base. Agricultural regions, primarily in the south of the country, offer low pensions.

Overall policies regarding approval and payment of social security benefits are far from satisfactory. A simple comparison of figures points to the Government's failure to keep its promise. Thus, by 1 January 1998 families with children below 18 years were to receive 842 tenge a month, and mothers with many children, 724 tenge. The actual amounts paid were 349 and 514 tenge, respectively, mainly as a result of limits imposed on government spending, which amounts to a "covert" sequester of the public budget.

Today the extent to which the material needs of the population are satisfied remains very low compared to previous years. Budget strains led to cutbacks in social spending. Between 1993 and 1997 the share of budget income in the gross domestic product shrank from 24.1 to 16.8 per cent, and the share of budget spending from 26.4 to 19.9 per cent. Therefore, the potential for the redistribution of national income through budget allocations tends to narrow. In recent years, the government has attempted to curb earnings and curtail its responsibilities for income redistribution. Subsidies to alleviate the cost of utilities, public transport and bread are on their way out.

Economic reforms and financial hardship have imposed tight limits on material assistance provided to low-income families. In 1997 single mothers with children saw the cancellation of their allowances which were approved previously regardless of their earnings. Today they receive allowances on the same terms as other families, i.e. if the aggregate income per family member does not exceed double the index used in calculating pensions and other social payments. The new system considerably reduced entitlements. In 1996, flat-rate allowances have been approved for almost 1.5 million children while 1997 saw the number shrink to 1 million.

Obviously, government support for low-income families does not match the socio-economic challenges of transition. Every year the need for assistance is growing as a result of the economic depression and limits placed on entrepreneurial activity. Arguably, the government should develop agriculture as a whole rather than provide temporary remedies for the problems of rural women.

C. Employment opportunities for rural women during the transition period

With increasing rural jobless rates and near-zero demand for female work in rural areas and small cities and townships, the problem of women's employment acquires nation-wide urgency. It is imperative that society and government create new jobs, primarily for rural women. As the market

economy develops, they must have incentives and ample opportunities to earn an independent income.

Female joblessness in agriculture results from the fact that women, whatever their age, education or speciality, work at middle-level and are the easiest preys to layoffs. It would not be fair to say that the government does not seek to prevent this. Employment policy is the responsibility of the Ministry of Labour and Social Protection and the National Employment Board.

To overcome negative trends, the government has annually reviewed the national employment programme which has a special section on women's employment.

Absolute growth in rural female jobless rates has placed new emphasis on the need for a comprehensive national programme in support of rural women, which would increase the flexibility and mobility of the female labour force. Previous distortions came from malfunctioning distribution structures. The new concept of women's employment should provide powerful incentives.

Women should be encouraged to take part in these efforts, possibly through action-oriented public programmes that accommodate society's needs and expectations. All programmes dealing with rural women should emphasise their prompt and less painful adaption to new economic rules and provide for: (i) the establishment of special centres to train and retrain women in new professions which have adequate employment potential; (ii) advisory services for women starting a business, to be provided by regional administrations; and (iii) access to easy mortgage loans.

The programmes should reflect features of rural women workers like low mobility; preference for part-time employment and jobs located close to homes; traditional perceptions of professions acceptable to rural women; and ability to do manual work without sophisticated appliances (home-based manufacturing).

Female employment in rural areas could be facilitated by nation-wide investment programmes that would generate employment in promising sectors of agriculture; urgent efforts of the Employment Foundation in support of new jobs for rural women; public works that encourage the hiring of rural women; promotion of entrepreneurial activity and self-employment; creation of new jobs in alternative, non-formal sectors, on the basis of schemes tested in small and medium-sized enterprises; introduction of job quotas in existing enterprises. Quotas significantly increase employment in least competitive groups, including rural women.

The time has come for a programme that would define the socially acceptable lines of female work in rural areas and produce the improvements so cherished by women. Such a programme should take into account the traditional mind-set of rural women that could become a major roadblock. Oriental women traditionally see themselves as keepers of hearth and home. Educated as such, they may not be willing to venture out too far or leave home for long periods.

The following sectors may offer employment to rural women.

(a) *Small and big farms*

The increase in the number of small and medium-sized agricultural enterprises would certainly create jobs for women. However, access to long-term credit is limited. As mentioned before, female work involves few machines and is low in efficiency. The main reason is the lack of funds for the support of small and big farms. Existing banks favour capital-intensive projects generally carried out by big enterprises.

To create incentives and, consequently, jobs for women in small and big farms, the following measures could be taken: (i) establishment of a special investment company to issue loans to farms that hire mainly women. The funds could come from people's savings in the National Bank, from the pension fund or extrabudgetary funds; (ii) creation of a special bank to offer easy loans to small and big farms that hire mainly women; (iii) concessional terms and incentives to banking institutions which finance agricultural projects encouraging female employment; (iv) adoption of flexible and selective taxation policies that reduce deductions from profit, increase the size of minimum assessable profit, and apply tax breaks on amounts invested in jobs for rural women; (v) curbing government monopolies that control processing, storage and retailing of produce, supply of seeds, feed, fuel and oil, and machines.

(b) *Small and medium-sized enterprises*

Communication, community services, light and food industry may be the preferred sectors for small business, e.g. the manufacture of inexpensive and practical clothes which are in high demand with rural residents. Garment-making could generate jobs for most rural women. Bakeries and small-scale production of other foodstuffs could also serve the purpose.

(c) *Home farms*

Animal farming assumes priority because this tradition has been passed from generation to

generation, securing meat supply and dairy products. This sector of agriculture is the only source of income for most small households and in some regions the principal employer of women. Unfortunately, urban trends have destroyed traditional job priorities, offering nothing in return. On the other hand, families in small-batch production face many of the problems encountered by small and big farms.

(d) Trading

Retailing could be the key to female employment. It might be recalled that rural earnings mainly depend on the sale of produce. For some reason, rural producers rarely sell at optimum profit and dump their product to resellers at a fraction of the price. To correct the situation, local authorities should organise regular fairs where large numbers of women could sell their produce. The only difficulty is the remoteness of villages from district and regional centres and the poor transport infrastructure. Establishment of transport companies which employ women may be a solution to this problem.

(e) Veterinary services

Since animal farming is bound to remain a major activity, expansion of veterinary services could provide additional jobs. Such services could be run privately and satisfy demand inside and outside villages. Experienced veterinarians could set up paid courses which cover both theory and practice.

(f) Local administration

Female employment reflects changes taking place in the agricultural economy and management. Everything depends on whether private ownership as a basis of reform is compatible with "female interests", and whether women themselves could assume managerial functions in rural areas. It is important to move from symbolic appointments - at a few local offices to the broadest inclusion of women at all levels of management - from discussion to decision-making to implementation to verification of execution. Inclusion would not be restricted to the provision of easy access to elective offices but would rather mean legal guarantees against sex discrimination. Rural women should therefore be fully aware of the nature, specifics and quality standards of management and required qualifications.

(g) Health care and libraries

Maintenance of part-time health worker and librarian positions would help alleviate women's unemployment. In some regions, health workers and librarians are working part-time at 0.75, 0.5, 0.25 and 0.2 per cent of the full rate. It might be recalled that many female health workers and librarians have children and old-age parents in their custody.

(h) Educational establishments

Resuming the operation of day-care schools would provide jobs for many teachers and educators, most of whom are women. Such schools would allow women with under-aged children to maintain their qualifications without abandoning jobs for protracted periods and would improve the education of the children.

(i) Ethnic crafts and home manufacturing

In recent years, international integration and growing tourism flows have boosted the demand for handicrafts. Promotion of home manufacturing would produce good results in terms of female employment. Admittedly, rural women have rich experience and sufficient skills for this work, which could include handicrafts, ethnic headgear, sheepskin and fur coats, and leather and woven items.

Home manufacturing would eventually help jobless women to start a business, provide services to local residents, sell locally or in district and regional centres because production costs will always be lower than in factories. Loans must be readily available to purchase required equipment or, if required to support training of rural women in specific skills.

(j) Paid public works

Public works should be promoted as an additional source of temporary employment. Women could be gainfully employed during the national census of 1999; establishing green zones in townships and worker settlements; providing services to old-age people and persons with disabilities or bed care in rural hospitals; growing fruit, vegetables, melons and watermelons; issuing new passports and identification cards.

(k) Tourism and services

The development of tourism in scenic corners of the country would create additional jobs. Tourist projects are very profitable and are a major source of income in some countries. Large-scale tourism facilities would help extend catering networks that mainly employ female workers. Women would also manufacture souvenirs, an indispensable extension of any tourist project. They would certainly be the first to get jobs in this sector and, if appropriate, should be given specialised training.

(l) Entertainment

Domestic and foreign investment in the entertainment sector would facilitate job creation. Examples include theme parks and recreational zones, e.g. the Aqua park in the Kapchagay reservoir, or the Fantasy world in the city of Almaty. Nearly every

region can host such parks and zones in which sufficiently trained rural women would find jobs.

D. Conclusions and recommendations

Agriculture which employs almost half of the entire female population is particularly sensitive to economic and political fluctuations. Today this sector is in serious trouble. Its deep crisis reflects the overall economic situation as the agricultural sector represents a huge chunk of the national economy. The above review of rural areas puts in perspective whatever is said about the opportunities for rural women in general and their employment, in particular.

The socio-economic situation of rural women calls for a number of short- and long-term measures. The deepening crisis in villages and insufficient government protection require more action in support of low-income families.

The crisis brought to the fore the need to promote small and medium-sized businesses by encouraging initiative, entrepreneurship and self-employment among rural women. Politically, self-employment could, to a certain extent, defuse the social, economic and psychological tension in the entire society, especially in rural areas.

Rural households are currently selling their stock and property vouchers to get additional income. The National Farmers Federation of Kazakhstan, or KazAgro, should initiate the establishment of the agricultural securities market.

Agricultural reform must continue. Tighter controls and large-scale enforcement of the Bankruptcy Act would help eliminate the negative effects of the thoughtless privatisation that occurred in the first stage. The Act would help restructure and rehabilitate big loss-making agricultural enterprises, lead them out of their impasse and resume their normal operation.

New rules of household taxation should facilitate the establishment of, and support to, the rural middle class. Statistics on disposable rural incomes point to an increase in the number of farms working at minimum profitability, and the gradual disappearance of farms with relatively moderate earnings. The latter feel that their problems stem from the unreasonably high taxation of households. Indeed, income tax accounts for the biggest deduction from profit.

Social policies in rural areas should be more consistent. The government becomes only responsive when crisis strikes the executive branch and rural support becomes a matter of political survival. This was vividly the case in late 1997 when Kajegeldin's

cabinet, fearing dismissal, resorted to the traditional tactics of clinging to power through vigorous social policies. That year brought many social schemes in rural areas, including full payback of social security arrears. Vulnerable groups certainly benefited from this positive development. However, in the long run, consistency of social policy is preferable to sporadic outbursts of activity.

Further improvements in regional policies would require redressing the imbalance in social security payments between regions. The relatively high pensions in regions with developed industry or raw materials base contrast small pensions in the southern and mostly agricultural regions. The resulting gap is dangerous and calls for recovery of costs of unfavourably located regions from the budget of the luckier donor regions.

New nation-wide investment programmes, if carried out, would create jobs for rural women in promising sectors of agriculture. Current employment rates require intensive input of outside capital into agriculture, otherwise improvements in the condition of rural women and their employment would be at far-fetched idea.

The Employment Fund should be more active in creating jobs for rural women, eliminating distortions in their employment and helping them adapt to market rules.

Alternative, non-governmental sectors should absorb more rural women who could, for example, manufacture handicrafts and other items at home. In recent years, international integration and growing tourism flows have boosted the demand for handicrafts. Promotion of home manufacturing would produce good results in terms of female employment. Rural women have rich experience and sufficient skills for this work.

Agricultural enterprises should regularly revise women's job quotas to facilitate employment for this least competitive group. The female labour force carries a lower price than that of men due to women's physiology.

An increase in the number of small and medium-sized agricultural enterprises would certainly create jobs for women. However, access to long-term credit is limited as existing banks favour capital-intensive projects generally done by big enterprises, and need incentives before they consider supporting small and medium-sized business projects.

Home farming should get all possible support. Animal and plant farming assumes priority because its traditions are passed from generation to generation, securing the supply of meat and dairy products. This sector of agriculture is the only source of income for

