



UNICEF/KAZAKHSTAN/2014/G. Pirozzi

ANALYSIS OF SOCIAL TRANSFERS FOR CHILDREN AND THEIR FAMILIES IN KAZAKHSTAN

УДК 316.314

ББК 60.56

A 53

Analysis of social transfers for children and their families in Kazakhstan, Astana, A 53 2015-94 p.

This study examines the effectiveness of social transfers for children and their families in Kazakhstan. In particular, it assesses the extent to which the existing social cash transfers support poor and vulnerable children and their families and discusses policy options for improving social assistance to address their needs more effectively.

ISBN 978-601-7523-16-9

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УДК 316.31.4
ББК 60.56

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ISBN 978-601-7523-16-9

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Acknowledgements

The authors are grateful to Zarema Yerzhanova (UNICEF) for her guidance and support. The study greatly benefited from valuable feedback provided by the UNICEF Kazakhstan country office, including from Zhanar Sagimbayeva. Thanks to Faniya Mussayeva, who coordinated the study at the early stages, and Elena Gaia, UNICEF Regional Office for CEE/CIS, Geneva, who offered helpful advice.

The analysis greatly benefited from discussions with representatives of government partner agencies, including Arman Umerbayev and other colleagues from the Ministry of Labour and Social Protection and social protection departments of Astana city. The authors would like to thank the Ministry of Labour and Social Protection of the Republic of Kazakhstan, the Agency of Statistics of the Republic of Kazakhstan, the Ministry of Education and Science of the Republic of Kazakhstan, and the Ministry of Finance of the Republic of Kazakhstan for the provision of data and information.

For the qualitative fieldwork, we are indebted to the research team of Sange Research Center in Astana, including Natalya Baitugelova, Ainagul Sharipbayeva, Ainagul Uvalieva, Almagul Mukhamedhanova and Shynar Smagulova.

Rachel Slater (ODI) and Franziska Gassmann (Maastricht University) offered valuable advice; Franziska Schwarz and Fiona Lamont of ODI provided project management support, and Aaron Griffiths provided editorial assistance. Many thanks to Felice Bakker for assistance with the data analysis.

Abbreviations

CIS	Commonwealth of Independent States
FGD	Focus group discussion
GDP	Gross domestic product
HBS	Household Budget Survey
KZT	Kazakhstan Tenge
M&E	Monitoring and evaluation
MCI	Monthly Calculation Index
MIS	Management information system
MLSP	Ministry of Labour and Social Protection
NFRK	National Fund of the Republic of Kazakhstan
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PM	Prozhitochnyi minimum (subsistence minimum)
SDP	Strategic Development Plan
TSA	Targeted Social Assistance

Executive summary

OBJECTIVES OF THE STUDY

This study examines the effectiveness of social transfers to poor and vulnerable children and their families in Kazakhstan. Kazakhstan has a mature and broad social protection system that is geared towards the alleviation of poverty and vulnerability. It supports children and their families through (1) cash and in-kind transfers, (2) investments in education and health, and (3) social care services, including residential care, services for children with disabilities, and social work. In the last decade, there has been significant progress in improving the economic and social conditions of the population. Some notable achievements include a nearly ten-fold decrease in poverty and five-fold decrease in maternal mortality between 1998 and 2011 (Republic of Kazakhstan, 2013). Yet poverty remains a prominent problem and many people remain vulnerable to social and economic risks.

The Government of Kazakhstan considers social assistance as a critical policy tool for supporting people who are unable to earn sufficient income to maintain their livelihoods. The long-term Strategic Development Plan ‘Kazakhstan-2050’ (SDP, 2012) asserts the state’s responsibility for guaranteeing ‘minimum social standards’ to enable all citizens to meet their priority needs. It maintains that the state needs to take ‘full responsibility’ for targeted social assistance for vulnerable groups, namely those who are unable to work, individuals with a disability, and sick or old persons.

With these strategies and objectives in mind, this study provides a practical contribution to the policy discussions. In particular, it **assesses the extent to which the existing social cash transfers support poor and vulnerable children and their families and discusses policy options for improving social assistance to address their needs more effectively.**

The study is informed through the analysis of primary quantitative and qualitative data. The quantitative analysis is based on the data generated by the 2009 Household Budget Survey carried out by the Agency of Statistics of Kazakhstan. This data offers a snapshot of the situation in 2009 and does not reflect changes in outcome indicators – such as coverage and targeting effectiveness – that may have taken place since then. Yet it provides a valuable insight into existing legal and institutional arrangements underpinning the social assistance system in Kazakhstan, which have been by and large intact for the last decade. The qualitative data reflects the experiences and perceptions of poor and vulnerable beneficiaries about social transfers in three locations: Astana, Semey (East Kazakhstan region), and rural areas of South Kazakhstan region (Tulkubas district and the district centre of Turar Ryskulov village). The qualitative data helps complement and corroborate the quantitative findings.

KEY FINDINGS

Some population groups are at a higher risk of being poor and vulnerable. These are households in rural areas, households with heads who have little education or who are unemployed or otherwise out of the labour force. Surprisingly, this includes male-headed households. Larger households are at a higher risk of being poor and vulnerable, as are households with a greater number of children and households with a household member with a disability.

Coverage of social assistance is generally pro-poor. Almost half of households in the bottom income quintile receive a social transfer,¹ compared with one in five in the top three income quintiles. Coverage is highest for state social allowance and special state benefits; more than one in ten households receives one of these transfers. This means coverage for households facing specific vulnerabilities, such a disability or the loss of a breadwinner (state social allowances) and mothers with many children, war veterans, and Chernobyl victims (special state benefits) is higher than coverage of social assistance for low-income groups. In other words, households that only face lack of income have lower coverage than households with specific vulnerabilities. Nevertheless, coverage is generally pro-poor – a greater share of households in the lowest income quintile receives a state social allowance or special state benefit. This could be explained by the fact that there is a higher concentration of individuals with these specific vulnerabilities in households in low-income quintiles.

Households across all income quintiles receive poverty-targeted transfers. However, the **inclusion error for poverty targeted social transfers is rather small, while we find a large exclusion error.** This means that while a relatively small share of high-income earners receive poverty-targeted social assistance, a large share of low-income households do not receive the transfers they are entitled to. The majority of the extreme poor (i.e. individuals below 40% of the subsistence minimum) do not receive minimum income support to address their basic needs, even though they are eligible for it based on their household income.

In terms of coverage of vulnerable groups, the analysis reveals a mixed picture. Even though rural households face

¹ The quantitative analysis considers five broad groups of transfers. ‘Targeted social transfers’ are the cash payment provided by the state to persons (families) with a monthly per capita income below the poverty line established in the regions (cities of republican status, or a capital city). ‘Housing assistance’ is provided by the state in kind, in the form of cash payments or transfers of funds to the accounts of low-income families, whose spending for the utilities cost exceeds maximum allowable share of spending for these purposes. ‘State social allowance’ (Государственные социальные пособия) includes social benefits given to people in two categories: those who have a disability and those who have lost a breadwinner. ‘Special state benefits’ (Специальные государственные пособия) includes benefits provided to specific groups including mothers with many children, war veterans and Chernobyl victims. ‘Other social benefits’ includes social assistance for children with a disability who are raised and educated at home, funeral benefits, and lump-sum compensation payments in connection with accommodation.

a greater risk of being poor, coverage of social assistance is higher amongst urban households. In terms of other vulnerable groups, findings are more positive: coverage of households with heads who are out of the labour force or unemployed is higher than the national average – these were groups that were identified to have a higher risk of being poor. Coverage for households with two or more children – a group identified as vulnerable – have above average coverage. These households get particularly high coverage from special state benefits, which include benefits for mothers with many children. Coverage of another vulnerable group, households with a member with a disability, is close to 100%.

The analysis on the amounts of transfers received shows a complicated picture. On the one hand, **households in the lowest income quintile receive higher amounts of total social assistance per capita, although these are only slightly higher than the national average.** However, this picture holds only when we consider all benefits combined, and the situation is different when looking at poverty-targeted social transfers. More specifically, households in the higher quintiles receive *higher* amounts of poverty-targeted social transfers even though they are not eligible to receive them.

A somewhat different picture emerges when looking at transfer amounts received by individuals; on an individual level we see a more pro-poor distribution pattern, with poorer individuals clearly receiving higher levels of transfers. This seemingly contradicts the pattern we found in the analysis at the household level, but it can be explained by the fact that households in the bottom income quintile have significantly bigger households, on average. This means that even though some social assistance programmes (such as Targeted Social Assistance – TSA) do take household size into account when setting transfer levels, *in terms of their aggregate effect*, social transfers are diluted and offer less support per household member in low-income households owing to the larger size of these households.

The analysis also considered the adequacy of different kinds of transfers. The calculations show that the **amount of universal transfers is more generous than that of targeted transfers.** The average transfer levels of TSA – the main transfer to provide minimum income support – are not sufficiently high to cover basic subsistence needs of beneficiary households. The findings of the qualitative assessment suggest that transfers were not sufficient to enable low-income families to fully meet the needs of their children.

The analysis also looked at poverty incidence, where we consider the relative contribution of social assistance to beneficiary households' budgets. On the whole, **social transfers make a small contribution to beneficiary households' budgets.** For the population as a whole, social assistance accounts for about 2.5% of household's budgets; for households in the lowest income quintile it is 7.6%. Social assistance for low-income households makes the smallest contribution to households' budgets owing to low transfer levels.

Finally, the analysis considered what would happen to household poverty levels if they did not receive transfers. **Social**

transfers do have an effect – albeit small – on poverty levels, but to a variable degree for different groups of transfers. For all social transfers combined, the poverty headcount would be 2.5% points higher without social transfers if households did not replace the lost social assistance income. State social allowances have the biggest effect in terms of reducing poverty levels, particularly on households with children owing to the higher benefit levels. Targeted social transfers and housing assistance, on the other hand, have fairly small effects on poverty, as would be expected considering the low transfer levels.

The analysis also considers whether households received transfers from two or more groups of transfers. **On the whole, receiving multiple transfers is uncommon** (75% of households only receive transfers from one group), **but households identified as vulnerable are more likely to receive multiple transfers.** These include households in the poorest income quintile, households with heads that are out of the labour force and households with children. The qualitative analysis shows confirms that vulnerable households often receive multiple transfers and find it easier to make ends meet as a result. However, even when transfers are combined they are often still not adequate to meet the needs of their children fully.

The fact that targeted social transfers (TSA particularly) are not effective in guaranteeing the minimum subsistence needs of poor households (either because they offer limited amounts or because they do not reach many poor households) has implications for the use and effectiveness of other social transfers. **As poor households receive limited subsistence support through targeted social transfers, they tend to utilise transfers aimed at addressing the specific vulnerabilities of their children.** For example, transfers to support the needs of children with a disability or the extra cost of caring for a child with a disability are often spent on basic subsistence needs of a family in the absence of other substantial sources of income. Similarly, the transfer for families with many children is spent not only on children, but the whole family. In other words, the limited minimum income support available to low-income households undermines the objectives of other social transfers.

The design of the TSA means test contributes to this problem. In particular, the TSA is awarded following a stringent means test that considers income from other transfers as part of the household's income. **This implies that the TSA means test presupposes that beneficiaries should use other, social categorical transfers for addressing the household's minimum subsistence needs.** Meanwhile, unlike TSA, these transfers do not aim to guarantee a minimum income to low-income families; instead, they intend to reduce specific household vulnerabilities.

The combined expenditure on three social sectors (health, education, and social support and welfare) was just over 51% of total government expenditure in 2011. This suggests the high commitment of the government to social investment. **The expenditure on social support and welfare is the highest out of the three sectors and**

was just over 20% in 2011, again an indication of the high priority accorded to this sector.

Out of total social assistance expenditure, spending is greater on state social allowances and lowest on poverty-targeted transfers. Total expenditure per beneficiary, including administration costs, is also greatest on state benefits. Targeted social transfers have by far the lowest expenditure level per beneficiary. The key reason for this is the low benefit level of these transfers.

Despite significant improvements in the past decade, social services in Kazakhstan need to be strengthened to allow greater access and utilisation by poor and vulnerable families. Social care services in Kazakhstan are not fully developed and are mostly oriented towards children with disabilities. Respondents to the qualitative assessment for this study reported difficulty accessing social care services, mentioning shortage of places in the rehabilitation centres, or complete lack of availability. Social care services can also be expensive and difficult to afford. The concept of social work is arguably becoming increasingly ingrained in Kazakhstan, but social work is primarily targeted at specific groups and is not used as a vehicle for detecting and addressing vulnerabilities more broadly. The existing pre-school facilities cover a relatively low percentage of children. Respondents to the qualitative assessment for this study complained that enrolling a child in the public kindergartens required connections and that private kindergartens were expensive.

The qualitative assessment reveals a mixed picture with regard to the timeliness and accuracy of benefit payments. Whilst many beneficiaries received their benefits on time, some experienced delays and administrative errors. The beneficiaries received the full amount of their benefits, except in South Kazakhstan where small sums were deducted at the point of receipt at a post office.

The application process required a substantial investment of energy and time and incurred some monetary cost. Red tape, limited communication and unsympathetic attitudes of benefit administrators made the application process difficult and time consuming. It also contributed to a sense of insecurity and vulnerability among beneficiaries and affected their psychological well-being. The beneficiaries found it especially difficult to apply for the State Disability Allowance, which requires a periodical hospital-based medical assessment. Not only does it have costs in time and money, but the process of medical certification is perceived to be traumatic.

There is a significant degree of social stigmatisation of poor and vulnerable individuals in Kazakhstan. These attitudes concern children from poor backgrounds and children with disabilities as well as their parents. They often encounter negative social attitudes from the public as well as public sector officials at schools, polyclinics and hospitals. Such treatment negatively affects their self-esteem and contributes to a sense of vulnerability and exclusion.

POLICY RECOMMENDATIONS

Children do not live on their own: they live in a household. The objective of enhancing child well-being must be addressed through an integrated approach, as part of addressing the household well-being. For social policies, this implies that it is not sufficient to concentrate on specific programmes for children, but it is crucial to improve the effectiveness of welfare support for the entire household.

Adequate support involves: (1) ensuring that household basic subsistence needs are met, and (2) supporting vulnerable households to meet additional costs related to large family size, sickness, disability, and special needs. It is crucial that these two components be seen as complementary rather than mutually exclusive.

The key finding of this study that requires immediate policy attention is that the minimum income benefits (TSA) do not provide adequate support to poor and vulnerable families and their children; this undermines the objectives of other transfers as households use them to meet their basic subsistence needs. As the overall value of transfers is low, benefits in general do not ensure that basic needs are fully met. Yet these families often require support beyond basic subsistence.

In order to achieve the right balance between addressing subsistence needs and reducing vulnerabilities, it is **crucial to enhance the coverage and adequacy of TSA as the main instrument of minimum income support.** First, addressing the targeting effectiveness of TSA: that is, the ability of the programme to reach its target group as defined in its operational guidelines. Second, it is important to raise the extremely low eligibility threshold for the means test to 100% of the national subsistence minimum. This will ensure that social assistance can reach all the poor and not only a small fraction of the poor as is now the case. Third, this higher threshold should also be used for calculating the benefit value. This will ensure that benefits provide adequate support by covering the poverty gap – the difference between the minimum subsistence threshold and income levels of beneficiary households.

It is important to improve the coordination mechanisms between different transfers. In Kazakhstan, there is a plethora of social assistance transfers that have different target groups and objectives. They are vital for ensuring support for individuals with vulnerabilities at different stages of a life cycle. However, these transfers have not been coordinated effectively with the minimum income support schemes. In particular, the TSA means test must disregard income from other transfers (disability allowance, housing assistance and the benefit for families with many children) when considering the household's income. This will ensure that households spend assistance received through these transfers on addressing specific vulnerabilities rather than spending them entirely on their basic subsistence needs. In other words, this will help meet the aims of these transfers to address vulnerabilities of children and their families.

In order to enhance child well-being, social transfers in Kazakhstan must be complemented with effective and inclusive social services. In particular, social care services and

pre-school education must be made widely available and must not impose a significant cost on poor and vulnerable families. The role and functions of social workers must be enhanced to enable them to serve as focal points for promoting greater access to social assistance and services. It is important to identify areas and entry points for promoting greater integration between social assistance and social services.

The process of applying for social transfers needs to be made more straightforward to ensure inclusive access. A key priority is to **establish effective and transparent communication with all prospective applicants**. Comprehensive information about the application process and requirements must be provided to the public both in writing and verbally. This includes explaining to all applicants how to complete forms and what documents to present. The benefit administrators must be explicitly tasked with the responsibility to offer advice and support (rather than just accept and process applications). They need to receive clear training and instructions about the basic standards of interaction with applicants and existing clients to ensure they are courteous and supportive. Accountability must be improved and local officials must not be allowed to deduct any money from social transfers. The central ministries can issue a directive to prohibit additional charges that may be initiated locally.

The Government of Kazakhstan must work actively towards dispelling prejudices towards social assistance recipients. The government is committed to ensuring efficient allocation of social assistance based on need. Yet it is important that the discourse about the need to improve targeting does not negatively affect public perceptions of benefit recipients. Overcoming negative social attitudes and stigma is not easy and takes considerable time. It requires the proactive engagement of government officials in communicating to the public the principles of equality and inclusion that must underpin social relations in any country. It also necessitates measures to make people with disabilities more visible and include them in societal activities, such as politics, science, sports and culture.

It is important that the discourse about the need to improve targeting does not negatively affect public perceptions of benefit recipients.

Effective monitoring and evaluation (M&E) is crucial for improving the well-being of children and families in Kazakhstan. Gathering and analysing data on child well-being, access to services, and outcomes of social protection activities makes it possible to adjust programme design and make delivery more effective. M&E must entail analysis of key economic and social indicators, including well-being outcomes, such as mortality rates, nutritional status and education achievements as well as access to health, education, and social care services. It is also important to assess the effects of specific programmes on children's well-being and their implications for equity, which can be done through regular household budget surveys.

It is important that household budget surveys contain comprehensive modules on social transfers to allow detailed monitoring of receipt of benefits and their effects on poverty. The 2009 HBS dataset clustered social transfers in groups of transfers, which constrained our ability to analyse the effects of specific transfers. Therefore, collecting and presenting data on individuals transfers can offer greater accuracy in understanding their effects. It is also important that as part of HBS data analysis the Agency of Statistics evaluates the effect of social transfers on poverty incidence. This would help policy-makers to monitor the effects of existing policies and introduce changes to improve their effectiveness if necessary.

Further, monitoring of programme effectiveness involves regular collection and analysis of administrative data on various aspects of programme delivery. A strong management information system (MIS) is crucial for collecting and managing these data. Integrated MIS systems linked to a single registry at the national level can coordinate information across various programmes and help promote greater synergy in the delivery of social assistance and social services.

1. Study objectives

This study examines the effectiveness of social transfers for children and their families in Kazakhstan. In particular, it assesses the extent to which the existing social cash transfers support poor and vulnerable children and their families and discusses policy options for improving social assistance to address their needs more effectively.

Social transfers are social protection instruments that provide cash or in-kind support to poor and vulnerable persons or households. UNICEF's definition of social protection encompasses all public and private initiatives that enhance the ability of individuals to deal with the multiple economic and social vulnerabilities they face throughout the life course (UNICEF, 2012). It identifies four components of social protection: (1) social transfers, (2) programmes to ensure access to services, (3) social support and care services, and (4) legislation and policy reform. Social transfer programmes provide income and (sometimes) in-kind support to target groups, but unlike social insurance they do not require regular financial (insurance) contributions from beneficiaries.

The Government of Kazakhstan has embarked on a successful economic and social reform programme to improve living standards. In the last decade, there has been significant progress in improving economic and social conditions of the population in Kazakhstan. Some notable achievements include a nearly ten-fold decrease in poverty and five-fold decrease in maternal mortality between 1998 and 2011 (Republic of Kazakhstan, 2013). Yet poverty remains a prominent problem and many people remain vulnerable to social and economic risks. There is a considerable inequality between urban and rural areas. The government considers social assistance as a critical policy tool for supporting people who are unable to earn enough to live on. It actively pursues avenues for strengthening social assistance in order to enhance the living standards of poor and vulnerable groups.

This study offers evidence-based analysis to inform the design and implementation of social assistance policies and programmes for children and their families in Kazakhstan. It undertakes systemic analysis in that it examines the well-being effects of transfers and draws policy recommendations considering the interconnectedness and complementarity of existing transfers. The study focuses on a range of cash transfer programmes for children and their families, which have different objectives and target groups. These include, among others, means-tested Targeted Social Assistance (TSA) and State Allowance for Children under 18; and benefits targeted at particular social categories, such as the Basic Disability Allowance and Benefits for Families for Many Children.

The study is informed through the analysis of primary quantitative and qualitative data. The quantitative analysis

is based on the data generated by the 2009 Household Budget Survey carried out by the Agency of Statistics of Kazakhstan. This data offers a snapshot of the situation in 2009 and does not reflect changes in outcome indicators – such as coverage and targeting effectiveness – that may have taken place since then. Yet it provides a valuable insight into existing legal and institutional arrangements underpinning the social assistance system in Kazakhstan, which have been by and large intact for the last decade.

The qualitative data reflects the experiences and perceptions of poor and vulnerable beneficiaries in relation to social transfers. Data was collected in collaboration with the Sange Research Center in 2012 in three locations: Astana, Semey (East Kazakhstan region), and rural areas of South Kazakhstan region (Tulkubas district and the district centre of Turar Ryskulov village). The qualitative data helps complement and corroborate the quantitative findings.

The analysis of cash transfer programmes focuses on three issues. First, it assesses coverage and targeting, i.e. the extent to which the main social transfers reach poor and vulnerable children. Second, it examines the adequacy and poverty effects of cash transfers, exploring their contribution to the well-being of poor and vulnerable households. The analysis discusses whether cash transfers enable beneficiaries to balance household subsistence needs with the needs of children associated with various vulnerabilities. Third, the study discusses the role of social transfers in promoting fertility.

In assessing the effectiveness of cash transfer programmes, the study examines financing and administrative arrangements underpinning social assistance in Kazakhstan. It analyses the trends in social sector spending in Kazakhstan, covering funding sources and expenditure on various cash transfers programmes. The analysis of administrative arrangements focuses on the process of benefit delivery from the perspective of beneficiaries and its repercussions for people's access to social assistance. It covers the timeliness and accuracy of payments, application procedures, information dissemination, and the attitudes and behaviour of benefit administrators.

Finally, the study discusses the availability of and access to important social services necessary to support adequate child well-being. These services include pre-school and child care facilities, social work and social care services. It also offers an insight into beneficiary perceptions about the social attitudes that poor and vulnerable families encounter in their daily life.

The study identifies good practices from international experience relevant to some of the key challenges facing Kazakhstan. Whilst international examples cannot be used

as ready-made blueprints, they provide valuable lessons for supporting policy development in Kazakhstan. More specifically, these examples highlight important principles behind the organisation of social assistance to maximise its contribution to the well-being of children and their families.

This report has been organised as follows. The study methodology is outlined in Section 2, followed by a brief review of the social protection system in Kazakhstan and a mapping of the main social transfers for children and their families in Section 3. Based on the 2009 HBO data analysis, Section 4 identifies the main demographic and social characteristics of poor and vulnerable groups in Kazakhstan. This information will then be used in the analysis of coverage and poverty effects of social transfers.

The analysis of social transfers is presented in Sections 5-11. Section 5 examines coverage and targeting effectiveness of social transfers. Section 6 provides analysis

of quantitative data on the adequacy and poverty effects of transfers, whilst Section 7 offers beneficiary perceptions their adequacy and contribution. Section 8 discusses multiple transfer receipt and its implications for well-being. Section 9 relates the discussion on adequacy to the systemic shortcomings underlying the receipt of multiple transfers. Section 10 draws examples from international practice to illustrate options for addressing bottlenecks in social assistance in Kazakhstan. Section 11 analyses the fertility effects of social transfers.

Sections 12 and 13 present an analysis of the financing and administrative arrangements underpinning social assistance. Section 14 discusses the availability of and access to important social services necessary to support adequate child well-being. Section 15 reviews beneficiary perceptions of social attitudes and stigma. Finally, Section 16 draws conclusions and offers policy recommendations.

2. Study methodology

2.1 QUANTITATIVE METHODOLOGY

The quantitative analysis is based on a cleaned version of the 2009 Household Budget Survey (HBS) dataset, making particular use of the expenditure and demographic modules. The purpose of the quantitative analysis is to assess the coverage, targeting and effectiveness of cash transfers. We do this by calculating standard indicators on these issues. While the 2009 HBS data analysis provides a clear and insightful overview of a snapshot in time, it has a number of limitations (see below).

The HBS analysis is complemented by a time series analysis of social transfer budgets. The data was provided by the Ministry of Social Protection and Labour. Further data utilised in the report was downloaded from the website of the Agency of Statistics.

The data analysis on which the report is based has some limitations which are important to keep in mind when considering the findings of the report. One of the main limitations of the study is that the 2009 HBS dataset combined transfers in groups, rather than providing information on each transfer individually. While this is helpful in terms of giving a broad overview and ensuring the sample size is sufficiently high to conduct the analysis, it means we cannot draw specific conclusions on individual transfers. Furthermore, despite the grouping of transfers in some cases we still have a limited sample size, as some transfers are received by few households. This may bias the findings, especially when comparing transfers for different population sub-groups. We note in the text when this is the case and these findings should be interpreted with caution.

Along with those specific limitations, other limitations typical of studies based on household surveys apply. Most importantly, the representativeness of the household survey can be a source of bias for our results. The calculations in this report use population weighting for nearly all results, which should balance out sampling errors to a large extent. Moreover, the consumption variables which provide the basis for the poverty calculations are imputed. This means that on the basis of different consumption items, the overall consumption is being transformed into monetary terms according to regional prices. Those calculations are prone to some error as the data on region-specific prices for different goods is rather sparse.

2.2 QUALITATIVE ASSESSMENT

The qualitative assessment focused on the perceptions and experiences of low-income families and was conducted in three regions of Kazakhstan: Astana, Semey, and South Kazakhstan oblast. It included two urban areas (Astana and Semey) and a rural area (Turar Ryskulov village of Tulkubas district, South Kazakhstan). This allowed the regional

dimensions of individual well-being and the effectiveness of social assistance to be captured. Astana has a relatively low prevalence of poverty (14% in 2009); whereas the most densely populated South Kazakhstan oblast was among the least affluent regions, with poverty measured at 40% (see Appendix 2).

In total, we carried out 12 focus group discussions and 30 in-depth interviews with vulnerable low-income families with children (see Table 1 below). These families were represented by the mother. The sample included four focus group discussions in each location, 11 in-depth interviews in Astana, 13 in Semey and 14 in Tulkubas. Each focus group had on average eight participants, whilst the total number of focus group respondents was 94. In addition, we conducted in-depth interviews with six experts representing local Departments of Social Protection and two experts from local NGOs dealing with child well-being.

Table 1: Overview of qualitative interviews conducted

	Astana	Semey	South Kazakhstan (villages of Tulkubas raion)	Total
Number of focus group discussion	4	4	4	12
Number of focus group participants	27	28	39	94
Number of in-depth interviews	11	13	14	38

The respondents were chosen by the field researchers based on the information provided by the local Departments of Social Protection. They were selected randomly from pre-defined clusters to represent different categories of vulnerable families with children. These included the recipients of three transfer programmes: Benefits for Families with Many Children; State Allowance for Children under 18; and State Basic Disability Allowance. We conducted one focus group with each group and 16 in-depth interviews in total.

In addition, one focus group discussion in each location and four in-depth interviews were conducted with poor and vulnerable families who applied for social transfers but were rejected (due to household income slightly exceeding the means test threshold); those who were aware of benefits but did not apply; and those who were not aware of benefits. We also conducted six in-depth interviews with the recipients of the birth grant and benefit for children under one; and four in-depth interviews with the recipients the Guardianship Monthly Allowance.

3. Social transfers for children and families with children

3.1 DEVELOPMENTS IN SOCIAL PROTECTION IN KAZAKHSTAN

The social protection system in Kazakhstan has undergone significant changes since independence in 1991. According to UNDP (2005), there were three stages in the development of social protection in Kazakhstan. The early years of transition from a socialist to a market economy between 1992 and 1996 constitute the first stage, during which the government was mainly concerned with cushioning the shock that resulted from falling living standards. During this period, the government initiated legislative and structural changes in the labour market and social protection in order to adjust the system to the needs of the market.

The second phase from 1997 to 1999 is characterised by economic stabilisation and growth of the economy, which offered a greater scope for funding and implementing social protection programmes. During this stage, the government undertook major reforms of the social protection system, including pension reform, optimisation of the existing system of social transfers and privileges (which involved monetisation of in-kind benefits and consolidation of various transfers, privileges and subsidies), and improvements in the system of payment of social transfers. Kazakhstan has successfully reformed the system of social assistance. According to the World Bank, Kazakhstan has been one of the most ‘vigorous’ reformers internationally (World Bank, 2004: 30).

The third phase coincides with a higher level of economic growth and corresponding increase in social expenditures between 2000 and 2007. Between 2000 and 2010, the economy grew at an annual rate of 8.5% (World Development Indicators 2012). This made Kazakhstan an upper-middle-income country and the richest country in Central Asia.

In 2001, the government adopted an official conception of social protection, which incorporates social assistance, mandatory social insurance, and voluntary accumulated social pension system. In 2002, the government introduced the targeted (i.e. means-tested) social assistance benefits (TSA) as the key instrument for providing minimum subsistence support to families whose income falls below a defined minimum threshold.

A fourth stage in the development of social protection could be argued to have begun in 2008. The government’s objective during this period has been to enhance the

effectiveness of social support to address poverty, vulnerability and social equity. The government has been exploring policy options that can help balance social assistance with incentives to work and incorporating ‘social activation’ – measures to support graduation from social assistance and promote reliance on the labour market as the main income source. It supported the introduction of an innovative conditional cash transfer programme – an independent programme administered by the BOTA Foundation – offering cash support to poor and vulnerable households and seeking to improve access to services². There are on-going efforts to improve the accessibility and quality of health care and education.

The Government of Kazakhstan declared social protection of children as a key priority. It has adopted a number of important legislative acts on child rights. In particular, the Law on Child Rights (2002) stipulated the provision of child rights and establishment of relevant policies and organisations that can uphold these rights. In January 2006, the government established the Committee on Child Rights, under the Ministry of Education and Science. Its goal is the realisation of the UN Convention on Child Rights at the state and local levels. These rights-based guarantees present an important foundation for the existing policies and institutional arrangements for social assistance.

The Strategic Development Plan ‘Kazakhstan-2020’ (SDP, 2010) approved in February 2010, has made improving the population’s well-being as a key priority for Kazakhstan. It envisages an increase in the value of social transfers and pensions and expansion in social insurance coverage. It also aims to improve the delivery and accessibility of social services. In particular, it prioritises a number of areas for policy action, including the introduction of state standards on social services, improvements in access to and quality of public utilities, such as centralised water supply, and the expansion of kindergartens to 70% coverage of the population by 2015.

The long-term Strategic Development Plan ‘Kazakhstan-2050’ (SDP, 2012) asserts the state’s responsibility for guaranteeing ‘minimum social standards’ to enable all citizens to meet their priority needs. It maintains that the state needs to take ‘full responsibility’ for targeted social assistance for vulnerable groups, i.e. those who are unable to work, individuals with a disability, and sick or old persons.

² However, this programme will end by late 2014.

The *National Concept of Social Development Until 2030*, which was approved by the Government's decree in 2013, spells out the vision for policy improvements in the social sectors. It states the importance of ensuring conditions for the 'full physical, mental and spiritual development' of children, including income support, free health care for children and pregnant and lactating mothers, equal access to pre-school education, prevention and rehabilitation of childhood disability, and free universal secondary education (Republic of Kazakhstan, 2013: 21). The policy priorities for social protection include the provision of income support to help people to maintain an adequate standard of living, social activation measures to enhance individuals' reintegration into the labour market, and provision of integrated social services.

The social protection system in Kazakhstan is geared towards contributing to the alleviation of poverty and vulnerability. It supports children as well as families with children through (1) cash and in-kind transfers, (2) investments in education and health, and (3) social care services, including residential care, services for children with disabilities, and social work. Section 5 provides greater detail on the main social transfers for children and their families.

The existing social transfers are administered by a number of ministries. The Ministry of Labour and Social Protection (MLSP) is responsible for administering the bulk of transfers.³ The Committee on Child Rights under the Ministry of Education and Science administers transfers to children in guardianship and foster care and oversees the functioning of residential institutions.

3.2 SOCIAL TRANSFER MAPPING

The Government of Kazakhstan distinguishes three types of social transfers for children and families with children (Table 2):

1. Social assistance for low-income groups, or poverty targeted transfers;
2. Social assistance for vulnerable groups facing social and economic risks;
3. State support for family, motherhood and childhood, or guaranteed benefits.

The benefit amounts are based on three measures:

In relation to the national subsistence minimum

Using the Monthly Calculation Index (MCI)⁴

In relation to minimum wage.⁵

³ Following a policy reform in late 2014, the Ministry is now called the Ministry of Health and Social Development.

⁴ The MCI is a coefficient for calculation of benefits set out by the Law on Budget. The MCI takes into account the expected inflation for the coming year.

⁵ The minimum monthly wage is set annually by the Law of the Republic of Kazakhstan on the National Budget for the respective financial year. It should not be below the minimum subsistence minimum and does not include additional payments and increments, compensation and social protection payments, bonuses and other incentives, and is paid in proportion to time worked (Roelen and Gassmann, 2012).

Box 1: Measures of well-being in Kazakhstan

Minimum subsistence (2012): KZT 16,815
 40% of Minimum subsistence (2012): KZT 6,726
 60% of Minimum subsistence (2012): KZT 10,089
 MCI for 2012: KZT 1,618
 Minimum wage for 2013: KZT 18,660
 Minimum pension for 2013: KZT 19,066

Poverty-targeted transfers. The first category comprises transfers targeted at households whose income falls below a specified minimum subsistence threshold.

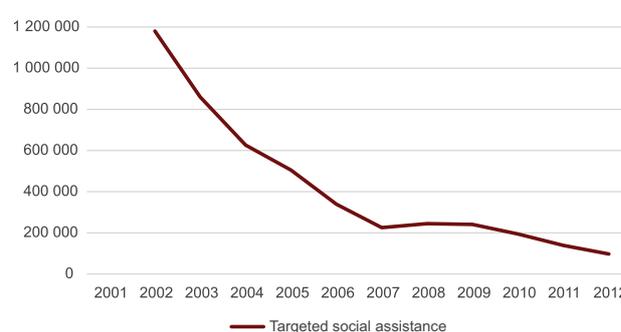
There are three targeted social transfers that cover the population of the entire country:

- Targeted Social Assistance (TSA)
- State allowance for children under 18, and
- Housing allowance.

TSA is offered to families with an average per capita income below 40% of the national subsistence minimum. It is provided for the current quarter and is paid on a monthly basis. The applicants undergo a means test and in order to maintain eligibility are required to submit relevant income documents every quarter. The amount is calculated as the difference between average per capita household income and the poverty line in a given region.

The number of beneficiaries has decreased from 1.2 million in 2002 to 100,000 in 2012 (Figure 1). According to the MLSP, this has largely been achieved due to the reduction in extreme poverty throughout this period⁶. The spending on TSA represents a small share of total social protection expenditure. The total annual expenditure on TSA has decreased from KZT 5 billion to 1.87 million between 2005 and 2012.

Figure 1: Number of beneficiaries of TSA (2001-2012)



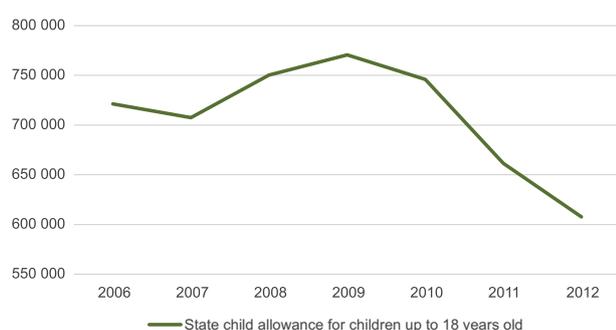
The state allowance for children under 18 is provided to families with an average per capita income below 60% of the national subsistence minimum (or food basket level). The transfer is given for the current quarter and is paid on a monthly basis. Calculation of the aggregate household income is made on the basis of the documents submitted when applying for the child transfers to an authorised body.

⁶ ODI fact finding mission, 22 July 2014.

The allowance is granted for each dependent child, has the value of one in the MCI and is paid on a monthly basis.

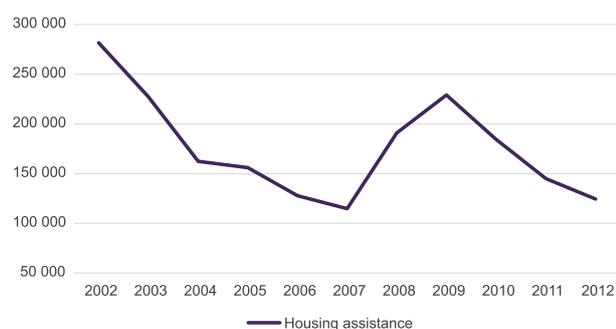
Similar to TSA, the number of beneficiaries has decreased from 750,000 in 2006 to 607,549 in 2012 (Figure 2).

Figure 2: Number of beneficiaries of the state allowance for children under 18 (2001-2012)



Housing assistance is provided to low-income citizens to reimburse maintenance and utilities costs. This transfer is provided by the housing transfer division of the Employment and Social Programmes Department. It partially covers costs of maintenance and utilities incurred by homeowners and is provided on a quarterly basis. The number of beneficiaries has decreased from 750,000 in 2002 to 125,000 in 2012 (Figure 3).

Figure 3: Number of beneficiaries of housing assistance (2001-2012)



In-kind benefits are provided to children from vulnerable families for their schooling. Thus, children from families that receive targeted social assistance, as well as children under foster care and guardianship arrangements, are entitled to one-time nutrition and schools and sports uniform.

In addition to these benefits, the poverty-targeted Conditional Cash Transfer programme administered by the BOTA Foundation offers support to vulnerable households with children of pre-school age, children with disabilities, pregnant and lactating women and teenage school-leavers in three oblasts: Akmola, Kyzylorda and Almaty. In order to receive cash transfers, the beneficiaries must meet obligations relevant to a specific

beneficiary category, such as attending pre-school facilities, attending classes on home-based care given by BOTA volunteers, or making antenatal and postnatal visits to a doctor. However, this programme will end by end 2014.

Social assistance for vulnerable groups. The second approach to targeting transfers can be described as *social categorical*. These transfers are provided to specific social groups who are deemed to be vulnerable, including households with a child or other member with a disability; those who have lost a breadwinner; families with many children; and mothers with many children. These transfers are unconditional and they do not take into account the poverty level of prospective beneficiaries. They are grouped under two categories:

1. State social allowances:
 - I State basic disability allowance
 - II Loss of breadwinner allowance
2. Special state benefits:
 - I Benefit for families with many children
 - II Benefit for mothers with many children
 - III Monthly allowance for children with disabilities

The **state basic disability allowance** offers support to individuals, including adults and children. In 2014, the following amounts of disability benefits for children were set:

Children <16

- o 1.05 of subsistence minimum

Children with a disability are classified according to the severity of their disability from age 16-18 and receive a benefit that depends on their classification

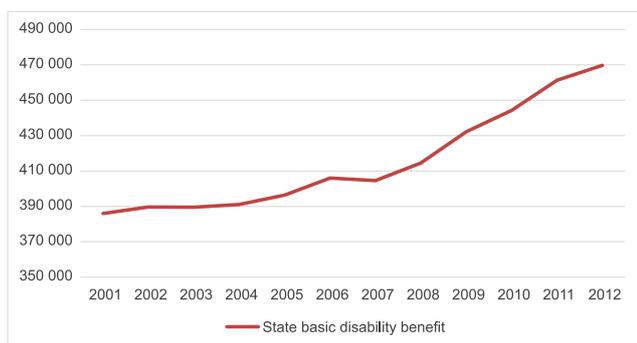
- o 1.42 of subsistence minimum – group I disability
- o 1.16 of subsistence minimum – group II disability
- o 0.91 of subsistence minimum – group III disability.

The number of beneficiaries claiming the state basic disability allowance increased from 390,000 in 2001 to 470,000 in 2012 (Figure 4).

The state provides medical assistance for children with disabilities, including a guaranteed package of free medical assistance. There are also in-kind benefits (free textbooks) for children with limited capabilities and disabilities living at home as well as those in recreational health institutions.

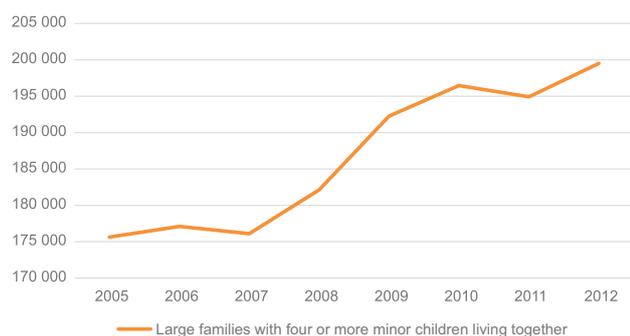
The state offers full support during studying for children with limited capabilities and children with a disability in residential institutions. There are 18 children's homes (*dom-internat*) for children with physical and mental disabilities, covering 2,800 children. The government subsidises the cost of accommodation, food, clothes, health care, textbooks and stationery for children in these institutions.

Figure 4: Number of beneficiaries of basic disability allowance (2001-2012)



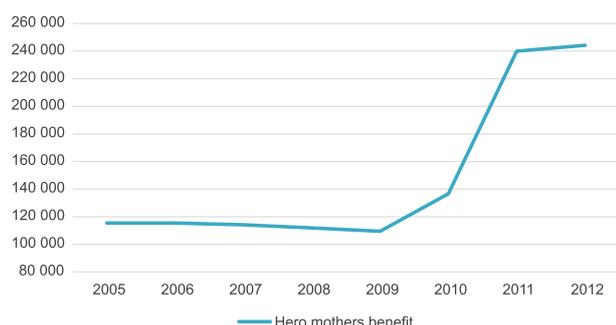
Large families with four or more under-age children (including children enrolled as full-time students at secondary, technical, professional or higher education institutions) are entitled to receive the **benefit for families with many children** (3.9 MCI) upon reaching adulthood and graduation from educational institutions (but not after the age of 23). The number of beneficiaries of this allowance increased from 175,000 in 2005 to 200,000 in 2012 (Figure 5).

Figure 5: Number of beneficiaries of Allowance for Families with Many Children (2001-2012)



Mothers with many children awarded with the pendants *Altyn Alka* or *Kumys Alka* (receiving the title *Mother Hero*) or those mothers awarded orders 'Parent Glory' of I and II degree are entitled to the benefit for mothers with many children (3.9 MCI). Since 1 January 2010, the *Altyn Alka* title has been awarded to mothers with seven children, while the *Kumys Alka* is bestowed on mothers with six children. The number of beneficiaries has significantly increased from 120,000 in 2005 to 240,000 in 2012 (Figure 6).

Figure 6: Number of beneficiaries of the benefit for mothers with many children (2001-2012)



There are also a number of other social categorical transfers for vulnerable groups. These are not classified under the state social allowances and special state benefits, but have similar objectives of supporting individuals who face economic and social risk due to specific events or stages in their lives. These include orphans and children without parental care, children with limited capabilities living in institutions; and individuals who foster or assume care duties (guardianship) for children without parental support.

For example, the allowance due to loss of a parent offers cash assistance of 0.66 of the subsistence minimum to children who have lost one parent and 0.9 of subsistence minimum to children with no parents. The state also provides in-kind benefits for these children in terms of free textbooks.

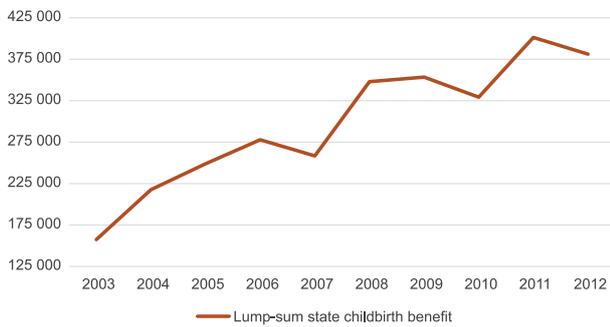
The state offers full support for children without parents or parental care in residential institutions. This includes the cost of accommodation, food, clothes, health care, textbooks and stationery. In 2007, there were 76,308 children living in 710 state-funded residential care facilities and further 565 in 12 private institutions (UNICEF 2009). These children comprised orphans, social orphans (abandoned children and those with one or both parents who failed to provide adequate care), children from poor families and families with many children, and children with 'deviant behaviour'. Kazakhstan has the highest rate of child institutionalisation in the Commonwealth of Independent States (CIS) which has been calculated at 1,702 children per 100,000 (0-17) (OPM, 2011; Cornia, 2010).

The Foster Care Allowance includes a transfer for children's subsistence and compensation for childcare (10 MCI), including: food for pre-school children (6 MCI); food for school-age children (7 MCI); and clothes, shoes and stationery (3 MCI). The Guardianship Monthly Allowance offers cash assistance of 10 MCI.

Guaranteed benefits. These benefits are intended to support parents in their child bearing and childcare roles. The guaranteed benefits include the birth grant, the benefit for children under one, and the benefit for parents/guardians caring for children with disabilities. These benefits are granted regardless of family income. International literature often describes such child benefits as universal transfers as they are offered to the entire population regardless of income. In essence, universal transfers are social categorical in that they are designated to specific population groups, such as children of a specific age, mothers and others.

The **birth grant** is a cash payment granted with the birth of a child. When two or more children are born, this transfer is paid for each child. It is allocated from the submission date and is provided on a non-recurrent basis. The number of birth grant beneficiaries increased from 150,000 in 2003 to 380,000 in 2012 (Figure 7).

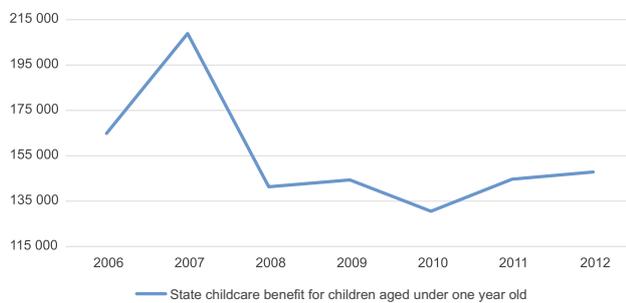
Figure 7: Number of beneficiaries of the birth grant (2001-2012)



The benefit for children under one is provided from the child’s birth date until the age of one. Applications for benefits must be submitted no later than 12 months from the date of birth. The number of beneficiaries declined from 160,000 in 2006 to 147,000 in 2012 (Figure 8). The benefit amounts in 2013 were as follows:

- 1st child: 5.5 MCI (KZT 9,521)
- 2nd child: 6.5 MCI (KZT 11,251)
- 3rd child: 7.5 MCI (KZT 12,983)
- 4th+ child: 8.5 MCI (KZT 14,714)

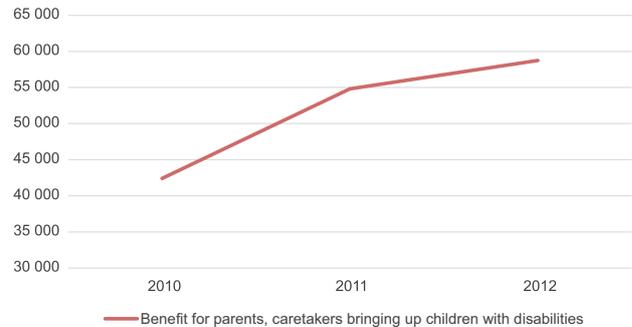
Figure 8: Number of beneficiaries of the benefit for children under one (2001-2012)



The benefit for parents/guardians caring for children with disabilities is granted from the date of application for the duration of the child’s disability. If there are two or

more children with disabilities in the family, the allowance is provided for each child with a disability. The amount of the allowance is one minimum wage. The beneficiaries increased from 42,000 in 2010 to 58,000 in 2012 (Figure 9).

Figure 9: Benefit for parents/guardians caring for children with disabilities (2001-2012)



As we can infer from the above discussion, the state provides a number of transfers that seek to promote the well-being of children and their families in different life circumstances. The poverty-targeted transfers aim to reduce poverty and support poor households with their minimum subsistence. Social categorical transfers seek to help beneficiaries to reduce additional household expenses incurred due to a specific stage of their life course.

As well as trying to improve children’s well-being, the social transfers in Kazakhstan also aim to promote family and motherhood. For example, a number of transfers, including the birth grant and benefit for children under one, the benefits for families with many children and for mothers with many children, seek to provide extra income to families and encourage them to have children. The government’s attempts to promote fertility have been motivated by the declining fertility rates that followed the break-up of the Soviet Union.

Finally, the foster care and guardianship allowances seek to encourage people to adopt children without parental care and ensure that these children live in families and not in residential institutions.

Table 2: Social assistance for children and their families in Kazakhstan

Name	Eligibility criteria	Value of grant	Number of beneficiaries	Budget
1. Social assistance for low-income groups (poverty-targeted benefits)				
Targeted Social Assistance (TSA)	All families with average per capita income =<40% of subsistence minimum (i.e. <extreme poverty threshold)	TSA = household income – (poverty line* no. of household members)	244,000 persons in 2008 155,000 in 2009 97,280 persons in 2012	KZT 1,873,618.7 in 2012 Local budget
State Allowance for Children<18	If family has children younger than 18 with average per capita income<=60% of subsistence minimum (i.e. <food basket).	1 MCI per child/month	60,7549 persons in 2012	KZT 8,549,757.4 in 2012 Local budget
Housing Assistance	Low-income families, precise criteria determined locally	Contribution towards repair of condominium common property, consumption if utilities and telecoms services, and rental fee: Established locally.		KZT 2,948,735.0 in 2012 Local budget
2. Social assistance for vulnerable families facing social risks				
2.1 State social allowances				
State basic disability allowance	Persons with disabilities, including children	1.05 of subsistence minimum children <16 (2014) 1.42 of subsistence minimum I group disability, 1.16 – II group; 0.91 – III group for children with a disability from birth and children 16-18	469,685 in 2012	KZT 100,389,149.7 in 2012 Republican Budget
Loss of breadwinner allowance	Dependents of a deceased breadwinner who are unable to work; children and adults 18-23 in full time education		185,232 in 2012	KZT 36,181,999.9 in 2012 Republican Budget
2.2 Special state benefits				
Families with many children	Families with four or more children under 18 living together (including those in higher education under 23).	3.9 MCI	199,505 in 2012	KZT 15,750,519.8 in 2012 Republican Budget

Mothers with many children	Mothers with many children who received awards 'Altyn Alka' and 'Kumys Alka' or who previously obtained a title 'Mother Heroine', or received 'Mother Glory' of I and II category award:	3.9 MCI	244,210 in 2012	KZT 29,055,677.9 in 2012 Republican Budget
Monthly allowance for children with disabilities	Children with disabilities <16 Children with disabilities 16-18 of I, II and III groups	For age <16: 0.9 MCI For age 16-18: Group I and II: 1.4 MCI Group III: 0.6 MCI		Local budget
3. State support for family, motherhood and childhood (guaranteed benefits)				
Birth grant	Universal	Lump-sum 30 MCI 1-3 children 50 MCI 4+ children in 2013	381,180 persons in 2012	KZT 20,084,038 in 2012 Republican budget
Benefit for children <1	Paid from birth to age one Universal	1 st child 5.5 MCI 2 nd child 6.5 MCI 3 rd child 7.5 MCI 4+ child 8.5 MCI in 2013 Minimum wage (in 2013)	147,881 persons in 2012	KZT 24,520,307 in 2012 Republican budget
Benefit for parents/guardians caring for children with disabilities			58,734 in 2012	KZT 12,779,658 in 2012 Republican budget
4. Additional Benefits for Children with Special Needs and Vulnerabilities				
Foster care allowance	Individuals who foster orphans or children without parental care	Includes transfer for child's subsistence and compensation for childcare 10 MCI, including: Food for pre-school child – 6 MCI Food for school age child – 7 MCI Clothes, shoes and stationary per child – 3 MCI	1,408 in 2012-13	Local budget
Guardianship monthly allowance	Individuals who care for orphans or children without parental care	10 MCI	19,767 in 2012-13	Republican budget Local budget (from 2014)
Allowance due to loss of a parent	Children <18 who have lost one/ both parents	0.66 of the subsistence	159,187 in 2008	Local budget

	Children 18-23 who are in education who have lost one/ both parents	minimum with one parent; 0.9 of the subsistence minimum with no parents	9,879 in 2012-13	KZT 500-700,000 per year per child on average	Local Budget
Full state support for orphans and children without parental care		Free accommodation, food, clothes, health care, textbooks and stationary.			Local Budget
Orphans and children without parental care		Free textbooks			Local Budget
State support during studying	Children from families with many children, families receiving targeted social assistance, children under guardianship of foster care.	Free accommodation, food, clothes, health care, textbooks and stationary.			State financing
Partial state support during studying	Children from receiving targeted social assistance, children under guardianship of foster care.	One-time nutrition; school and sports clothing	21,081 (2012-13)		Local budget
Children who in general institutions except children fully supported by the state		Full state subsidy but parents pay 20% of food costs			Local budget
Full state support during studying for children with limited capabilities and children with a disability and invalids since childhood living in institutions		Free accommodation, food, clothes, health care, stationary	15,340 t		Local budget
Textbooks for children with limited capabilities and children with a disability and invalids since childhood		Free textbooks			Local budget
Free textbooks for children in recreational health and residential institutions		Free textbooks			Local budget

Note: 1 MCI=1,731 KZT in 2013

Sources: ILO and UNDP (2003), OPM (2011), Gassmann (2011), Gavrilovic et al. (2009), ADB (2007), Ministry of Education (2012), Ministry of Finance (2012), Akhmetov (2011) and Ministry of Labour and Social Protection of the Republic of Kazakhstan (1997, 1999, 2002, 2013).

4. Poverty and vulnerability

This section uses the 2009 Household Budget Survey to get a detailed understanding of who the vulnerable groups are in Kazakhstan. Rather than attempting to provide headline poverty statistics, we are interested comparing poverty levels of different groups. Hence, we are not trying to state what share of the population is poor, but are instead trying to find out, for instance, if households with a member with a disability are poorer than households with children.

Using the HBS data, we identify the main vulnerable groups in Kazakhstan. We use the World Bank's conception of vulnerability defined as 'the probability or risk today of being in poverty or to fall into deeper poverty in the future'.⁷ In particular, we assess how different social and demographic characteristics are correlated with poverty. These are geographical location, employment and education status of the household head, gender and marital status of the head, demographic characteristics (e.g. number of children, household composition) and land ownership. These poverty correlates are used to identify vulnerable groups.

The poverty measures used in this analysis include the poverty headcount ratio (the share of the poor), the poverty gap (how far the poor are from the poverty line) and poverty severity (how unequal poverty is): see Box 2 for a detailed description. Poverty is based on a household's consumption.⁸

The poverty line used in this analysis is the national subsistence minimum (*prozhitochnyi minimum*) at regionally adjusted levels. This is the legally-regulated official poverty line in Kazakhstan. This subsistence minimum is based on the income needed to purchase a minimum consumption basket (60% of the value of this basket is made up of food and 40% made up of non-food items). These two thresholds are also used in Kazakhstan for determining the eligibility for poverty-targeted benefits (60% for the state allowance for children under 18, and 40% for TSA).

Box 2. Poverty measures

P0, the head count ratio, measures the prevalence of poverty, giving the percentage of the population whose consumption falls below the poverty line. P0 conveys information on how many people are poor, but does not say how poor they are. If the poor became better off, but still remained below the poverty line, P0 would misleadingly indicate that poverty had not changed.

P1, the poverty gap index, measures the depth of poverty. Thus, it gives the average poverty shortfall in the population – how far below the poverty line the consumption of the poor falls – as a proportion of the poverty line (the non-poor have zero shortfall). However, neither P1 nor P0 can give information about the level of inequality among the poor. For example, a transfer from a poor person just below the poverty line to an extremely poor person would not change the poverty gap index.

P2, the poverty severity index, measures the severity of poverty. It gives the degree of inequality in distribution below the poverty line, giving greater weight to households at the bottom of the consumption distribution.

Source: World Bank (2004)

4.1 VULNERABLE GROUPS

The population of Kazakhstan is divided almost equally between urban and rural areas, with a slightly higher share in urban areas at 53% of the population in 2010 (Agency of Statistics, 2012). Households have 1.3 children on average (Roelen and Gassmann, 2012). The share of children in the population has been declining steadily as fertility has been falling since independence. At present, under-18-year-olds constitute about 30% of the total population (Roelen and Gassmann, 2012).

Before looking more closely at vulnerable groups, we briefly consider poverty rates at a national level. Using the official poverty line, 34% of the population can be considered poor. Poverty rates are much higher in rural settings, where 49.2% of households experience poverty compared to 21.1% in urban areas. Rural households also have a higher depth of poverty, so, on average, they fall further below the poverty line. Finally, we see that the squared poverty gap is higher in rural areas, which means that there is greater inequality amongst the poor than in urban areas. Table A1 in Appendix 1 shows poverty rates at the extreme poverty line (40% of the subsistence minimum). Only 0.5% of the population can be considered extremely poor. Again, we see

7 'Measuring vulnerability'. World Bank Website. (<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20238993~menuPK:492141~pagePK:148956~piPK:216618~theSitePK:430367,00.html>). Accessed 30 October 2014.

8 We used the neq cons consumption variable that is constructed using HBS 2009. Appendix 1 contains more information on the consumption variable and a sensitivity analysis comparing this variable to other consumption variables.

that rural households experience greater rates and depth of extreme poverty.

Table 3: Poverty of urban/ rural population at official poverty line

	Poverty Headcount (P0)	Poverty Gap (P1)	Squared Poverty Gap (P2)
Rural	49.20%	11.30%	3.70%
Urban	21.10%	4.30%	1.40%
Total population	34.00%	7.50%	2.50%

Note: Weighted using population weights

Based on the poverty rates of different population groups, we can discern specific poverty correlates (Box 3). In other words, we can observe characteristics and conditions that increase the risk of a household becoming poor. The tables in Appendix 1 show the detailed results; in this section we summarise the main findings.

In terms of geographical variation, households in rural locations and small towns are most likely to be poor. Households in Almaty experience the lowest rates of poverty. The region with the highest poverty rate is Kizilordinskaya, where 60% of households are classified as poor, followed by Yujno-Kazakhstanskaya (39.7%) and Atiraukskaya (38%). Almaty households have by far the lowest poverty rates at 7%.

We now come to characteristics of the household head, starting with poverty by gender of the household head (Table A12 in Appendix 2). Interestingly, male heads have a poverty headcount that is almost ten percentage points higher. It is not clear why this is the case. Married heads have a higher poverty headcount (Table A13). This could be related to the fact that they are more likely to have children.

Poverty rates broadly decline with rising education levels. There are few household heads with no education, but these have by far the highest poverty headcount (50.8%) on average (Table A14). Household heads with general secondary education and basic vocational education have higher poverty rates than the population average. Households with higher levels of education exhibit less poverty.

With regard to employment status (Table A15), households where heads are students or employed have the lowest poverty headcount. Households where the head is

unemployed or out of the labour force⁹ are more vulnerable and experience higher poverty rates.

Finally, we consider demographic characteristics of the household. Table A16 clearly shows that the more household members a household has, the greater the poverty headcount. Households with seven or more members have a headcount of 71.2%, compared to a headcount of 1.8% for single member households.

The number of children under the age of seven greatly increases the risk of poverty – the more children a household have aged 0-14, the higher the poverty headcount (Table 17). More than two-thirds of households with three or more children can be considered poor. Hence, large households and households with children are clearly vulnerable groups.

Finally, households that have a member with a disability have a poverty headcount that is almost two percentage points higher than those that do not (Table A18).

Box 3: Poverty correlates

The analysis of household budget data reveals characteristics and conditions that increase the risk of poverty in Kazakhstan:

- Rural residence
- Male household heads
- Low education level
- Unemployment or being out of labour force
- Large households
- Households with many children
- Disability

This study focuses on the indicators of material poverty as derived from HBS 2009 in order to assess the effectiveness of social transfers in improving the well-being of children and their families. It is important to note that, beyond monetary income and consumption, other social indicators need to be considered in assessing the extent of children's poverty and vulnerability more generally. These include, for example, education, health, housing, and water and sanitation outcomes. A UNICEF-commissioned study (Roelen and Gassmann, 2012) examines in detail the social dimensions of child well-being. It depicts estimates of child-well-being in nutrition, education, health, housing, water and sanitation, and social protection.

⁹ These are households headed by housewives or disabled household members.

5. Coverage and targeting effectiveness

This section covers social assistance coverage of the population and targeting effectiveness. The initial findings focus particularly on the coverage of the population and specific sub-groups. The objective of this section is (1) to understand whether vulnerable groups (as identified in the previous section) and households in the bottom income quintiles receive social transfers, and (2) to understand the differences in coverage between different groups in the population. As mentioned earlier, the quantitative analysis is based on HBS 2009.

The HBS analysis considers coverage of two distinct groups: (1) *direct* beneficiaries (individuals within households who receive transfers) and (2) *direct and indirect* beneficiaries (households who receive transfers). The version of the 2009 HBS used for this analysis clusters most transfers into broader groups, so does not allow us to zoom in on coverage or targeting effectiveness for specific transfers. Instead, we can only distinguish between the following five groups of transfers (described in further detail in Box 4):

1. Targeted social transfers (TSA and the state allowance for children under 18)
2. Housing assistance
3. State social allowances
4. Special state benefits
5. Other social benefits

Box 4. Social transfers in HBS 2009

The HBS 2009 dataset groups social transfers into five categories. These categories are different from the official typology used as a basis for categorising social transfers in the previous section and in the Benefit Mapping Table (Table 2). The following describes each group of transfers as used in HBS 2009 and highlights the key distinction with the official categorisation of transfers and relevance for this analysis.

Targeted social transfers are cash payments provided by the state to persons (families) with a monthly per capita income below the poverty line established in the regions (cities of republican status, or a capital city). This group combines TSA and the state allowance for children under 18, but it does not include housing assistance, which is also classified as a targeted social transfer in Kazakhstan.

Housing assistance is assistance provided by the state in kind, in the form of cash payments or transfers of funds to the accounts of low-income families whose spending for the utilities cost exceeds maximum allowable share of spending for these purposes.

State social allowances (Государственные социальные пособия) include social benefits given to two categories: those who have a disability and those who have lost a breadwinner.

Special state benefits (Специальные государственные пособия) include benefits provided to specific groups including mothers with many children, war veterans and Chernobyl victims (these latter two groups are not considered in this report as directly relevant for families with children).

Other social benefits include social assistance for children with a disability raised and educated at home; funeral benefit; and lump-sum compensation payments in connection with accommodation. The benefit immediately relevant for children is social assistance for children with a disability raised and educated at home.

Source: Agency of Statistics, supplied to ODI in 2014

5.1 COVERAGE OF SOCIAL ASSISTANCE

This section considers the coverage of social assistance for the population as a whole and for households in the five income quintiles.¹⁰ Across the population as a whole, 27.3% of households receive a social assistance transfer. A greater share of households in the bottom income quintile receives a social assistance transfer (46.7%) compared to households in the top income quintiles. This pattern holds for all groups of social transfers, except for ‘other social transfers’, where households in the top income and bottom quintile have higher coverage than households in other quintiles.

Table 6 shows the coverage of social assistance transfers: 53% of households in the bottom income quintile and 70% of households in the second lowest income quintile do not receive any social assistance. In other words, the majority of households in the bottom income quintiles do not receive a social assistance transfer. In the top income quintile, 20% of households receive some form of social assistance.

Targeted social transfers coverage is very low and less than 1% of the population receive it. Coverage is highest for the bottom income quintile – as to be expected – where 2.2% of households receive targeted social transfers. However, households in all income quintiles receive targeted social transfers, even though it is a transfer targeted at the poorest households. Housing assistance – which is also poverty-

¹⁰ These income quintiles are based on per capita household consumption excluding social transfers. This is done so that we can fully assess the distribution of transfers, without the distortion of the impact these transfers have on household’s consumption level.

targeted – is received by 1.7% of households and by a higher share of households in the poorest income quintile (2.3%), with not much difference between the other quintiles.

Coverage of state social allowances and special state benefits is highest out of all transfers: around 11% households receive at least one of these transfers. Coverage is progressive and higher shares of households in the bottom income quintile receive a transfer. For instance 20.5% of households in the bottom income quintile receive a special state benefit, whereas only 7% of households in the top income quintile receive a special state benefit.

The next table looks at the distribution of beneficiaries across income quintiles in more detail. It shows the proportion of beneficiary households that come from each

income quintile. The first row shows the distribution for all social transfers – it shows that social assistance is shared across all income quintiles. Out of all households receiving social assistance, 24.7% are in the bottom income quintile and 21.6% are in the top income quintile. Coverage is slightly skewed towards households in the bottom quintile.

When looking at the distribution of specific groups of transfers, targeted social transfers are mostly received by households in the bottom income quintile: out of all households receiving targeted social transfers, more than 50% are in the bottom income quintile. Special state benefits and state social allowances are also received by higher share of households in the bottom income quintile.

Other social transfers are to a large extent received by

Table 4: Share of households by income quintile receiving Social Assistance (direct and indirect beneficiaries), per month

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total social assistance	27.30%	46.70%	30.10%	25.60%	23.50%	20.20%
Targeted social transfers	0.60%	2.20%	0.70%	0.30%	0.40%	0.10%
Housing assistance	1.70%	2.30%	1.20%	1.50%	1.80%	1.50%
State social allowance	11.30%	24.40%	14.60%	12.10%	8.10%	5.20%
Special state benefits	11.00%	20.50%	14.20%	10.60%	8.70%	7.00%
Other social transfers	9.20%	10.60%	6.50%	7.90%	9.30%	10.80%

Note: Income quintiles based on per capita household expenditure excluding social transfers; weighted by population weights

Table 5: Distribution of beneficiaries across income quintiles (direct and indirect beneficiaries)

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Number of observ.
Total social assistance	100.0%	24.70%	16.60%	17.50%	19.60%	21.60%	3,160
Targeted social transfers	100.0%	51.90%	18.60%	9.70%	16.80%	3.00%	73
Housing assistance	100.0%	19.00%	11.30%	17.30%	25.20%	27.20%	208
State social allowance	100.0%	30.70%	19.50%	19.90%	16.20%	13.60%	1,377
Special state benefits	100.0%	25.80%	19.40%	18.10%	18.10%	18.60%	1,397
Other social transfers	100.0%	16.00%	10.80%	16.00%	22.90%	34.40%	902

Note: Income quintiles based on per capita household expenditure excluding social transfers; weighted by population weights

households in the top income quintiles: The two richest income quintiles account for close to 50% of beneficiaries of ‘other social transfers’. Households in quintile 2 account for the lowest share of beneficiaries of this transfer.

The next table shows coverage of individuals (*direct* beneficiaries) by the income quintiles of households these individuals belong to. On average, 16.6% of individuals receive a social assistance transfer. Coverage is highest

preceding section. This section looks at coverage of direct and indirect beneficiaries (that is at the household levels). Tables A19-22 in Appendix 2 show the coverage of direct and indirect beneficiaries.

Looking first at geographical characteristics, Tables A19 and A20 show coverage by type of settlement and region. Table 19 in Appendix 2 shows that coverage of social assistance in urban areas is much higher than in rural

Table 6: Share of households by income quintile receiving Social Assistance (direct beneficiaries), per month

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total social assistance	16.60%	26.60%	14.80%	14.40%	16.50%	14.30%
Targeted social transfers	0.30%	1.20%	0.40%	0.10%	0.30%	0.00%
Housing assistance	1.60%	2.20%	1.20%	1.40%	1.80%	1.50%
State social allowance	6.40%	15.50%	7.80%	6.40%	4.70%	2.80%
Special state benefits	5.40%	9.10%	5.10%	4.60%	5.50%	4.20%
Other social transfers	6.00%	4.40%	3.30%	5.10%	6.70%	8.30%

Note: Income quintiles based on per capita household expenditure; weighted by population weights

amongst individuals living in households belonging to the bottom income quintile (26.6%) and lowest for individuals living in households belonging to income quintiles 2, 3 and 5 (around 14-15%).

For targeted social transfers, coverage of individuals follows a similar pattern as coverage of households, but it is clearly more targeted towards individuals living in households in the bottom income quintile. The same holds for housing assistance. Individual coverage of state social allowances and special state benefits are progressive, as we saw for household-level coverage, and coverage of ‘other social transfers’ is regressive, as for the individual level. 8.3% of individuals belonging to households in the top income quintile received an ‘other social transfer’, compared 4.4% of individuals in households belonging to households in the bottom income quintile.

5.2 COVERAGE BY HOUSEHOLD AND GEOGRAPHIC CHARACTERISTICS

The previous section considered coverage by income quintiles. This section looks at coverage by other household characteristics, such as education and employment status of the head, and geographic characteristics. This allows us to analyse coverage of households identified as particularly vulnerable in the poverty and vulnerability analysis in the

locations (25.2%), especially in Astana and Almaty, where 42.5% and 44.5% respectively receive social assistance. This is of concern, since rural households are more likely to be poor. For other social transfers we see the same pattern, with a far greater share of households in Astana or Almaty receiving these transfers (around 39%), compared to households in other locations: only 3.3% of households in rural locations receive these transfers.

Coming to regions, social assistance coverage is highest in Almaty city as well as in the Kizilordinskaya region, where 33.4% of households receive social assistance, and lowest in Pavlodarskaya region, where only 14.5% of households receive social assistance. Coverage of targeted social transfers is highest in Aktubinskaya region, where 1.7% of households receive targeted social transfers – more than twice the national average. Coverage of housing assistance is highest in the Kostanayskaya region, where it is received by 8.9% of households (more than six times the national average). Coverage of state social allowances is highest in Jambilskaya region and Karagandinskaya region at around 15%. Kizilordinskaya region has the highest coverage of special state benefits at 25.7%. Coverage of other social transfers – a transfer that was disproportionately received by better-off households as we saw in the previous section – is highest in Almaty city and Astana city at 38.3% and 39.6% respectively. This is more than ten times the national average.

The next set of tables considers coverage by characteristics of the household head. Table A27 (Appendix 2) shows that female-headed households have higher coverage of social assistance. This also holds for the specific groups of transfers, except for special state benefits, where male-headed households have higher coverage. Unmarried household heads¹¹ have higher coverage of social assistance than married heads at 33.5% (Table A21 in Appendix 2). Their coverage is also higher for housing assistance, state

Appendix 2 shows coverage by education level. Household heads with no education – a particularly vulnerable group – account for only 0.10% of the population and we only have 13 observations in the sample, so the observations need to be assessed cautiously. However, 53.3% of these heads receive social assistance, higher than the national average. None of these 13 households are covered by targeted social transfers or housing assistance. The second-highest social assistance coverage level is amongst households with a head

Table 7: Share of households receiving social assistance (direct and indirect beneficiaries) by gender of the household head, per month

	Proportion of group	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowance	Receiving special state benefits	Receiving other social transfers
Male	49.80%	24.6%	0.5%	0.5%	9.8%	12.5%	7.8%
Female	50.20%	29.3%	0.6%	2.5%	12.4%	9.9%	10.3%
Population	100.00%	27.30%	0.60%	1.70%	11.30%	11.00%	9.20%

Note: Weighted by population weights

Table 8: Share of households receiving social assistance (direct and indirect beneficiaries) by head's labour force status, per month

	Proportion of group	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowance	Receiving special state benefits	Receiving other social transfers
Employee	61.20%	20.8%	0.4%	0.8%	10.2%	8.0%	6.0%
Self-employed	16.10%	26.1%	0.9%	1.3%	12.0%	11.5%	7.0%
Unemployed	1.80%	34.3%	2.7%	2.1%	17.9%	15.5%	6.6%
Retired	15.50%	39.8%	0.4%	4.0%	6.7%	15.1%	20.7%
Student	0.20%	8.9%	0.0%	0.0%	6.0%	0.0%	2.9%
Out of labour force	5.10%	62.6%	1.3%	4.1%	48.0%	32.9%	9.0%
Total	100.00%	27.3%	0.6%	1.7%	11.3%	11.0%	9.2%

Note: Weighted by population weights

social allowances and other social transfers. This could be explained by the fact that this group includes widows/widowers and single parents, a more vulnerable group.

Next we consider coverage by the household head's education level and employment status. Table A22 in

with general primary education: 40.6% of these households received social assistance. Coverage is lowest, and lower than the national average, for households with heads with secondary vocational and higher vocational education.

Table 8 below shows coverage according to the labour force status of the head of the household. Coverage is

¹¹ These could be single, divorced or widowed.

highest for households with heads who are out of the labour force.¹² Six in ten of these households receive social assistance. For these households coverage of all groups of transfers is higher than the national average, and they have particularly high coverage of state social allowances and special state benefits. Households with retired and unemployed heads also have higher than average coverage (39.8% and 34.3% respectively). Coverage of targeted social transfers is more than four times the national average for households with unemployed heads, which is an indication that targeted social transfers are reaching particularly vulnerable households. Households with employed heads, a less vulnerable group, have a below average coverage rate (20.8%). Households with heads who are students have low coverage (8.9% receive social assistance), but these households are entitled to education subsidies and in-

kind transfers (see Section 3) not measured here.

The next table shows coverage by the number of children in the household. 43.4% of households do not have any children and their coverage is below the national average. Coverage for households with two or more children – that were shown to be a vulnerable group in the previous chapter – is above the national average, and especially for households with three or more children. Amongst the latter households, one in two receives social assistance. These households have particularly high coverage of special state benefits, which include grants for mothers with many children. In other words, transfers for households with children are reaching the targeted families.

The last table shows coverage by whether the household has a member with a disability. The findings are reassuring: 98.6% of households that have a member with a disability

Table 9: Share of households receiving social assistance (direct and indirect beneficiaries) by number of children (aged 0-14), per month

Number of children	Proportion of group	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowance	Receiving special state benefits	Receiving other social transfers
0	57.94%	25.8%	0.3%	2.0%	10.7%	9.8%	9.5%
1	23.92%	23.1%	0.7%	1.4%	12.2%	7.5%	7.2%
2	12.54%	31.0%	1.0%	1.2%	11.5%	13.7%	9.7%
3 or more	5.61%	51.6%	1.9%	0.9%	13.4%	33.3%	14.1%
Total	100.00%	27.3%	0.6%	1.7%	11.3%	11.0%	9.2%

Note: Weighted by population weights

Table 10: Coverage by whether household has a member with a disability, per month

	Proportion of group	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowance	Receiving special state benefits	Receiving other social transfers
No member with a disability	98.4%	26.1%	0.6%	1.6%	10.0%	10.2%	9.3%
Has a member with a disability	1.6%	98.6%	0.8%	2.7%	96.1%	60.6%	5.3%
Total	100.00%	27.3%	0.6%	1.7%	11.3%	11.0%	9.2%

Note: Weighted by population weights

12 These can be either disabled, housekeeper, or other.

receive a social assistance transfer. In other words, this particularly vulnerable group has close to complete coverage. Coverage is particularly high for state social allowances (95.4%), which include disability allowances. This suggests that targeting and take-up of disability allowances is effective.

5.3 TARGETING EFFECTIVENESS

This section analyses targeting effectiveness of groups of transfers. Table A23 in Appendix 2 below shows the extent of pro-poor targeting for total social assistance, as well as for specific groups of transfers (Table A24). This measure divides the amount of benefits received by individuals in each quintile by the benefits received by the total population. In other words, it looks at what share of the overall pie each income quintile gets. Figure 10 shows that, to some extent, total social assistance shows some pro-poor targeting. The poorest income quintile receives a much greater share than their population share (38.1%), and the richest income quintile receives 12.9% of benefits. The poorest two income quintiles receive more than half of all benefits.

Benefit receipt is fairly high across all income quintiles. This does not necessarily suggest targeting failings (i.e. inclusion of ineligible groups) as social assistance includes both poverty-targeted and social categorical benefits. The latter do not seek to target poor individuals; rather, they allocate benefits to specific social categories, which are represented in all income quintiles.

Figure 10: Extent of pro-poor targeting of total social assistance

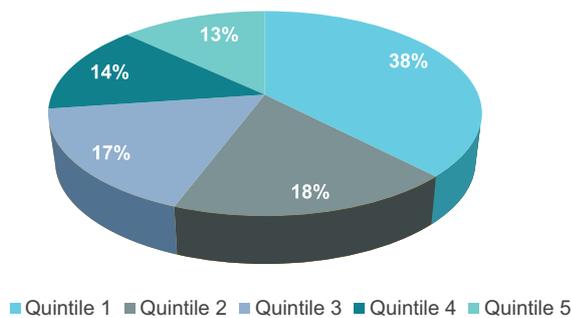


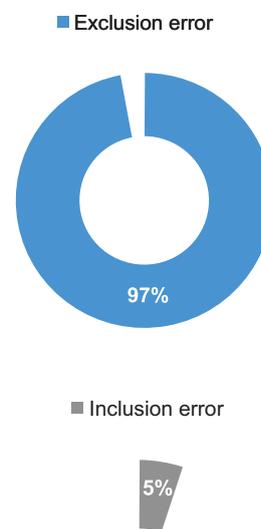
Table A24 in Appendix 2 shows that targeted social transfers (i.e. the TSA and the state allowance for children under 18) is particularly pro-poor, as the poorest income quintile receives 65% of the transfers. However, as these benefits are means-tested, this quintile should receive 100% of transfers, suggesting substantial leakage of benefits. This issue will be discussed in further detail below. The poorest income quintiles also receive the biggest share of all other transfer categories, receiving as much as 38% of state social allowances, suggesting pro-poor targeting for all transfer categories.

We now consider targeting effectiveness of poverty targeted transfers. This is somewhat tricky as this includes TSA and the means-tested state allowance for children

under 18. As we are unable to separate the two transfers we will assess the targeting error using both the TSA and the state allowance for children under 18 eligibility criteria. In other words, for the purpose of the targeting exercise, we are assuming that these two transfers are the same transfer and comparing them to the respective thresholds. TSA is provided to households with income below 40% of the subsistence minimum. Likewise, allowance for children up to 18 is provided to households below 60% of the subsistence minimum.

Figure 11 shows the targeting errors for means-tested social assistance benefits for the 60% cut-off. The exclusion error (the share of households receiving the transfer who are poor but who are not receiving the transfer) is extremely high at 97%, for the 60% cut-off (the exclusion error is 93% for the poverty 40% cut-off).¹³ In fact, out of the 330 households in the dataset who are eligible for the transfer (that is whose income is below the 60% eligibility threshold), 320 do not receive it. The inclusion error (the share of households who are not poor or eligible but do receive the transfer) is fairly low at 5% (6% for the 40% cut-off). At the same time, the number of households above the threshold who receive TSA (63 households) is higher than the number of households below the threshold (i.e. eligible households) who receive TSA (10 households).

Figure 11: Targeting errors for means-tested social assistance benefits



Note: Based on HBS 2009, based on the 60% of subsistence minimum threshold

High exclusion errors are not unusual in the delivery of social protection. International evidence suggest that exclusion errors in programme using proxy means testing tend to be quite high, and it is common for over half of

¹³ As we are combining beneficiaries for TSA and allowance under 18, the actual exclusion error will be somewhere between 93% to 97%.

eligible beneficiaries to be excluded from programmes (EPRI, 2011). For instance, based on the programme eligibility threshold, Brazil's *Bolsa Familia* in 2004 had an exclusion error of 59% and Mexico's *Oportunidades* had an exclusion error of 70% in 2004 (Soares et al., 2007). However, these examples should be examined with caution, as the degree of targeting accuracy depends on a number of factors, such as the choice of proxy measures to estimate income poverty, the strength of monitoring and information systems, and the degree of programme dissemination and outreach; these vary by context.

From the HBS analysis we conclude that there is a high exclusion error, which means that the majority of people below 40% and 60% of the subsistence minimum do not receive targeted social transfers, even though they are eligible for these transfers based on their household income level. That means some of the poorest individuals do not receive minimum income support to address their basic needs. The high exclusion error suggests that targeting effectiveness should be improved. In addition, the cut-off for TSA is extremely low (40% of minimum subsistence), which means that a large proportion of poor households is not eligible for minimum income support.

5.4 KEY FINDINGS

This section reviewed coverage and targeting effectiveness of social assistance. Three key findings emerge from the analysis.

Coverage of social assistance is generally pro-poor.

Almost half of households in the bottom income quintile receive a social transfer, compared with one in five in the top three income quintiles. Coverage is highest for the state social allowances and special state benefits: more than one in ten households receives one of these transfers. This means coverage for households facing specific

vulnerabilities, such as a disability or loss of a breadwinner (state social allowances), and mothers with many children, war veterans, and Chernobyl victims (special state benefits) is higher than coverage of social assistance for low-income groups. However, coverage is pro-poor – a greater share of households in the lowest income quintile receives a state social allowance or special state benefit. This could be explained by the fact that there is a higher concentration of individuals with these specific vulnerabilities in households in low-income quintiles.

Households across all income quintiles receive poverty-targeted transfers. However, **the inclusion error for poverty-targeted social transfers is rather small, while we find a large exclusion error.** The majority of the extremely poor do not receive minimum income support to address their basic needs, even though they are eligible for it based on their household income. The high exclusion error suggests that targeting effectiveness should be improved.

In terms of coverage of vulnerable groups, we see a mixed picture. Even though rural households face a greater risk of being poor, coverage of social assistance is higher amongst urban households. For other vulnerable groups, we see a more positive picture: coverage of households with heads that are out of the labour force or unemployed is higher than the national average – and these are groups that were identified to have a higher risk of being poor. Coverage for households with two or more children – a group identified as vulnerable – have above average coverage. These households have particularly high coverage of special state benefits, which include benefits for mothers with many children. Coverage of another vulnerable group – households with a member with a disability – is close to 100%. For this group, coverage is particularly high for state social allowances, which includes disability allowances.

6. Adequacy and poverty effects of transfers

This section considers the effectiveness of social assistance benefits in providing income support to poor and vulnerable individuals. We first show average amounts received by beneficiaries in different income quintiles and in different vulnerable population groups and consider the relative adequacy of transfers. We then show the poverty incidence of transfers – that is, the contribution of social assistance to household expenditure. The final sub-section will analyse the effects of social transfers, assessing to what extent social transfers reduce the poverty of recipients.

The analysis in this section will be based on the HBS 2009 data and will first be done for the different categories of benefits described in the previous section, as well as for all transfers combined. As before, the analysis considers coverage of both direct beneficiaries (individuals within households that receive the transfer) and direct and indirect beneficiaries (households that receive transfers). The HBS data analysis will be complemented by additional quantitative analysis.

6.1 ADEQUACY AND AMOUNT OF TRANSFERS RECEIVED

6.1.1 Average amounts received by expenditure quintile

This section shows average amounts of transfers received per month by beneficiaries in different income quintiles, as well as for different population groups that were shown to be vulnerable in the poverty analysis in Section 4. On

the whole, these findings do not demonstrate the extent of transfer generosity (which is the focus of the following section), but instead provide an illustration of average amounts of social assistance received by different income and population groups.

The first set of tables shows the average per capita amount received by direct and indirect beneficiaries. Starting with the population as a whole (the first column of Table 11), we see that, on average, households received KZT 1,737 in social transfers per household member. Those households that received state social allowances (e.g. loss of a breadwinner) received the highest amount on average: KZT 2,392 per household member on average. Households receiving housing assistance, special state benefits or other benefits received the lowest amounts on average.

When looking at the total social assistance benefits received by different income quintiles, we see a weak pro-poor pattern. Households in the lowest income quintile receive the highest amount (KZT 2,178), but households in the other four income quintiles receive similar amounts, with households in the middle income quintile receiving the lowest amount (KZT 1,449).

Looking at transfers with categorical targeting, we see a weak pro-poor pattern for state social allowances. The pattern for special state benefits favours higher income groups, with better-off households receiving higher amounts. However, this does not mean that these funds have

Table 11: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, per month

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total social assistance	1,737	2,178	1,607	1,449	1,700	1,596
Targeted social transfers	1,795	1,334	1,746	1,920	2,986	3,025
Housing assistance	1,698	1,617	1,546	1,526	2,005	1,641
State social allowance	2,392	2,788	2,248	2,067	2,136	2,484
Special state benefits	800	663	523	642	1,057	1,184
Other social transfers	823	826	844	660	767	927

Note: Income quintiles based on per capita household expenditure excluding social transfers; weighted by population weights

been misallocated as these transfers are targeted at specific groups that can be present in all income quintiles.

For targeted social transfers, there is a strong regressive pattern, with low-income households receiving much lower per capita amounts than households in the highest income quintile (KZT 1,334 and KZT 3,025 respectively). This is of concern since these transfers are poverty-targeted. However, these results need to be interpreted with caution as the total number of households receiving targeted social transfers is low (73 households), which could skew the findings. For housing assistance, there is not much difference between the quintiles, with only households in the second-highest income quintile receiving somewhat higher amounts.

The next table shows the amounts received by direct beneficiaries of the transfer (meaning the transfer level is per individual, not per capita). On average direct beneficiaries received KZT 7,428 and beneficiaries in households in the bottom income quintiles received the highest amounts (KZT 11,852). Beneficiaries in the households in the top income quintile received by far the lowest amounts on average (KZT 4,055). Similar patterns hold for all transfer groups, with beneficiaries in the top income quintiles receiving the lowest amounts for all transfers.

that even though some social assistance programmes take household size into account when setting transfer levels, on the whole social transfers are diluted and offer less support per household member in low-income households owing to their larger household size.

Coming back to indirect and direct beneficiaries and the amounts received by specific vulnerable groups (see Table A33-39 in Appendix 2), the following patterns emerge. By type of settlement we see that households in small towns and large cities (not including Astana and Almaty) receive the highest amounts of total social assistance. Households in rural households and Almaty generally receive the lowest amounts, but households in Almaty receive by far the highest amounts of targeted social transfers (KZT 4660, compared to the average of KZT 1,795). Across regions (Table A34 in Appendix 2), households in Pavlodarskaya region receive the highest amounts on average.

Female-headed households are less likely to be poor, but they may be vulnerable in other ways. They receive higher per capita amounts of social assistance overall and for all transfer categories (Table A35). This can be partly explained by the fact that female-headed households are smaller on average (by almost one member less), which in

Table 12: Average social assistance received by individuals within households (direct beneficiaries) in KZT, per month

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total Social Assistance	7,428	11,852	8,807	7,437	5,983	4,055
Targeted social transfers	4,593	5,422	3,706	4,532	3,673	3,500
Housing Assistance	3,298	5,813	3,637	3,354	2,818	1,931
State social allowance	12,542	14,316	12,433	11,918	11,305	10,574
Special state benefits	3,610	4,743	4,001	2,723	3,763	2,716
Other social transfers	2,799	5,321	3,578	2,758	2,881	1,992
Total population	743,566	168,269	98,109	119,354	169,138	188,696

Note: Income quintiles based on per capita household expenditure; weighted by population weights

On an individual level, then, we see a more pro-poor pattern of transfers, with poorer individuals clearly receiving higher levels of transfer. This seeming contradiction to household-level patterns can be explained by the fact that households in lower-income quintiles have significantly bigger households, on average, which means that when transfers are calculated on a per capita household level, these households have lower transfers per member. This means

turn indicates that a vulnerable group is receiving higher levels of transfers.

Looking at the household head's education level (Table A36), heads with no education at all receive by far the highest transfers (KZT 4,446). While this is only a small population group, this is a reassuring finding given that members of these households will find it particularly difficult to make a living in the labour market and have

been identified as particularly vulnerable. However, none of these households receive targeted social transfers or housing assistance. Households with heads with secondary vocational education receive the second highest amounts on average, closely followed by households with heads that have general basic education. Households with heads with university education receive the lowest amounts on average and for all categories of benefits, except for special state benefits and other social transfers, where they receive the highest amounts. In terms of other types of transfers, the patterns vary considerably. For instance, households with heads with higher vocational training receive the highest amounts of targeted social transfers, but households with heads that have general primary or basic education receive the highest amounts of housing assistance – another poverty-targeted transfer.

Looking at the household head's employment status (Table A37), households with heads that are students (a small population group) and heads that are out of the labour force (e.g. as they are housewives or have a disability) receive by far the highest amounts of social assistance on average (respectively KZT 4,677 and KZT 2,885 per capita, compared to the population average of KZT 1,737 per capita) and also the highest amount of social allowances. Households with self-employed heads receive the lowest amounts on average. Households with unemployed heads receive the highest amounts of targeted social transfers.

Households with more children receive lower amounts of per capita social assistance compared to those with no children, who receive the highest amounts (KZT 2,116). This is also the case for all groups of transfers. One possible explanation is that the benefit size of some social transfers are not adjusted to household size, which means that larger households receive less per person.

Finally, comparing households that have a member with a disability with ones that do not, we see that households with a member with a disability receive more than twice as much social assistance on average as households without a member with a disability (KZT 3,693 versus KZT 1,619 per capita). They also receive higher amounts for housing assistance and state social allowance (which includes disability transfers), but not for targeted social transfers, special state benefits and other social transfers, indicating effective targeting.

6.1.2 Adequacy of transfers received

The previous analysis shows how much individual and households received for different groups of transfers. What it does not show, however, is whether the transfers received are adequate. An adequate or effective transfer is one large enough to make a significant difference to household consumption.

The following analyses show how different transfers compare to a number of welfare thresholds. Benefits are not based on actual amounts received, but are instead based on official transfer levels, as outlined in the table in Section 3. In other words, we assume that households receive the full amount they are entitled to. These transfer levels are compared to these welfare thresholds: the official subsistence

minimum (prozhitochnyi minimum – PM), the food poverty line (40% of PM), gross domestic product (GDP) per capita, the official minimum wage, the average national wage and the minimum pension (see Box 1 in section 3 for the 2012/2013 value of these).

Before presenting the findings, it is important to note that social categorical transfers are not meant to cover the minimum subsistence gap. Their objective is to provide income support to address costs associated with household vulnerabilities. Therefore it is not appropriate to assess their adequacy on minimum income criteria. At the same time, the comparison provides an indication of the relative value of these transfers. It is also clear that for the population in the lowest quintiles these transfers are used to complement their income because of the low value of poverty-targeted social transfers. Therefore, although it is not the primary objective of these benefits to cover the poverty gap, their relative size has important implications for poverty reduction.

The first table shows the adequacy of state social allowances – specifically the state basic disability allowance and the loss of breadwinner allowance. The allowance due to loss of breadwinner is fairly adequate – depending on how many dependents they support, with the allowance being 90% of the subsistence minimum and 81% of the minimum wage with the loss of both parents. The state basic disability allowance covers more than 100% of the subsistence minimum and minimum wage (for beneficiaries with the highest level of disability). Hence it covers the amount that officially corresponds to basic need requirements (as per the definition of the minimum subsistence), but it is not clear if the transfer is sufficient in covering additional costs and needs related to disability.

Table 13: Analysis of adequacy of state social allowances

	State basic disability allowance		Loss of breadwinner allowance	
	Child<16	Child>16	One parent	Both parents
Subsistence minimum (PM)	142%	142%	66%	90%
Food poverty (40% PM)	355%	355%	165%	225%
GDP/ capita	15%	15%	7%	9%
Minimum wage	128%	128%	59%	81%
Average nominal wage	22%	22%	10%	14%
Minimum pension	125%	125%	58%	79%

Note: all measured on a monthly basis using the most recent data available (mostly 2013), assuming disability from birth, Level I disability

Source: Benefit levels (Table 2), PM, minimum wage, GDP/ capita, minimum pension and average nominal wage from website of Agency of Statistics

In terms of special state allowances, the allowance for families with many children covers about 51% of the minimum wage and 57% of the subsistence minimum. Its adequacy depends on how many other transfers the household receives. Since there are a number of other transfers for families with many children, their combined level is likely to be fairly adequate.

Table 14: Analysis of adequacy of Special State Benefits

<i>Families with many children</i>	
Subsistence minimum (PM)	57%
Food poverty (40% PM)	142%
GDP per capita	6%
Minimum wage	51%
Average nominal wage	9%
Minimum pension	50%

Note: all measured on a monthly basis using the most recent data available (mostly 2013)

Source: Benefit levels (Table 2), PM, minimum wage, GDP per capita, minimum pension and average nominal wage from website of Agency of Statistics

The next table considers the adequacy of social transfers for low-income families. The table shows quite clearly that the two transfers are neither adequate nor provide a transfer level high enough for a family to live on. For instance, the state allowance for children up to 18 provides 10% of the subsistence minimum for households with one child and less than 41% for households with four or more children, so clearly not enough to live on. Likewise, targeted social transfers for an average family account for only 10% of the minimum wage.

Finally, we come to transfers for families with children. These three transfers are relatively more adequate. The birth grant provides households with a lump-sum benefit between three and five times the subsistence minimum (depending on whether it is the first or fourth child), which will be helpful to parents in purchasing some of the clothes and other goods young children need. The universal child benefit is between 51% and 79% of the minimum wage, and while this is higher than some of the other transfers it is clearly not high enough to replace the mother's earnings (if she was working before having the child). However, working mothers are also likely to receive maternity benefits through social insurance (not covered in this study). Likewise, the benefit for parents/guardians caring for children with disabilities is relatively more adequate, accounting for 100% of the minimum wage.

The calculations show that the transfer level of universal transfers (the birth grant and the benefits for children <1) is more generous than that of targeted transfers.

Table 15: Analysis of adequacy of Social Assistance for low-income groups

# children	1	2	3	4	
	<i>State allowance for children<18</i>				<i>TSA</i>
Subsistence minimum (PM)	10%	21%	31%	41%	11%
Food poverty (40% PM)	26%	51%	77%	103%	29%
GDP per capita	1%	2%	3%	4%	1%
Minimum wage	9%	19%	28%	37%	10%
Average nominal wage	2%	3%	5%	6%	2%
Minimum pension	9%	18%	27%	36%	10%

Note: all measured on a monthly basis using the most recent data available (mostly 2013)

Table 16: Analysis of adequacy of transfers for households with children

# children	1-3	4	1	2	3	4	
	<i>Birth grant</i>		<i>Benefit for children <1</i>				<i>Benefit for parents caring for children with disabilities</i>
Subsistence minimum (PM)	309%	515%	57%	67%	77%	88%	111%
Food poverty (40% PM)	772%	1287%	142%	167%	193%	219%	277%
GDP per capita	32%	53%	6%	7%	8%	9%	11%
Minimum wage	278%	464%	51%	60%	70%	79%	100%
Average nominal wage	48%	79%	9%	10%	12%	13%	17%
Minimum pension	272%	454%	50%	59%	68%	77%	98%

Note: all measured on a monthly basis using the most recent data available (mostly 2013)

Source: Benefit levels (Table 2), PM, minimum wage, GDP per capita and average nominal wage from website of Agency of Statistics

6.2 POVERTY EFFECTS OF TRANSFERS

6.2.1 Contribution of social assistance to household consumption

This section looks at the contribution of social assistance to household consumption using two different indicators. This means that we look at the contribution of transfers to the consumption of households.

Table 17 shows the total transfer amount received by a group as a share of the total consumption aggregate of that income quintile. For the population as a whole, social assistance accounts for about 2.5% of total consumption of households, but for the poorest income quintile it accounts for close to 7.6%. For the richest fifth of households, social

assistance accounts for less than 1% of consumption. This shows that social transfers make up only a small share of households' budgets on average, but make up a bigger share of poor households' budgets. Targeted social transfers account for less than 0.5% of households' budgets (even for those in the bottom income quintile). State social allowances account for about 1.6% of households' budgets (and 5% for the bottom income quintile).

The next indicator is quite similar and measures the mean share of social assistance in each household's consumption, by income quintiles (only for those households that do receive any form of social assistance). In total, social assistance accounts for about 11% of household consumption. However for households in the poorest

Table 17: Share of social assistance in quintile level consumption

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total Social Assistance	2.5%	7.6%	2.8%	2.1%	1.4%	0.9%
Targeted social transfers	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%
Housing Assistance	0.1%	0.2%	0.1%	0.1%	0.1%	0.0%
State social allowance	1.6%	5.0%	1.8%	1.4%	0.8%	0.5%
Special state benefits	0.5%	1.2%	0.6%	0.4%	0.3%	0.2%
Other social transfers	0.3%	0.9%	0.3%	0.3%	0.2%	0.2%

Note: Income quintiles based on per capita household expenditure excluding social transfers

income quintile it accounts for double this amount and for the richest fifth of households, it accounts for about 5% of expenditure. Once again, this shows that social transfers make up a much bigger share of poor households' budgets. For households receiving targeted social transfers, which is a small sub-sample of overall recipients, targeted social transfers account for 13% of households' budgets (and

numbers see Table A40 in Appendix 2). The figure clearly shows that transfers do have an effect – albeit small - on poverty levels, but to a variable degree for different groups of transfers. The poverty headcount would be 2.5% points higher without any social transfers if households did not replace any lost social assistance income. Out of all transfer groups, state social allowances have the biggest effect in terms of reducing

Table 18: Share of social assistance in household consumption

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total Social Assistance	10.7%	19.6%	10.9%	8.4%	7.5%	5.0%
Targeted social transfers	13.4%	15.8%	10.8%	11.6%	11.0%	8.9%
Housing Assistance	9.8%	15.9%	11.4%	9.3%	9.5%	5.5%
State social allowance	15.5%	24.6%	14.9%	11.7%	9.7%	8.0%
Special state benefits	4.8%	6.5%	4.1%	3.9%	4.9%	3.9%
Other social transfers	4.3%	8.3%	6.1%	3.7%	3.3%	2.7%

Note: Income quintiles based on per capita household expenditure excluding social transfers; weighted by population weights

slightly more for those in the bottom income quintile). Social allowances account for about 15.5% of the budget of households receiving them (and close to a quarter of the budget for households in the bottom income quintile).

6.2.2 Effects of transfers on poverty

So what would happen to household's poverty levels if they did not receive a transfer? The following two tables simulate what would happen to households' poverty headcount and the poverty gap in the absence of the social transfers, using a sensitivity analysis.¹⁴ One way of measuring the possible impact of the social assistance programmes is to subtract the benefits from the household income and analyse the resulting effects on the poverty rate and the severity of the poverty. However, a loss of the benefits is likely to result in substitution strategies to make up for the lost income (e.g. employment income, transfers from family and friends). Therefore, we calculate different scenarios in which the beneficiaries would be able to compensate for the loss of the transfers at five levels, ranging from complete substitution to no substitution.

Figure 12 below shows the simulation of the absence of transfers in the poverty headcount of households (for specific

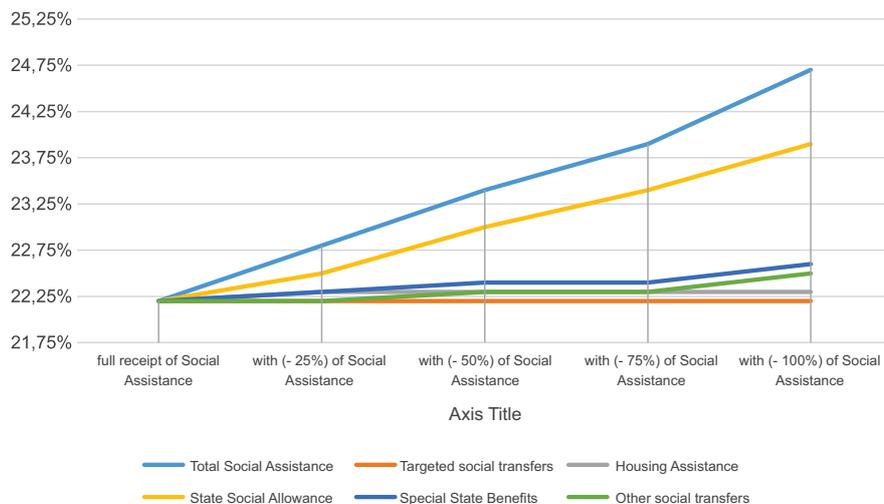
poverty levels. Targeted social transfers and housing assistance on the other hand, have little effect on poverty levels.

Table A41 in Appendix 2 simulates the absence of social assistance on the depth of poverty. Poverty is also deeper without social transfers. If households are unable to compensate for lost social transfers, the depth of poverty is about one percentage point higher. However, the depth of poverty does not increase in all cases. For instance, the poverty gap even decreases when households do not receive state social allowances. We saw in the previous table that the decrease of the state social allowance benefits pushes more people below the poverty line. Apparently they are only pushed just below the poverty line, however, which results in a decrease of the average poverty gap.

We also simulated the effect of the absence on transfers on households with or without children. This is shown in Figures 13 and 14 below. The figures show, as we already know from section 5 above, that households without children have a much lower poverty headcount (almost 27 percentage points lower). Figure 13 shows that for households without children, as for the population as a whole, the poverty rate only increases by 2.5 percentage points if these households do not receive any social transfers and are unable to substitute the lost income. Targeted social transfers, housing allowance, special state benefits and other social transfers have even less of an effect on simulated poverty rates than for the population as a whole.

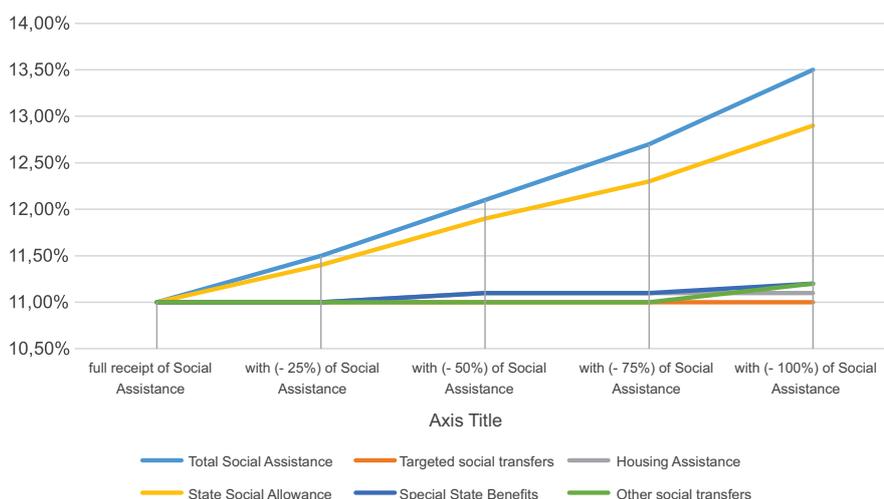
¹⁴ It should be noted that this is just an indication of possible effect: for actual impacts of social transfers an econometric impact analysis would have to be conducted.

Figure 12: Effects of transfers on the poverty headcount



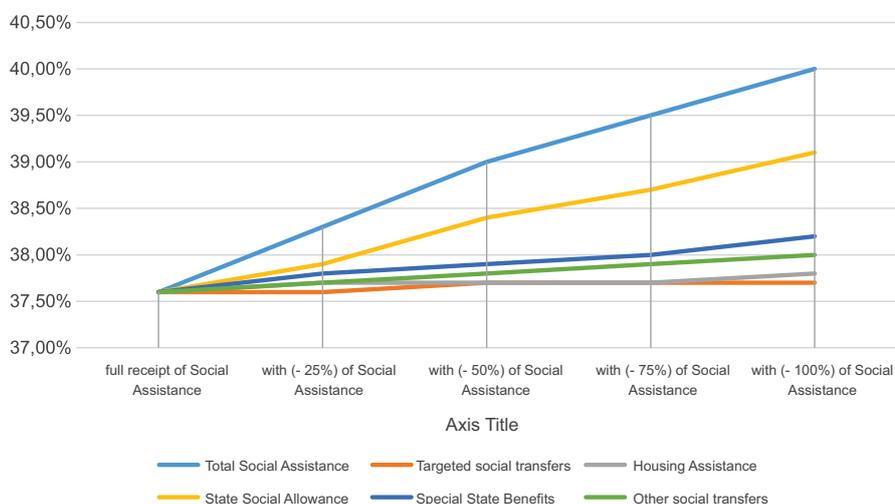
Note: Own simulations based on HBS 2009

Figure 13: Effect of transfers on the poverty headcount (households without children)



Note: Own simulations based on HBS 2009

Figure 14: Effect of transfers on the poverty headcount (households with children)



Note: Own simulations based on HBS 2009

For households with children (Figure 14), the increase in poverty in the absence of transfers and without any substituted income is also modest (only a 2.4% increase). However, some of the transfer groups appear to have a somewhat stronger effect on reducing poverty. This includes state social allowances, but to some extent also special state benefits and other social transfers. Again, we see that the poverty-targeted transfers have minimal effects on poverty, which can be explained by their low numbers of recipients, which means these transfers have minimal effects on the total poverty rate.

6.3 KEY FINDINGS

This section considered the adequacy and poverty effects of transfers. Here we draw out the key findings from the analysis.

The analysis on the amounts of transfers received does not demonstrate the extent of transfer generosity, but instead provide an illustration of the average amounts of social assistance received by different income and population groups. A complicated picture emerges: on the one hand, **households in the lowest income quintile receive higher amounts of total social assistance per capita, although these are only slightly higher than the national average.** However, this picture holds only when we consider all benefits combined, and the situation is different when looking at poverty-targeted social transfers. More specifically, households in the higher quintiles receive higher amounts of poverty-targeted social transfers without being eligible for them.

A somewhat different picture emerges when looking at transfer amounts received by individuals: at an individual level we see a more pro-poor distribution pattern, with poorer individuals clearly receiving higher levels of transfers. This seemingly contradicts the pattern we found in the analysis at the household level, but it can be explained by the fact that

households in the bottom income quintile have significantly bigger households, on average. This means that even though some social assistance programmes (e.g. TSA) do take household size into account when setting transfer levels, *on the whole*, social transfers are diluted and offer less support per household member in low-income households owing to their larger household size.

The analysis also considered the adequacy of different kinds of transfers. The **transfer level of universal transfers is more generous than that of targeted transfers.** Average transfer levels of TSA are not high enough to cover the basic subsistence needs of beneficiary households.

The analysis also considered poverty incidence, where we consider the relative contribution of social assistance to beneficiary households' budgets. On the whole, **social transfers make a small contribution to beneficiary households' budgets.** For the population as a whole, social assistance accounts for about 2.5% of household's budgets; for households in the lowest income quintile it is 7.6%. Social assistance for low-income households makes the smallest contribution to households' budgets owing to low transfer levels.

Finally, the analysis considered what would happen to households' poverty levels if they did not receive transfers. **Social transfers do have an effect – albeit small - on poverty levels, but to a variable degree for different groups of transfers.** For all social transfers combined, the poverty headcount would be 2.5% points higher without social transfers, and if households would not replace the lost social assistance income. State social allowances have the biggest effect in terms of reducing poverty levels, particularly on households with children because of their higher benefit levels. Targeted social transfers and housing assistance on the other hand, have fairly small effects on poverty, as would be expected considering the low transfer levels and low numbers of beneficiaries.

7. Adequacy of transfers: Beneficiary perspectives

The qualitative assessment shows that the existing transfers are insufficient to meet the primary needs of children in families with low income. Table 19 shows the types of transfers received by the participants of focus groups discussions and the beneficiaries' estimates of the average monthly and quarterly amounts they received. Most respondents acknowledged the importance of transfers for their families, but at the same time stated that the transfers were not adequate to fully cover the basic needs of their children.

Transfers were typically spent on food, utilities or debt repayment. The respondents' families in South Kazakhstan appeared to struggle especially addressing food, clothing and medication needs. They often bought food and clothes 'on credit' (i.e. borrowed) and repaid their debt when they received their transfers. This pattern is not surprising considering that the overall level of socio-economic development in rural South

Kazakhstan is lower than that in Astana and to some extent in Semey. The rural population is generally poorer due to high fertility and the lack of jobs in rural settlements.

Nearly all respondents' families faced difficulties in providing their children with a nutritious diet to ensure their adequate physical development. Their children were reported as having an unbalanced diet, mostly relying on carbohydrates, such as pasta, bread and cereals. Their parents could not afford to buy more expensive products such as beef, dairy products, fruit and vegetables on a regular basis. Residents in South Kazakhstan managed to meet their needs in fruit and vegetables in the summer by consuming those grown in their own gardens, but they consumed far less in winter. Parents were concerned that as a result of poor diet their children did not get enough of the vitamins, minerals and proteins needed for their development.

Table 19: Types and amounts of transfers received by the focus group participants

Transfer type	Astana	Semey	South Kazakhstan
Birth grant	KZT 48,540 for the first child; up to KZT 80,900 for 4+ children		KZT 45,000
Benefit for children under one	KZT 13,000-15,000	KZT 8,800-9,000	KZT 12,000
Guardianship Monthly allowance		KZT 15,000	KZT 15,000-16,000
State basic disability allowance	KZT 36,000	KZT 34,000-36,000	KZT 36,000
Benefit for parents caring for a child with a disability			
Transfers for children educated at home	KZT 10,000 per quarter		
State allowance for children under 18	KZT 1,500 per child	KZT 1,645 per child	KZT 9,000-18,000 per quarter
TSA	KZT 13,000-17,000	KZT 11,000-17,000	No recipients
Transfers for families with many children	KZT 6,500	KZT 6,400-6,500	KZT 6,400-6,500
Transfers for mothers with many children	KZT 9,880		KZT 9,880
Loss of breadwinner allowance		KZT 20,000 (for 2 children)	KZT 11,800-20,000
Housing Assistance		On average KZT 5,000-6,000 per quarter	

Note: Most estimates are monthly, except for the lump-sum birth grant and those specified as quarterly.

Below are more specific examples of the household priority needs and the usage of benefits by the beneficiaries of different transfer programmes, including those receiving the state allowance for children under 18, the benefit for families with many children, and the state basic disability allowance.

For beneficiaries of the state allowance for children under 18, the estimated average monthly food expenses were in the range of KZT 15,000 to 25,000. The recipients complained that the amount of their transfers was limited and was not enough even to support their food consumption. Here are some quotations from beneficiaries:

We spend everything on food and it is only enough for one day. (I, Focus group discussion (FGD) 2, Astana)

1,500 tenge is enough to visit the store once. (Marina, FGD 2, Astana)

Impossible to buy any other things, not to mention services. It doesn't even cover the transportation costs. We are treated like second-class citizens and it's frustrating ... Prices just keep getting higher and higher. Electricity, water, medication, clothing, and food. But transfers are not enough to pay for everything. It looks like the transfers are just there to save you from dying from hunger. (Gainiy, FGD 2, Astana)

Average monthly food expenses in families with many children were estimated at KZT 40,000. Families in South Kazakhstan were only able to afford to buy fruit, meat, fish, sausages, cheese and milk products for a few days when they received the transfer. Many respondents there reported that they bought food products 'on credit' and used their transfers to repay the debt later.

Five days at most. We live with no meat during the rest 25 days. We then buy chicken or chicken soup cubes instead of meat. (S, FGD 1, South Kazakhstan Region)

In the first place, we need to pay back our debts and then we buy food and pay for utilities. (A., FGD 1, South Kazakhstan Region).

We go to a grocery store as soon as the money arrives. Even the children know that it is the day when the money comes and they join us to visit the store. We give back what we borrowed, we buy grocery and sometimes we may afford to buy sweet things for kids. (A, FGD 1, South Kazakhstan Region)

The transfer [Kumys Alka] is 9,800 tenge. You can only buy one thing – 4 bags of flour or 8 kg of meat. And then you just sit quietly because you have no money left. Or you can do it the other way. On average, you need at least 30,000 tenge to feed your family and the transfer is only 9,800 tenge. So it means that we have to borrow to feed our kids. (Roza, FGD1, South Kazakhstan Region)

Average monthly food expenses for families with children with a disability were estimated at KZT 60,000-70,000 in Astana, KZT 25,000-30,000 in Semey, and KZT 30,000-40,000 in South Kazakhstan. The transfers were only sufficient to support the food needs of children with a disability, but were not adequate for spending on other

needs. Usually, these families prioritised the needs of a child with a disability, who was given the best available meal several times a day. Other children were restricted in the choice and quantity of food they were given.

It is only enough to buy him some food ... It is not enough to buy expensive products like meat and butter. Tell those rich men in Astana that our kids are starving! (G, FGD 3, Astana)

The respondents across all transfer groups experienced difficulty in providing their children with clothing and footwear. They ranked expenses on children's clothes and shoes as the second highest after food. The respondents estimated the money required for clothing at KZT 100,000 to 120,000 a year, and for shoes at KZT 20,000 to 70,000 a year. Most parents could not afford good quality clothes and shoes. Children tend to wear cheap and low quality clothes. Poor families are often compelled to buy clothes 'on credit' to get their children ready for school or winter and they repay their debt later. Most often, siblings wear the same clothes and shoes one after another and older children wear parents' clothes and shoes. People have difficulties buying sports and holiday wear; most children have one set of clothes to wear at all times. Families in Semey bought clothes and shoes for their children in second-hand stores. Families with many children in South Kazakhstan borrowed money to buy clothes and shoes, as the following quote indicates:

We try not to let the situation get to where children have no shoes; when we have no money we even borrow second-hand clothes. For instance, this year we had this situation when we bought second-hand boots on credit for our son. However, we are still unable to repay it. (A., FGD 1, South Kazakhstan Region)

Expenses on clothing for children with a disability were lower since they did not attend school and rarely left home. The priority items included underwear, jumpers and trousers. Some families in South Kazakhstan did not buy new clothes for their child with a disability and used second-hand clothes.

The respondents had difficulty in covering the cost of housing maintenance and utility charges. The respondents estimated the required housing maintenance costs (small repairs and other monthly expenses) at KZT 7,000- 25,000 a month and utility payments at KZT 8,000-14,000 a month. They ranked them as the third highest on the household expenses ranking scale. Some families heated their homes with coal and spent up to KZT 40,000 to buy it. Utility costs in families with children with a disability were higher since their children's condition posed additional requirements. For example, they incurred greater utility costs as they needed more warm water for bathing and used more heating for keeping rooms warm.

The cost of medicines also imposes a substantial burden. The respondents estimated their average monthly expenses at KZT 5,000. Under the Guaranteed Free Medical Care Package, children under 18 are entitled to free

medicines. However, parents seldom exercised this right due to low awareness levels, reluctance to visit a doctor for a prescription and other reasons. In South Kazakhstan, respondents used traditional remedies and only bought medicines ‘on credit’ in case of serious illnesses.

Parents prioritised spending on the needs of their child with a disability in medicines, health care services and vitamins. For some children with a disability medicines were provided for free; nevertheless, parents still had to buy some of the required medicines themselves. Having paid for medicines for a child with a disability, they were often unable to fully cover the medicine needs of their other, healthy children. Children with a disability are required to undergo a general medical examination once a quarter. This costs KZT 18,000 to 20,000, and families in rural areas incur additional transportation costs. For example, a family with a child with a disability residing in Semey or South Kazakhstan spends between KZT 50,000 and 140,000 to undergo a medical examination in Almaty or Astana. Some children with a disability were required to travel to Russia for specialised treatment not available in Kazakhstan, but parents did not have money to finance the travel.

Families with many children in Astana did not have any transportation costs and received bus passes, while in Semey and South Kazakhstan transportation costs were high and children walked to school to save money. For example, one respondent said:

We give 70 tenge to our eldest son every day to get a bus to school; he walks back home. (Balkiya, FGD 1, South Kazakhstan Region)

In some families with children with a disability transportation costs amount to KZT 3,000 a month. It is not always possible for a child with a disability to use public transport as they get tired while waiting for a bus, and parents are compelled to use a taxi.

Organising children’s leisure time is also costly. Children in low-income families cannot afford to go to the theatre or cinema and to buy books. Treatments at health resorts or sanatorium or holidays in a camp are too costly for their families.

Participants in focus group discussions were asked to estimate the amount of cash transfers they required to address the most pressing problems of their children. The respondents estimated that the amount of the State Allowance for Children under 18 should be from KZT

15,000 to 25,000 depending on the child’s age to support their needs. Older children have greater needs and require more. The recipients of the Benefits for families with many children believed the transfer ought to be at least KZT 10,000 to feed a teenager and around KZT 5,000-6,000 for younger children. The minimum transfer for children with a disability in Astana should be KZT 70,000, and in South Kazakhstan KZT 50,000.

The qualitative study sought to assess the extent to which low-income households could rely on social and community networks for support. More than half of the sampled families of the state allowance for children under 18, the benefit for families with many children and the state basic disability allowance received some form of social support, including support from relatives (mainly second-hand clothes, shoes and food). Some respondents in Astana received gifts on the occasion of holidays from businesses as well as clothes and free cultural events organised by charitable NGOs. Considerable support was provided by schools, which offered free hot meals and clothes.

Social support provided an important source of income and complemented income from other sources, including social transfers. Yet as the beneficiary accounts suggest, even with the support from social and community networks, they were unable to fully meet their basic subsistence needs. Some 23 respondents did not have any social support, mostly due to the limited resources of their relatives and other persons in their social networks. For these families, social transfers were the only means for sustaining their livelihoods.

7.1 KEY FINDINGS

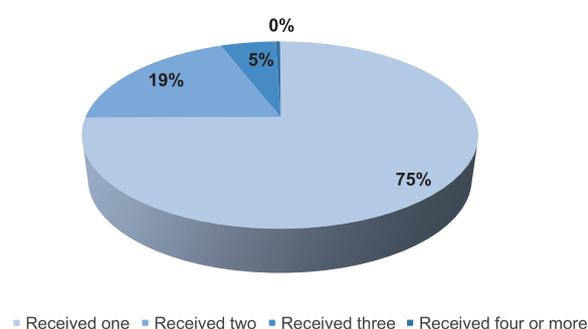
The findings of the qualitative assessment corroborate quantitative results suggesting that transfers were not sufficient to enable low-income families to meet the needs of their children in full. The beneficiaries acknowledged that social transfers made an important contribution to their household budget and helped them address the priority needs of their children. However they still did not have enough money to buy a variety of food items to ensure a balanced diet for their children; they could not afford new, high quality clothing and shoes; and they struggled to meet the cost of medicines, basic utilities, transport, and leisure activities. The respondents in South Kazakhstan were especially pressed and often incurred bought food, clothing and medicines ‘on credit’.

8. Multiple transfer receipt

This section analyses multiple transfer receipt. As the HBS 2009 data does not allow us to measure individual transfers, we cannot assess how many households receive more than one type of transfer. Instead, we can look at multiple grant receipt for the groups of transfers outlined above. In this section we look at the incidence of multiple grant receipt, the correlation between different groups of transfers and the characteristics of households receiving multiple groups of transfers.

Figure 15 below shows the share of households receiving multiple groups of transfers. The vast majority of households – 74.8% - received just one group of transfers.¹⁵ Close to one-fifth of households received grants from two groups of transfers (19.4%) and few households received transfers from three or four or more groups (5.4% and 0.4% respectively). This shows that the incidence of multiple grant receipt across groups of transfers is low.

Figure 15: The share of households receiving multiple groups of transfers



Note: Based on HBS 2009

We are also interested in the combinations of groups of transfers that households tend to receive together. This is what table A24 in Appendix 2 measures – it shows the share of households receiving transfers from one group, receiving transfers from another group. The highest joint receipt is for state social allowance and special state benefits: 4% of all households receive these two.

Less than 1% of targeted social transfers and housing assistance beneficiaries receive any other benefit. For other transfers, we have similarly low shares of households receiving a combination of two transfers.

Finally, we can also look at the characteristics of households that receive multiple groups of transfers. Tables A25-32 in Appendix 2 show that households receiving multiple groups of transfers tend to have the following characteristics on average:

- Households in the poorest income quintile are more likely to receive transfers from two or three groups (26.6% and 7.8% respectively).
- Urban households are somewhat more likely to receive transfers from two groups of transfers than rural households (23% and 19% respectively).
- Households with unmarried heads and female heads are more likely to receive two groups of transfers, a finding that is in line with the higher levels of coverage of those groups shown above.
- Households with heads that have no education are most likely to receive three groups of transfers (15% of the group do). However, as was explained above, both of these groups have a small sample size, so the findings need to be interpreted with caution.
- Households with heads who are out of the labour force or retired are more likely to receive two groups of transfers (33%). Households with heads who are out of the labour force are by far most likely to receive three groups of transfers (27% of the group do).
- Households with five or more family members are more likely to receive two or more groups of transfers. This makes sense given that there are a number of transfers targeted specifically at large families.
- We see the same pattern for the number of children. Households with three or more children are more likely to receive transfers from two and three or more groups of transfers (41% and 9% respectively) than households with fewer or no children. Again this is because there are a higher number of transfers targeted at families with children.

Does receiving multiple transfers ensure sufficient income to fully meet basic subsistence needs? Some focus group participants received several transfers at a time. In particular, some recipients of the state allowance for children under 18 received TSA and housing assistance, and the beneficiaries of transfers for families with many children received the state allowance for children under 18.

The respondents reported that the receipt of multiple transfers did not substantially change their living standards. The combined amount of transfers was still not enough to satisfy children's primary needs. A quote from Astana sums up a common view:

Two types of allowances are not enough to resolve all problems. (M, FGD 2, Astana)

Nevertheless, they acknowledged that the receipt of several transfers provided an important contribution to their family budget.

¹⁵ These households could still be receiving multiple transfers within that category, e.g. a number of special benefits, but our data is unable to measure this.

I receive two types of allowance: large family allowance and allowance for children under 18. Life is hard, the money is never enough, but my income is a bit higher than of those who receive just one allowance. (G, FGD 2, South Kazakhstan Region)

It is a support for us, even though this is just like a pocket change. (G, FGD 1, South Kazakhstan Region)

If a family loses even one of the transfers, it will have huge impact on a family budget, as reflected in the following quotations by the respondents in South Kazakhstan:

If we lose one type of allowance, life would be very hard. (T, FGD 3, South Kazakhstan Region)

If they cancel any transfers we will go on strike, otherwise we won't be able to survive. (U, FGD 2, South Kazakhstan Region)

I don't even know, probably, I will have to send them to a state orphanage. (E, IDI 3, Astana)

8.1 KEY FINDINGS

The analysis in this section considers whether households received transfers from two or more groups of transfers. **On the whole multiple transfer receipt between groups of transfers is uncommon** (75% of households only receive transfers from one group), **but households identified as vulnerable are more likely to receive multiple transfers.** These include households in the poorest income quintile, households with heads that are out of the labour force and households with children. The qualitative analysis confirms that vulnerable households who receive multiple transfers find it relatively easier to make ends meet compared with those receiving only one transfer. However, even when transfers are combined they are often still not adequate to meet the needs of a household's children fully.

9. Balancing household subsistence needs and child well-being

One of the main conclusions of the analysis of social transfers in Kazakhstan is that poor families often lack the means for basic subsistence. The minimum subsistence benefits (the TSA and state allowance for children under 18) do not provide effective support to low-income households due to low coverage and limited adequacy. They cover only a small share of poor households; those who are covered only receive limited assistance.

There are several reasons for this. One is the high exclusion error. As showed earlier, the majority of poor households did not receive targeted social transfers. This refers to those below the 40% of the minimum subsistence threshold and those below the 60% of the minimum subsistence threshold.

Another reason is the extremely low threshold for the means-tested TSA benefits. This makes many poor families ineligible for minimum income support. The TSA 40% of minimum subsistence threshold is low and leaves out a significant share of households who exceed the 40% cut-off but who are nevertheless poor and require social assistance.

Poor households who are not eligible for the TSA – but who are eligible for the state allowance for children under 18 – do not receive enough assistance through this allowance to cover their subsistence needs. The State Allowance for Children is a minor and insignificant part of the household budget. Unlike TSA, its objective is not to guarantee minimum income; rather, it is designed to cover extra costs of children in low-income households.

A third reason is that the low value of the targeted social transfers, such as the TSA and state allowance for children under 18, is not adequate to enable poor households to fully meet their basic needs and to lift them from poverty.

As poor households receive limited subsistence support through targeted social transfers, they tend to utilise transfers aimed at addressing specific vulnerabilities of their children. Thus, transfers to support the needs of children with disabilities, or the extra cost of caring for a child with a disability, are often spent on basic subsistence needs of a family in the absence of other substantial sources of income. Similarly, the benefit for families with many children is spent not only on children, but the whole family.

For example, for all 27 respondents of the qualitative assessment, disability transfers and care allowance for children with a disability formed a significant part of the household income (about 70-80%). Virtually all mothers

were unemployed. In only a third of these families did men receive some earnings through irregular employment.

These social categorical transfers, however, are not designed to provide minimum income support and are not sufficient to cover basic needs. For example, some beneficiaries of the Benefits for Families with Many Children said they had limited means for basic subsistence and used their transfer to support their basic needs. These transfers were very important for them, but they only covered 10-20% of children's needs. Families could not fully meet their nutrition needs and, in particular, they could not afford to buy meat, fruit, sausages, cheese and sweets. The money was not enough for clothing, medication and medical treatment.

The design of the TSA means test contributes to this problem. The TSA is awarded following a stringent means test that considers income from other transfers as part of the household's income. This implies that the design of the TSA means test presupposes that beneficiaries should use other transfers for addressing the household's minimum subsistence needs. To take this point further, the design of the means test may also prevent poor households from being eligible for TSA if they are receiving other social transfers that take their total household income above the (low) TSA threshold.

The respondents in the qualitative study considered it unfair that the state basic disability allowance and the benefit for parents/guardians caring for children with a disability were included in household income for the means test. As a result, they were not eligible for poverty-targeted benefits to support their basic needs. In reality, their families were compelled to spend these transfers on their minimum subsistence needs, thus reducing the amount available to support the specific disability-related needs of their children.

My husband is disabled so they made their calculations and said our household income doesn't meet the criteria. (G, FGD 4, Astana)

We receive disability transfers for our child and they tell us we exceed the requirements. No one cares that we incur many more expenses. (V, FGD 4, South Kazakhstan)

No, this money is never enough. We get very little allowance. Tell the deputies [members of parliament] not to include the disability pension, the attendance allowance in the family income. If this money is not included in the income, we would also receive poverty relief assistance. Then we would spend the disability allowance only for the personal needs of the child with a disability. (K, FGD 3, South Kazakhstan)

Similarly, the means test for one family included their daughter's stipend as a result of which they did not receive their TSA benefit. This effectively meant that the family was compelled to use cash designated for their daughter's needs for family needs.

My child goes to college. Her stipend was also considered and as a result we exceeded the limit. (G, FGD 4, South Kazakhstan)

According to the *Law on Public Social Transfers for Disability, Breadwinner Loss and Age*, people who are eligible for different transfers may be provided with only one transfer of their own choice. For example, claimants are not entitled for both the loss of breadwinner allowance and state basic disability allowance and they have to choose only one transfer when applying.

Support from family networks is often taken into account when accruing the allowances. Parents of older children emphasised that if their relatives paid for their child's college studies, their family would lose their children's allowances. So the parents have to choose the allowances that feed their children, thus preventing the education of an older child.

Another issue is that some transfers are not adjusted according to the number and age of children. For example, the Benefits for Families with Many Children do not take into account the number of children in the household and their age. The respondents suggested that these transfers do not consider the fact that needs of children are different depending on their age and that the household expenses associated with these needs increase as children grow older.

9.1 KEY FINDINGS

The findings of the quantitative and qualitative analysis suggest that the minimum income benefits do not provide adequate support to poor and vulnerable families and their children; due to insufficient coverage and low benefit levels. This in turn undermines the objectives of other transfers as households divert them for meeting their basic subsistence needs. The design of the TSA means test compounds this problem as it considers income from other transfers (as well as support from family networks) as part of the household income subject to the means test. As the overall value of transfers is low, reliance on benefits in general does not ensure that basic needs have been fully met. 10.1 Life cycle vulnerabilities and social assistance

10. Benefit adequacy: Lessons from international practice

10.1 LIFE CYCLE VULNERABILITIES AND SOCIAL ASSISTANCE

It is a significant achievement that social protection in Kazakhstan has been institutionalised and is a major pillar in government policy. The analysis of social transfers in Kazakhstan in this report demonstrates that there are institutional arrangements in place for income redistribution and social support. The social assistance system in Kazakhstan seeks to support individuals facing life cycle vulnerabilities.

The principle of ‘life cycle vulnerabilities’ has an important role in the social protection systems in most OECD countries. The term life cycle reflects the sequencing of **age stages** from birth to death (Cain, 2008). It also refers to the different **life stages** that often bring different individual status and circumstances, which are not necessarily related to chronological age. These include for example becoming unemployed, being widowed, becoming a single mother, or acquiring a disability. The principle of life cycle vulnerabilities is thus based on the notion that individuals at different age and life stages during their life course may experience different risks and may have different needs. Social protection offers support to enable these individuals to mitigate or prevent these risks.

The existing social transfers in Kazakhstan have different objectives. They intend to support children and their families by ensuring minimum income for those experiencing loss of employment and having limited income (TSA and the state allowance for children under 18). They offer income support to cover costs associated with specific vulnerabilities, such as disability, lack of parental care, and increased child care responsibilities. They also seek to support family and motherhood by offering assistance to families with many children and mothers with many children. The universal birth grant aims to compensate costs associated with child birth while the benefit for children under one seeks to replace the income mother lose due to childcare. The transfers have important objectives, but the question is whether they offer meaningful support to the poor and vulnerable.

The analysis of social transfers suggests that these arrangements do not adequately protect children in poor and vulnerable households. In particular, this relates to support that helps beneficiary households (1) maintain an adequate level of well-being and (2) address their vulnerabilities, such as those related to age-specific developmental needs, health status and disability.

The existing support for poor families through poverty-targeted and other benefits in Kazakhstan is low. Social transfers are not adequate for ensuring that all subsistence needs are met. This is true even for families who receive more than one transfer. Poor families with children tend to use their child transfers for sustaining their households’ basic livelihoods. This undermines the effectiveness of these transfers for supporting children with specific needs, including those with disabilities.

In most OECD countries, the existing social protection arrangements ensure that individuals are able to maintain basic income security and at the same time offer support to deal with specific life cycle related risks and vulnerabilities.

First, the existing social insurance arrangements, such as unemployment benefits and pensions, play a key role in reducing poverty.

Second, means-tested benefits are used to support individuals and families who are unable to derive sufficient income support from the labour market and social insurance arrangements. In particular, nearly all OECD countries have **minimum income support schemes**, which ensure an adequate level of income for a person or family. Examples include the Income Support programme and Jobseeker’s Allowance in the United Kingdom, Unemployment Benefit II in Germany, the Work and Social Assistance Act in the Netherlands, and the Social Assistance scheme in Sweden.

Third, the level of these benefits is set so as to cover basic subsistence needs of all household members.

Finally, social assistance schemes provide support for addressing household vulnerabilities by incorporating additional costs in the benefit structure of minimum income support schemes and/or coordinating them with other social assistance transfers.

Let us consider relevant examples from international practice that offer useful lessons for addressing the main bottlenecks in the social assistance system in Kazakhstan.

10.2 BENEFIT STRUCTURE

The determination of total benefit amounts in OECD countries usually takes into account the **size and composition** of households and other vulnerability factors (Peña Casas, 2005). It is set at its basic level starting from individual basis and then takes into account household composition. This is done by adding specific amounts for each member of the household according to their situation and/or age, or by modulating the basic single rate

by a household size and composition coefficient, using equivalence scale. Household expenses for children are factored in the calculation of minimum subsistence costs; they are also often covered through additional transfers (e.g. birth grant, child care support and others).

Minimum subsistence benefits may include **premiums** for individuals experiencing specific vulnerabilities. Thus, many social assistance schemes in OECD countries adjust the benefit levels in order to support the additional needs of families with special vulnerabilities. For example, they allow extra costs for households with a sick member or member with a disability who require care and support. These benefits may be **supplemented with other transfers** to cover these costs. For example, in many OECD countries the minimum income support schemes are accompanied by supplementary (separate) benefits to cover housing, disability, health care or education costs.

For example, the social assistance system in the UK uses both approaches: it includes the cost of income required to support specific needs (e.g. child care; disability, lone parenthood) and, as the next sub-section demonstrates, it also offers additional benefits (e.g. Housing Benefit, birth grant and childcare benefits disability allowance)¹⁶.

Let us consider the structure of the UK minimum income support benefits. When determining poverty threshold for the Income Support benefit, the government compares income to a fixed weekly level, which is considered to be the amount that is needed to live on. This benchmark (called the ‘applicable amount’) is the equivalent of the national subsistence minimum in Kazakhstan and it includes three main parts:

- **A personal allowance**, which is a basic amount for the claimant and their partner if they have one.
- **Children’s personal allowance** – an amount for any dependent children.
- **A premium** – premiums which depend on circumstances, and are designed to cover any special needs the claimant may have. These include different degrees of disability, including children’s disability, and the cost of care for a person with a chronic illness or disability.

The applicable amount varies for each person because it is made up of different elements which depend on their circumstances. In particular, the applicable amount varies depending on age, family size, and special needs. The rates of the different elements are fixed each year and are usually increased every April.

10.3 COORDINATING PROGRAMMES

The **benefit levels** of different programmes in many OECD

16 In 2012, the UK government introduced a major social security reform that has unified some of the existing benefits into a single Universal Credit. The main social assistance programmes of the old system are still currently largely in place in the UK until the new system has been gradually rolled out across the country (by 2017). Lessons from the UK system before the 2012 reform offer relevant and valuable lessons on structuring benefit levels and coordinating multiple benefit to support the poor and vulnerable.

countries are coordinated to ensure that individuals receive an adequate level of income support. This is achieved through the introduction of ‘disregards’, which determine to what extent income from different sources (including other social assistance benefits) must be taken into account when setting benefit levels. This ensures that benefit income from certain sources, such as social assistance benefits for vulnerable groups, is ignored in the calculation of minimum income support benefits to ensure that different benefits be used towards their specific objectives. This example is relevant for Kazakhstan where income received through social assistance is considered in the means test for poverty-targeted benefits.

Let us consider the example of the Income Support benefit in the UK. **Income Support** is a minimum income scheme which is payable to people out of full-time employment – those who work less than 16 hours a week – and who have low income. Usually individuals who have savings above £16,000 (including partner’s savings) do not qualify for this benefit. In order to satisfy other eligibility criteria for Income Support claimants must be pregnant, a carer, a lone parent with a child under 5 or, in some cases, unable to work because they are sick or have a disability.

When setting the level of Income Support benefit, some income is ‘disregarded’, i.e., various types of income are not taken into account for the payment of Income Support. For example, savings below £6,000 are ignored and select social assistance benefits, such as child maintenance, Disability Living Allowance and Attendance Allowance, which support persons with disabilities, are also ignored in full when calculating the value of Income Support. Other types of income are only partially disregarded so that only part of it affects the benefit.

As mentioned earlier, coordination between different programmes also ensures that minimum income support benefits be supplemented with other relevant benefits to address the needs of vulnerable individuals effectively. For example, Income Support is coordinated with other social assistance programmes as follows.¹⁷ Individuals receiving Income Support are automatically entitled to other benefits, such as maximum Council Tax benefit and maximum Housing Benefit. They are also automatically entitled to short-term benefits, such as free school meals, free prescriptions, dental treatment and sight tests, and certain one-off payments, including the maternity grant and funeral payments (Browne and Hood, 2012: 23).

In addition to the means-tested benefits, the UK social assistance system offers a universal Child Benefit to all households, regardless of their income. Eligibility for Child Benefit does not generate entitlement to other benefits, neither does it restrict individuals from

17 See www.adviceguide.org.uk/wales/benefits_w/benefits_help_if_on_a_low_income_ew/help_for_people_on_a_low_income_-_income_support.htm.

eligibility for other benefits. It is payable at a higher rate for an eldest or only child, and then at a lower rate for all subsequent children. Individuals qualify for Child Benefit if they are responsible for a child under 16 (or under 20 if they stay in approved education or training). The receipt of Child Benefit, however, affects the amount of Income Support for which a person is eligible (but is disregarded when calculating Housing Benefit and Council Tax Support). This has to do with the fact that the value of the means-tested benefits is calculated to include expenses for children.

10.4 KEY FINDINGS

The existing institutional arrangements in social protection systems in most OECD countries ensure that individuals are able to maintain basic income security and at the same time have adequate support to deal with specific life-cycle-related risks. Many countries offer minimum income support benefits that cover the basic subsistence needs of all household members. They also provide support for addressing household vulnerabilities by incorporating additional costs in the benefit structure of minimum income support schemes and/or coordinating them with other social assistance transfers.

11. Fertility effects of transfers

This section presents some broad trends in fertility and population growth rates for the Republic of Kazakhstan for the past two decades, before comparing these trends to changes in government expenditure on social support and welfare. We then analyse the findings from the qualitative analysis. Before doing so, we review the international literature on the determinants of fertility.

11.1 INTERNATIONAL LITERATURE ON THE FERTILITY EFFECTS OF SOCIAL PROTECTION

What is the available international evidence about the role of cash transfers in stimulating fertility? Let us turn to the documented international experiences based on the analysis of secondary literature. The literature reviewed here focuses on the OECD and Latin American countries, as these have well-developed and innovative social protection systems, and are therefore most comparable to Kazakhstan.

Declining birth rates in Western and transition countries have been accompanied by an increasing average age at first birth. The delay of fertility could be an important factor in explaining declines in overall fertility rates. Hence, it may be more effective to have ‘tempo’ policies aimed at earlier age for first births, instead of ‘quantum’ pronatalist (i.e. pro-family) policies aimed at increasing the number of children (Lutz and Skirbekk, 2005). This could involve, for example, reforms to the school system to help prospective mothers finish their education earlier (ibid). It could also be useful to distinguish between the decision to have a child and the decision to have a second or more children (Philipov et al., 2006).

The literature on the effects of social transfers and fertility levels shows that, on the whole, the effects of policies on general fertility levels are weak, inconclusive or contradictory (Neyer, 2013). In general, individual family policies in OECD countries have had no effect and aggregate family policies had small effects on fertility (Neyer, 2013). Cross-country patterns of fertility and family policy provision are non-linear and contradictory. For instance, some European countries have relatively high levels of fertility, but meagre family policies (e.g. the UK), whereas others have extensive and generous family policies, but low fertility rates (e.g. Germany) (Neyer, 2013). Social policies that focus on helping women reconcile work and family life appear to have a moderate effect on fertility (see studies reviewed in Bonoli, 2008). Some other studies (Bonoli, 2008) suggest that child care availability and the *generosity* of child benefits may have a positive impact on fertility, as was found in Switzerland.

Some studies take an institutional approach and dig

deeper into the configurations and interactions of policies (i.e. the shape of the welfare state) and explore the impact of policy packages and the welfare state context in which they are embedded (Neyer, 2013). For instance, taking the case of Sweden, understanding the breadth, depth and linkages between social and economic policies helps to generate an understanding of why fertility rates are higher than in other European countries, especially amongst highly educated women. Swedish welfare state policies have focused on reducing inequality and promoting social and gender equality through a flexible education system and access to high-quality affordable child care, gender-neutral parental leave regulations and other policies to integrate women into the labour market (Neyer, 2013).

Castles (2003) also finds that a specific mix of family-friendly policies best explains differences in fertility and shows that the proportion of children aged 0-3 in formal child care and the proportion of employees working flexible hours have the strongest positive effect on higher fertility. Other family policies and their specific design elements (such as duration and generosity of maternity pay) do not appear to influence fertility (Castles, 2003).

Stecklov et al. (2007) point to another design element – whether conditional cash transfers are paid per family or per child. Comparing three Latin-American case studies, they show that in Honduras, where the conditional cash transfer is paid per child, the provision of this benefit may have created incentives for childbearing (Stecklov et al., 2007).

Adsera (2004) reiterates the importance of taking labour market arrangements into account. The panel data analysis of 23 OECD countries shows that different labour market arrangements influence fertility patterns. Factors that play an important role in this are: the flexibility of the labour market in accommodating women’s entry and exit and the penalty in terms of unemployment and lower salary growth that women experience as a result of childbearing (Adsera, 2004). For instance, in Southern European countries, the combined factors of high unemployment that discourages people from exiting the labour market, unstable labour contracts and a small public sector have a negative impact on fertility (ibid).

The most recent OECD study of family policies and fertility in 18 OECD countries between 1982 and 2007 (Luci and Thévenon, 2012) shows that fertility depends on opportunities to combine work and family life. It suggests that a combination of different policy instruments is likely to support work–life balance and promote higher fertility rates. In particular, various policies, including paid leave, child care services and cash transfers tend to

cumulatively support working parents during early childhood and are likely to facilitate their decisions to have children. The study also emphasises the importance of country-specific contextual factors that play a role (but which may not have been observed in studies).

11.2 EMPIRICAL FINDINGS

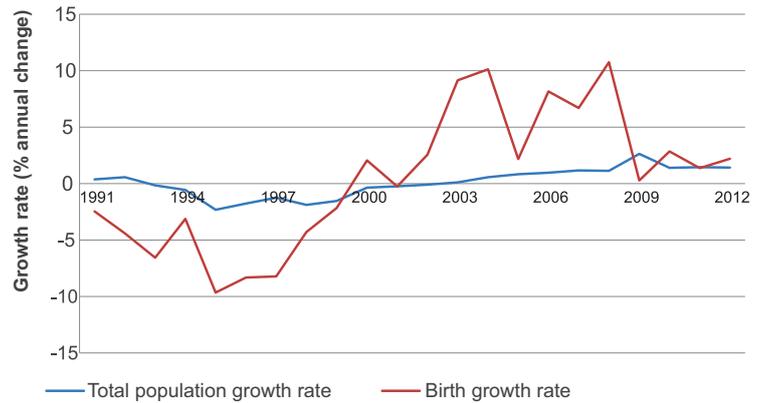
Figure 16 shows the changes in the total population growth rate in Kazakhstan and the birth growth rate in the period 1991-2012. It shows that both growth rates declined in the mid-1990s – a trend seen in many post-Soviet states. The figure also shows that the total population growth rate is more stable than the birth growth rate. While the birth growth rate has been positive since 2000, it has been extremely volatile, with six clear dips, indicating sudden declines. Some of these dips have meant the birth growth rate was close to 0% at times.

We want to know if there is any link between spending on social support and welfare and the birth growth rate. This is shown in Figure 17 below. It is clear that the birth growth rate and the share of the total national budget spent on social support and welfare follow different trends. The birth growth rate is very volatile, as we have seen previously, and spending on social support and welfare decreases quite steeply between 2003 and 2005 and is then quite stable. A Pearson correlation coefficient confirms that there is very weak correlation between the two trends (0.15).

One could expect that higher spending on social support and welfare does not have an immediate effect on fertility, as it takes time for people to be aware of new and higher transfers, to conceive a child and for the child to be born. Therefore the next figure shows the birth growth rate and compares it to lagged social support and welfare spending (specifically comparing it to expenditure shares two years previously). This is shown in Figure 18 below. Again, there is no clear link: for instance in 2005 the birth growth rate dropped dramatically, even though spending on social support increased two years before.

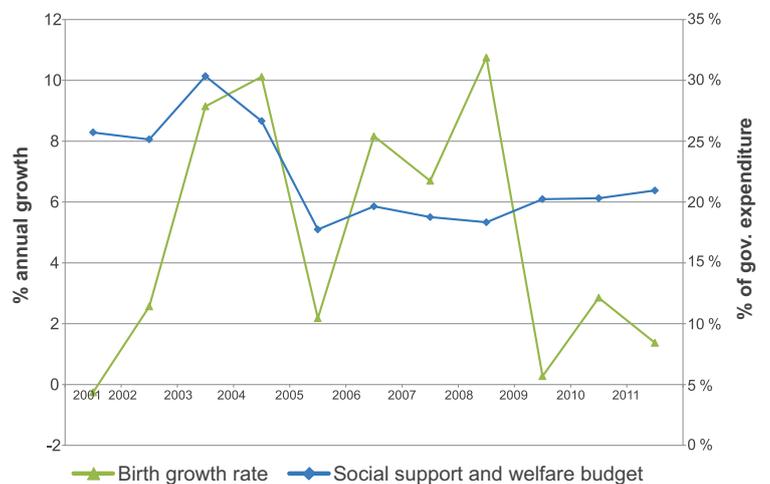
In short, there does not seem to be a link between the trends in the birth growth rate and social support and welfare expenditure. Furthermore, such broad fertility trends do not take account all possible causal factors. It is clear that identifying causal factors of fertility is extremely difficult, mainly because of the large number of potential determinants (see

Figure 16: Population growth rate and birth growth rate 1991-2012



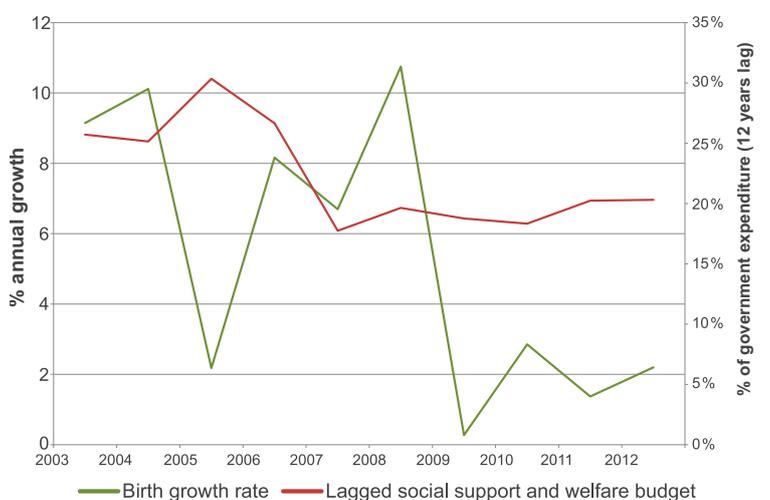
Source: Own calculations based on data from the Kazakhstan Agency of Statistics

Figure 17: Birth growth rate and social support and welfare budget 2001-2011



Source: Own calculations based on data from the Kazakhstan Agency of Statistics and Ministry of Finance. The left axis shows the annual change in the birth rate. The right axis shows the percentage of total national government expenditure spent on social support and welfare

Figure 18: Birth growth rate and social support and welfare budget 2003-2012



Source: Own calculations based on data from the Kazakhstan Agency of Statistics and Ministry of Finance. The left axis shows the annual change in the birth rate. The right axis shows the percentage of total national government expenditure spent on social support and welfare, lagged by two years.

Box 5 for a review of these challenges), most of which tend to change over time (Bonoli, 2008).

Box 5. Methodological challenges in assessing the links between fertility and social policies

- Fertility is affected by a large number of possible determinants, which change over time and many of which are difficult to measure or are not measurable.
 - Studies either focus on past cohorts that may depict a situation that no longer exists, or focus on current cohorts that miss information on fertility decisions in the remaining fertile years.
 - Studies tend to be cross-national aggregate studies, but the countries need to be comparable and it is difficult to disentangle all possible effects.

Source: Bonoli (2008)

To complement the analysis, this section draws on the findings from the qualitative fieldwork in Kazakhstan. The findings suggest that cash transfers for families with children do not promote higher fertility in low-income families. The FGD participants unanimously stated that cash transfers did not influence willingness to have a child. The analysis of qualitative data reveals a number of factors that precondition this. One of the key reasons is the low value of transfers. In addition, families experience a range of other insecurities which affect reproductive behaviour. These include lack of affordable housing, unemployment and financial insecurity, rapid changes in living standards due to inflation and high prices, and the low quality of health care for children. Let us consider these in turn.

The qualitative study conveys the importance of cash transfers for supporting child-bearing and child-rearing in families with low income in the study areas. For example, birth grants and the benefit for children under one are significant for all types of families. As one respondent said, 'When you are on a maternity leave you don't work but the allowance is like your salary. This kind of support is highly necessary' (K, IDI 5, Astana). Women do not earn income when on maternity leave, and thus these cash transfers become very important for the family budget. Among other transfers, the targeted social transfers and the allowance for the loss of a breadwinner are the most significant sources of support. The Guardian Allowance and State Allowance for Children under 18 contribute to food expenses.

At the same time, all the respondents reported that the existing transfers were not sufficient to meet the basic needs of their children, including food, clothing, medicines, education related costs and recreational activities. Even in case of receipt of multiple transfers, the combined income from transfers was not enough to satisfy basic child needs. This limited (although important) support through cash transfers does not stimulate decisions to have more children.

When asked about the factors that affect fertility in Kazakhstan, the respondents referred to the general financial insecurity that affected family life and the future prospects for children. Here are some of the respondents' views:

Financial problems, lack of housing, living conditions. People quarrel because of lack of money: that's why women also do not want to give birth to children. (Ayparsha, IDI 1, South Kazakhstan Region)

Women must always be fully supported; they must be taken care of from early years in order to give birth for healthy and strong children who become the country's mainstay. But now we have miserable transfers and nice words that the government cares about families. Everything is fine on TV but it is vice versa in a real life. Let the ministers come to our settlements, and we will show them life truth. (Non-beneficiary, FGD 4, South Kazakhstan Region)

This financial insecurity is largely conditioned by unemployment and low earning ability of many low-income families. Cash transfers are important as a source of support, but they do not provide the sense of material and psychological security necessary for fulfilling family life. The ability to take part in the labour market and earn adequate income is crucial for decisions to have children. As one respondent said:

Husbands shall be provided with good jobs for their wife to give birth and bring up children. Husbands should feel themselves as a family mainstay so we strengthen family and children will be born healthy. (FGD, South Kazakhstan Region)

Overall living standards are affected by inflation and price rises for essential goods and services. The respondents reported that they struggled to keep up with rising prices and that it made their lives more insecure.

Little increases in the allowance is not a way out – it should definitely be increased – but the way out is to provide the jobs. Also they need to control price increases, as prices go up quicker than the size of allowance. As soon as they declare on TV, that since January the wages and allowances will be increased, the store prices rise up a hundred times. (Beneficiary of many children, FGD 1, South Kazakhstan Region)

The absence of decent housing and housing conditions were also mentioned as key obstacles to fertility. Here is what one respondent said:

Affordable housing. They give residences to families before 30 years old, and after 30 we are like no one. Someone should raise the issue of housing for needy families. State housing. This could stimulate giving birth to kids. And this rental housing – this is not for us. Or, your housing should be increased when you deliver a baby. (Recipient of the state children allowance, FGD2, Astana)

People put up with having children in difficult conditions, but their living conditions are not conducive to family life. One respondent said:

Kazakh mentality is different. They deliver babies and ask for nothing. Look, the families live in cottages, with no living conditions, and give birth to babies. They first of all need financial support. (Gulzira, IDI 3, Semey)

Another respondent reflected on the cumulative negative effects that these different factors – lack of income-earning

opportunities and accommodation – have on people’s well-being and decisions to have children. The material insecurity and low living standards often translate into psychological problems and alcohol abuse.

We were stupid, thought that country needs our children; it turns out that only we need our children. There is no accommodation and will not be one even if we give birth to 20 children. There are also no jobs; husbands are desperate; they slave [to earn money], and some of them become drunkards. (Non-beneficiary, FGD 4, South Kazakhstan)

There were also concerns about the quality of health care and the way it can affect child well-being. For example, one respondent suggested that she did not have an adequate medical support during pregnancy to reveal the future disability of her child:

Doctors have low qualifications, they cannot deliver, and the diagnostics are very weak. If we knew the child was sick, I would have an abortion. (The beneficiary of allowance on children disability, FGD 3, South Kazakhstan Region)

In summary, the qualitative assessment reveals that although important, cash transfers are not sufficient to affect reproductive decisions of low-income families in Kazakhstan. Higher transfers can contribute to greater

material well-being for families with children and is likely to contribute to the willingness to have children. Yet the multiplicity of various factors affecting family well-being in Kazakhstan suggests that the cash transfer is not the only instrument required to promote fertility. In particular, measures are needed to address these complex sources of insecurity that cash transfers alone cannot tackle. These measures must be aimed at enhancing financial security and participation in the labour market, access to decent housing, and health services.

11.3 KEY FINDINGS

There is a weak correlation between social assistance spending and the population growth rate in Kazakhstan from 1991 to 2012. International literature suggests that cash transfers alone may not be sufficient to promote fertility. Rather, a comprehensive package of family policies is needed to affect people’s reproductive behaviour and stimulate fertility. These findings corroborate the results of the qualitative assessment in Kazakhstan suggesting the importance of combining generous cash transfer with a range of policy measures to tackle material insecurity and access to services.

12. Social sector expenditure

This section looks at the trends in spending on social sectors in Kazakhstan, comparing it to overall government expenditure and GDP. It then digs deeper into spending on social support and welfare, comparing funding sources and looking at programme-level expenditure wherever possible.

12.1 SECTOR EXPENDITURE TRENDS

A consideration of trends in spending on social sectors is important in order to compare how much the government spends on social support and welfare relative to other social sectors.

Kazakhstan has a centralised budget system. The central state budget is known as the ‘republican budget’. Local budgets consist of the Astana city budget, Almaty city budget, 14 oblast budgets and rayon budgets. The consolidated budget or ‘state budget’ – the sum of the republican and local budgets as well as the National Fund of the Republic of Kazakhstan (NFRK) – is only used for analytical purposes and is not subject to approval by the Ministry of Finance in practice (Makhmutova, 2007). Local budgets are partially subsidised by the republican budget, and regions are expected to accumulate their own revenues and raise their own taxes (Makhmutova, 2007).

A key feature of social assistance in Kazakhstan is that financing of social assistance is entirely financed from the state budget and not through external donors and NGOs. This implies steady and regular financing.

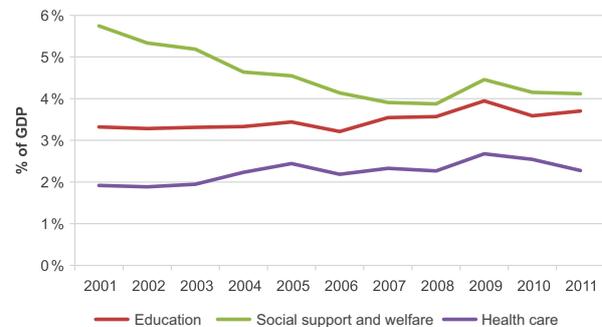
Social sectors include the education sector, the health sector and of course social support and welfare (social assistance and social insurance).

Social spending in Kazakhstan experienced a sharp decline in 1991-1998 after the collapse of the Soviet economy. Thus, public spending on social protection decreased from 4.9% of GDP in 1991 to 0.8% in 1995, on health from 3.5% to 1.8% in 1998, and on education from 6.5% to 4% in 1998. Public spending picked up in 1996 for social protection and in 1999 for health and education and stabilised in the early 2000s (Makhmutova, 2007).

Figure 19 below shows spending on these sectors as a share of GDP. There is a decline in expenditure for all sectors from 2001, with some smaller increases from 2006 for education and health care and an increase in social support and welfare from 2009.

The figure shows that out of the social sectors, the government of Kazakhstan spends the biggest proportion on social support and welfare. In 2001, spending on this sector was three times as much as on health. By 2012, spending on social support and welfare was still highest, but by a smaller margin. The sector closest in spending is education: in 2012 expenditure on education was 3.7% of GDP compared to 4.12% on social support and welfare.

Figure 19: Expenditure on social sectors as a share of GDP, 2001-2011



Source: Own calculations based on data from the Kazakhstan Agency of Statistics website (for GDP) and Ministry of Finance (for sector expenditure). Expenditure is national actual expenditure (i.e. republican plus local expenditure).

Kazakhstan spends less on social protection and welfare in comparison to its neighbours. While Kazakhstan spent only 6.38% of its GDP on social protection (in 2011), Kyrgyzstan spent 9.58% (2012), Uzbekistan 11.16% (in 2010), Mongolia 8.87% (in 2012) and Russia 15.97%, based on ILO data. The only country with similar social protection expenditure to Kazakhstan is Tajikistan with 6.75% (in 2012), while China spends proportionally less, at 3.7% of GDP. The spending on social protection as a share of GDP in the region is much lower than in many OECD countries. The United States spent 20% of GDP on social protection in 2013, whereas European countries spent even more (23.8% in the UK, 26.2% in Germany and 33% in France).¹⁸

Figure 20 below shows the same expenditure over the same time period, but this time comparing it to total national government expenditure. This shows the relative priority of these sectors compared to other sectors.

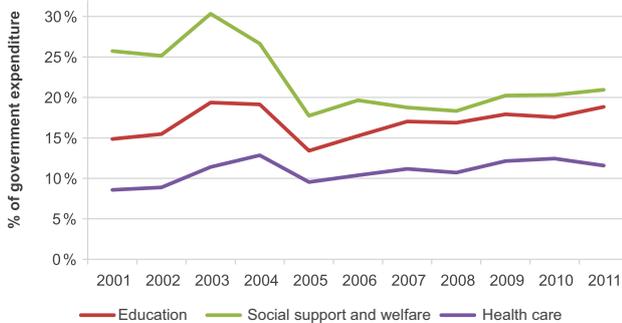
As in the previous graph we can see that spending is highest on social support and welfare, but by a smaller margin in 2011 than 2001. Expenditure on all social sectors dipped sharply in 2005. Total national government expenditure increased greatly in the same year (it grew by 47%) and in terms of nominal expenditure all four sectors also grew, but to a lesser extent than total government expenditure, explaining why the relative share decreased. In 2008/2009, as a response to the global economic crisis the Government of Kazakhstan was able to use funds from the NFRK to expand expenditure on social sectors. In 2009, in addition to the guaranteed annual transfer from the NFRK, a supplementary amount of KZT 347.9 billion (\$2.3 billion) was channelled from the NFRK into the republican budget (ADB, 2009).

By 2011, combined expenditure on the three social sectors was just over 51% of total government expenditure – evidence that the Government of Kazakhstan places great emphasis on the social sectors. Expenditure on social support and welfare was just over 20%, again an indication of the high priority placed on this

¹⁸ All data based on ILO data downloaded from www.ilo.org/dyn/illossi/ssimaps.mapIndicator2?p_indicator_code=E-1c

sector. Again, this is lower than in other international contexts: for example, spending on social protection as a proportion of total government expenditure was 43% in Germany and 36% in the UK in 2012.¹⁹

Figure 20: Expenditure on social sectors as a share of total national government expenditure 2001-2011



Source: Own calculations based on data from the Kazakhstan Agency of Statistics website (for total government expenditure) and Ministry of Finance (for sector expenditure). Expenditure is national actual expenditure (i.e. republican plus local expenditure).

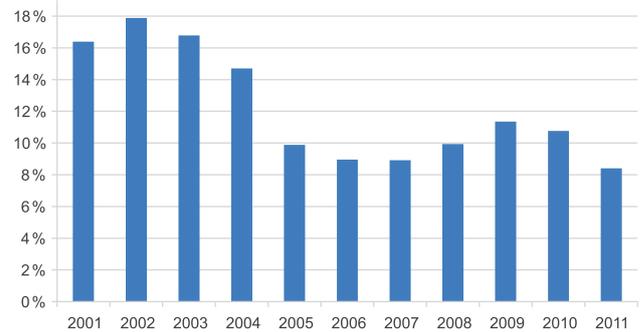
12.2 FUNDING SOURCES

This section considers the sources of the funding shown in the previous section. A key feature of social assistance in Kazakhstan is that social assistance is entirely financed by the state budget (central and local), rather than through donors and NGOs. This implies steady and regular financing. Furthermore, the existence of the NFRK has allowed the government to continue to maintain and expand spending on social sectors during the economic crisis.

Whilst some transfers are financed through the republican budget, e.g. the child birth grant, others are financed locally, notably TSA. Local budgets are subsidised by the republican budget, with an average subsidy of 40.3% in 2006, but they rely mainly on local taxes and revenues (Makhmutova, 2007). Therefore, local government spending on social protection relies on the ability to ensure steady revenue sources and the availability of economic opportunities. Local budgets vary considerably across regions. This implies that the level of transfers provided in each region also varies considerably.

The next figure shows the average contribution of local expenditure to total consolidated expenditure on social support and welfare. It shows that for social support and welfare, republican expenditure contributes by far the greatest share of total expenditure (87% on average, over the time period). Local expenditure contributes less than 20%, which is quite different to other sectors such as education, where local expenditures contributes more than 80% (with the exception of the year 2011). Figure 21 also shows that the local contribution has decreased over time.

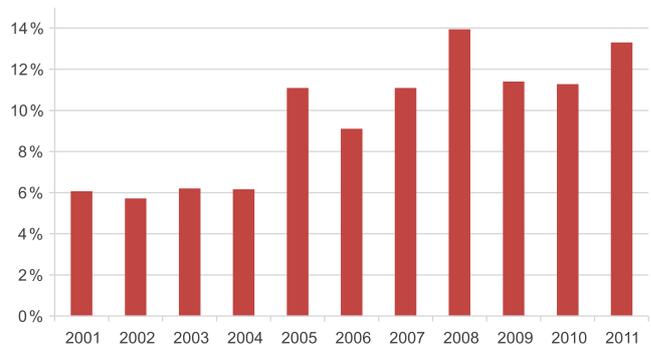
Figure 21: Local expenditure on social support and welfare as a share of total national expenditure, 2001-2011



Source: Own calculations based on data from the Ministry of Finance. Expenditure is national actual expenditure (i.e. republican plus local expenditure).

Local expenditure consists of expenditure spent on nationally mandated and regulated programmes (such as TSA) and that spent on locally mandated programmes. The next figure shows the share of spending on local transfers as a share of total local expenditure from 2001-2011. It shows that the vast majority of local spending is spent on national benefits. On average only about 10% is spent on local transfers. However, the trend is increasing and the share spent on local transfers has been increasing. In the period 2001-2011 it increased from 6% to 13.3%.

Figure 22: Local spending on local transfers as a share of total local expenditure 2001-2011



Source: Own calculations based on data from the Ministry of Finance. Expenditure is national actual expenditure (i.e. republican plus local expenditure).

12.3 PROGRAMME-SPECIFIC EXPENDITURE

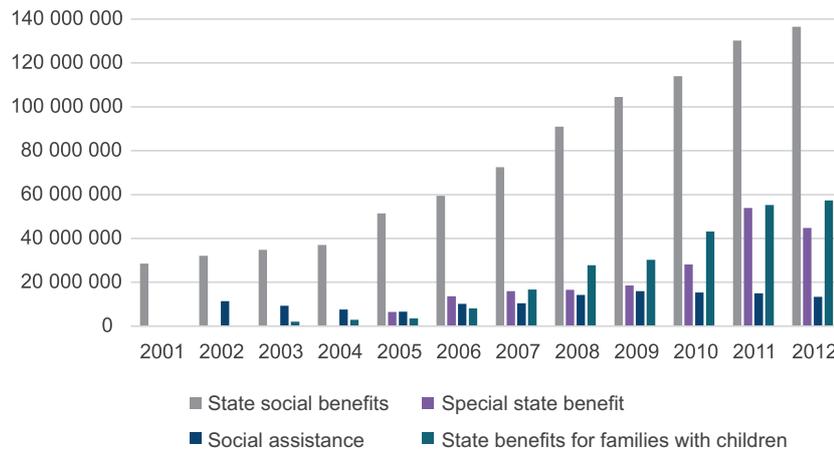
This section looks more closely at programme-specific expenditure; that is, it compares expenditure on different social support and welfare interventions. We look first at expenditure levels for four broad groups of programmes and then at programme-specific expenditure.

Figure 23 below shows expenditure for the four broad groups of interventions:

- Poverty-targeted social transfers – this includes TSA, State Allowance for children at the age up to 18 years old, and Housing Assistance.

¹⁹ Own calculations based on OECD database: http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE11#

Figure 23: Expenditure on different social support and welfare interventions, 2001-2012



Source: Own calculations based on data from the Ministry of Labour and Social Protection

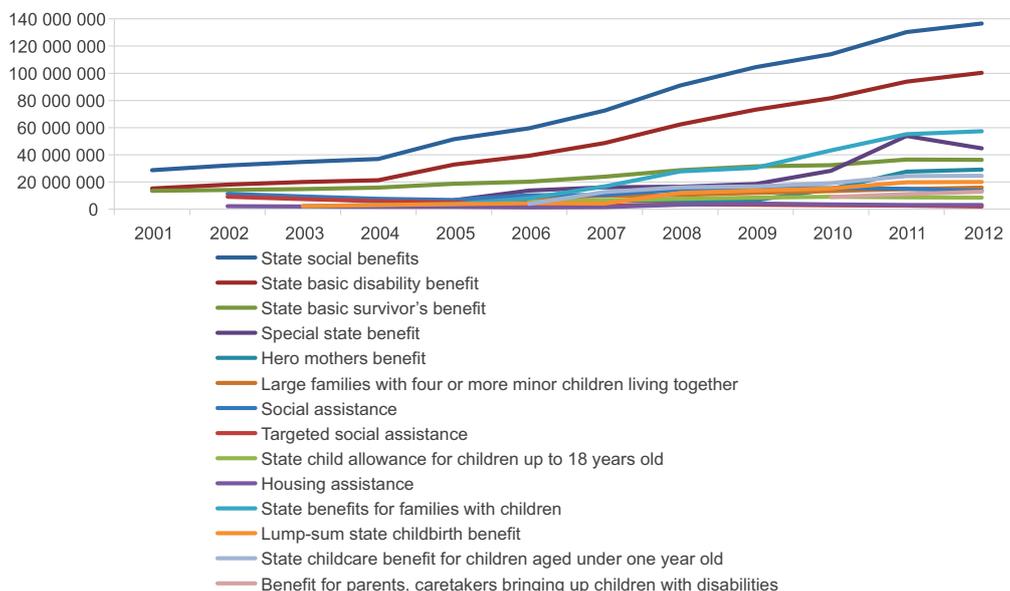
- State social allowances: basic disability allowance and loss of breadwinner allowance.
- Special state benefits: benefits for large families with four or more children and mothers with many children.
- State benefits to support family, motherhood and childhood: the lump-sum birth benefit, the benefit for parents with children under one, and benefit for parents or guardians caring for a child with a disability.

It is clear that the different groups of benefits followed different trends. Expenditure is greatest on state social allowances and these have been increasing annually at a steady rate since 2001. Spending on special state allowances and state benefits for families with children – both of which give benefits to households with children – are similar and make up the next biggest groups. Poverty-targeted social transfers are the smallest expenditure item and spending has been somewhat volatile, e.g. decreasing after 2003, then increasing, before decreasing again after 2010.

The next figure shows the trends in expenditure for ten different interventions. It shows that spending levels differ widely. Spending is highest on state basic disability benefits, followed by state basic survivor’s benefit and has been increasing steadily by the year. In 2012, spending on state basic disability benefit was six times as much as the average expenditure on the other nine benefits. Expenditure on other benefits is relatively steady, except for the Benefit for Mothers with Many Children, which increased greatly after 2009. This can be explained by a number of policy changes that took place that year: the conditions for receiving this benefit became less stringent and the benefit levels were increased.

In order to show the expenditure trends by intervention more clearly, the figure on the next page shows expenditure trends by intervention. Table A24 in Appendix 2 shows the exact spending levels on each of these interventions.

Figure 24: Expenditure on different social support and welfare interventions 2001-2012



Source: Own calculations based on data from the Ministry of Labour and Social Protection

Figure 25: Expenditure on each of the ten different social support and welfare interventions 2001-2012



Source: Own calculations based on data from the Ministry of Labour and Social Protection

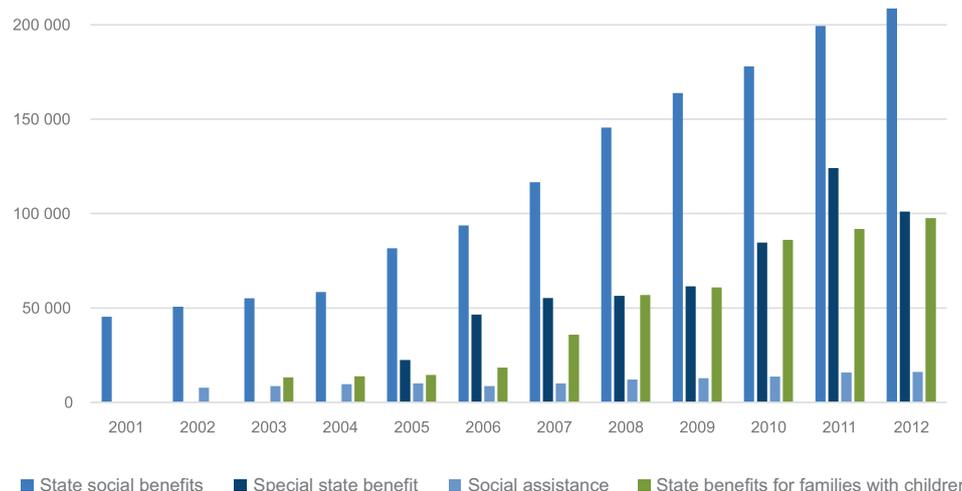
Note: There is no data regarding payment of special state benefit for mothers with many children and large families for the period from 2001 to 2004, because payments were made from the local budget and the provision of housing assistance prior to 2002. For the TSA, the state allowance for children up to 18 years old, the lump-sum birth benefit, the state childcare benefit for children aged under one and the benefit for parents bringing up children with disabilities, figures are provided from year of introduction.

12.4 EXPENDITURE PER BENEFICIARY

This section reviews average expenditure per beneficiary. This indicator measures the total budget divided by the number of beneficiaries. Since expenditure includes the benefit as well as administration cost it is not the same as the average benefit received (this was shown in section 3).

beneficiary has been slightly higher. For special state benefits, we can see that the expenditure level per ‘hero mother’ beneficiary increased sharply from 2010. As we discussed above, this is because the transfer level increased. In terms of targeted social transfers, all three interventions show an upwards trend in terms of expenditure per

Figure 26: Average expenditure per beneficiary for four main social support and welfare groups, 2001-2012



Source: Own calculations based on data from the Ministry of Labour and Social Protection

This measure provides a pattern of spending across different programmes in terms of overall spending, including that on administration costs.

Figure 26 above shows the average expenditure per beneficiary for the four social support and welfare intervention groups shown in the previous section. It shows that by far the biggest amounts (per beneficiary) are from state social allowances. This could be an indication that these beneficiaries receive more generous benefits, or that these benefits are more expensive to administer. The ratio of average expenditure divided by number of state social beneficiaries has been increasing steadily over time. This is because the budget has been increasing, while the number of benefits has stayed relatively constant.²⁰ Average expenditure per beneficiary has also increased for special state benefits and state benefits for families with children, but has stayed relatively constant for targeted social transfers. Targeted social transfers have by far the lowest expenditure level per beneficiary, despite the fact that they are means-tested, which in theory could be more expensive to administer. One of the main reasons for this could be the low benefit levels.

The next set of figures show average expenditure per beneficiary for all ten transfers (grouped by type of intervention). The expenditure level of both the state basic disability and basic survivor’s benefit has increased since 2010, but since 2005, the expenditure per disability

beneficiary, with the highest amount per housing assistance beneficiary. In terms of state benefits for families, the average expenditure level per beneficiary differs greatly for the different transfers. The lowest amounts are spent on the childbirth lump-sum benefit, a one-time transfer, and the highest amounts are spent on the benefit for parents or guardians bringing up a child with a disability. This could be explained by the fact that the benefit was introduced in 2010, which could have resulted in higher costs in the start-up periods.

12.5 KEY FINDINGS

The Government of Kazakhstan has seen somewhat declining levels of spending on social sectors (health, education, social support and welfare) over the past decade and has lower total expenditure levels compared to other neighbouring and OECD countries. Nevertheless, combined expenditure on the three social sectors was just over 51% of total government expenditure in 2011 – evidence that the Government of Kazakhstan places great emphasis on the social sectors. **Expenditure on social support and welfare is the highest out of the three social sectors** and was just over 20% in 2011, again an indication of high priority placed on this sector.

Funding on social protection is derived from local and republican budgets, with more than 90% coming from the republican budget. Local expenditure consists of expenditure on nationally mandated and regulated programmes (such as the TSA) and expenditure on locally mandated programmes.

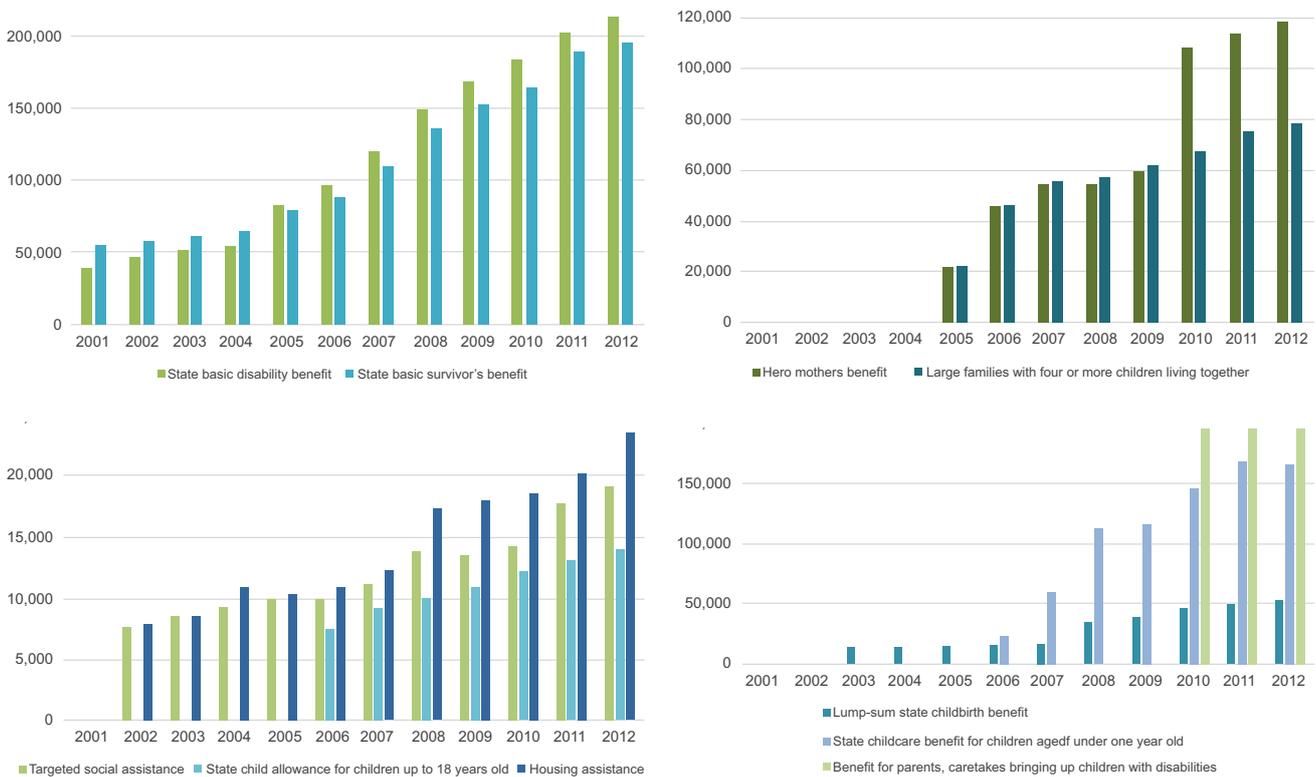
20 The number of beneficiaries increased from 629,740 in 2001 to 654,917 in 2012.

Given that only about 13% expenditure is on the latter, the **majority of local social protection expenditure is spent on nationally mandated and regulated transfers.**

Out of total social assistance, expenditure is greatest on state social allowances and lowest on poverty-

targeted transfers. Total expenditure per beneficiary, including administration costs is also greatest on state social allowances. Targeted social transfers have by far the lowest expenditure level per beneficiary. One of the main reasons for this could be the low benefit levels of these transfers.

Figure 27: Average expenditure per beneficiary by transfer 2001-2012



Source: Own calculations based on data from the Ministry of Labour and Social Protection

13. Benefit delivery and beneficiary experience

This section reviews the process of benefit delivery and the beneficiary experiences of applying and receiving social transfers. It seeks to assess the extent to which the existing administrative procedures and practices affect people's access to benefits.

13.1 TIMELINESS AND ACCURACY OF PAYMENTS

The qualitative assessment reveals varied beneficiary experiences with regard to the timeliness of transfer payments. The recipients of the State Allowance for Children under 18 and TSA received their transfers on time, but explained that this required significant effort. Thus, the timeliness of receiving these benefits largely depended on submission of all the documents on time and regular visits to the employment agency for registration every 10 days.

Beneficiaries of social categorical transfers experienced some delay in transfer payments. Such delays resulted in an additional financial pressure on the recipient families who were reliant on transfers to meet their basic needs.

In particular, in South Kazakhstan, there were delays with the State Disability Allowance. The respondents explained that this delay was caused by slow postal transfers within the country:

We get allowance monthly. But usually 5-6 days late. They say it takes time to make transfers from one post office to another. (G, FGD 3, South Kazakhstan Region)

Similarly, some respondents in South Kazakhstan experienced a seven-day delay with the payment of the State Allowance for Children under 18:

When we call the district department we are told that the money has been transferred to rural post offices. However, the local post office says there is no money. Maybe our money is being circulated but we can't prove anything. (A, FGD 4, South Kazakhstan Region)

A respondent in Astana described that sometimes the funds would not arrive on time and that the administrators made errors in payments. She was compelled to monitor the receipt of transfers each month carefully to ensure there were not any missed payments:

Sometimes we get nothing at all. You tell them you haven't received anything yet and they tell you they will transfer the money soon. You just sit and wait. A month passes and then they tell you the money will be given in the beginning of next month. The money arrives but you realise it is for the wrong month. You keep waiting and praying for money to arrive. I'm monitoring, I'm waiting, this money is my bread! And yet they tell you that they have transferred your allowance. You get very nervous while trying to prove you are right! (A, FGD 2, Astana)

Most beneficiaries received full benefit amounts, except respondents in South Kazakhstan. They reported that they did not receive the full amounts at the post office and that they were asked to spend KZT 200-300 of their transfer money subscribing to newspapers on a regular basis. To their knowledge, this instruction came from a senior public official to ensure the fulfilment of the local subscription quota. One beneficiary said:

We used to oppose in the past but not anymore, we are used to this already. We were told that 'the people at the top' decided to fill the subscription quota this way. So this is how they do it at the expense of child with a disability. (FGD 3, South Kazakhstan Region)

Another beneficiary complained about this practice suggesting that they felt powerless to claim the full amount of their benefits.

We never get the same amount, it always varies. It slightly varies but still it is not clear. We are not explained how the calculation is made. Also, it is worth mentioning the post office. For example, if you are given 18,200 tenge, then 200 tenge disappears because you get old newspapers instead and you are forced to subscribe for three months. We say we don't need this but no one listens to us. This chaos has lasted for years and is not discussed; this is the way the rules are here. (N, FGD 2, South Kazakhstan Region)

13.2 APPLICATION PROCEDURES

The beneficiary accounts suggest that the application procedures are cumbersome, requiring a significant investment of time and money on the part of the applicants. It takes a considerable effort to gather all the required documents and to ensure that the application form is completed accurately. Failure to submit all the necessary documents results in being disqualified from social assistance.

To apply for transfers, families with children are required to contact the local Department of Employment and Social Programmes, or if there is no such department, the village *akim* (governor). The legislation requires various supporting documents: a Work Registration Book (*Trudovaja Knizhka*) and Social Individual Code. Temporary residence permits are not accepted and the child must reside with a mother.²¹

For example, to apply for the Benefits for Families with many Children, it is necessary to submit up to eight documents to the Department of Employment and Social Programmes. Besides routine documentation and birth certificates, if a child is a full-time student, proof of student status must be submitted annually. Those with children with

²¹ This information is based on the fieldwork conducted in 2011. The required supporting documents have been simplified in the meantime.

a disability need to submit proof of disability. According to respondents, it takes up to two months for the first-time applicant to complete the application procedure.

It really takes a lot of time and energy; it is too much red tape! (Bakshagul, FGD 1, Astana)

Applicants for the TSA are required to provide income statements and information on private farming and household assets. They also need to submit documentation verifying employment status and income sources.

I need to deliver certificates related to my husband – that I receive no alimony, and my husband is unemployed. And also whether he is registered at the job market. (Z, IDI 4, Semey)

When re-applying, they only need to resubmit this documentation if they have any change in their financial circumstances. The TSA is provided on a quarterly basis and it is quite burdensome for beneficiaries. It is difficult to meet the employment requirement, which stipulates mandatory registration at the employment office every 10 days. The respondents complained that it takes time and it is often difficult to find someone to mind their child whilst they are out. It takes three to four days, or in some respondents' experience even seven days, to comply with the registration requirements and renew transfers. Respondents complained they often spend a lot of time waiting in the queue.

You wait two minutes to one-and-a-half hours at the beginning of each month; the service is really slow. (Asef, FGD 2, Semei)

Most applicants incur significant cash expenses while preparing the documentation. In general, photocopying costs up to KZT 500, application forms vary from KZT 400 to 750 per child, initial registration is KZT 500-700, and transportation costs are up to KZT 2,000. Translation of the documents is especially expensive at about KZT 12,000, whilst certification by a notary varies from KZT 250 to 15,000. Normally, applicants are required to submit a full set of documents for each type of transfer they are applying for. This means that beneficiaries need to prepare several packages of their documents when applying for more than one transfer.

The respondents complained about the difficulty in completing application forms. They found it difficult to understand some of the questions in the forms and to provide adequate information, and they often did not understand the language in which relevant information was communicated. Some respondents complained that provision of information in only one language restricted their ability to fully understand the application requirements.

According to respondents, applicants are usually declined assistance if they lack the necessary documents. For some applicants it is often hard to ensure that they have all the necessary documentation. A common problem that low-income families face is the lack of cash to obtain documents or renew old ones. This problem is especially pertinent in rural areas. For example, one respondent said none of

her family members had the necessary documentation and were thus ineligible for assistance. Yet her family struggled to sustain their livelihoods and very much needed social support. She said:

I still have the Soviet red passport, my children also do not have any documents so I am not eligible ... My husband has problems with his documents. He lost them and did not re-apply straightaway, and now he has no money to apply. (A, FGD4, South Kazakhstan Region)

Another respondent, an *oralman*²², had her application declined because she did not have a residence permit. This problem is also experienced by domestic migrants.

We are oralmans, my husband does not have Kazakh documents and we have no money to apply to obtain them. That is why we are not provided with transfers. (Z., FGD 4, South Kazakhstan Region).

She said she was not eligible for social assistance even with a temporary residence permit.

However, there are cases when Department of Employment and Social Programmes personnel made an exception. For example, a woman from Semey applied for the benefit for children under one and did not have all the necessary documents, but her application was nevertheless successful.

Application for the State Basic Disability Allowance is especially cumbersome and requires more effort than applications for other transfers. The application pack is to be submitted to a district (municipal) Public Center for Pension Payments (PCPP) units at place of residence. The procedure requires submitting only seven or eight documents, and the most challenging aspect is the requirement for medical certification. Applicants are required to register the disability according to medical and social assessment rules approved by Government Resolution No. 750 dated 20 July 2005. Claimants need to undergo diagnostic assessment and treatment at a hospital, after which the hospital refers the person to the Medical and Social Expert Committee for a medical and social assessment. Subsequently, this Committee considers the evidence of disability on the basis of the submitted medical documentation and certifies the disability status.

The hospital consultation requires time and sometimes money. A beneficiary in Astana explained that her child had to undergo inpatient treatment in a hospital for 30 days twice a year. Some parents cannot leave a child in a hospital on their own so instead stay at the hospital with their child. Whilst children with disabilities may stay in the hospital for free, their parents need to pay for their stay.

Respondents reported that to retain eligibility for the Disability Allowance, they are required to confirm their children's disability every two years or even annually. It means their child must be hospitalised periodically, which consumes substantial effort and cash.

22 Oralman or "returnee" is an term to describe ethnic Kazakhs who have immigrated to Kazakhstan since its independence in 1991.

The biggest problem is going through medical and social assessment once a year and also passing the psychological, medical and pedagogical commission to obtain allowance for children educated at home. You need to get that letter every year and it creates inconvenience for us and children because it is hard to transport him to a district hospital to be checked. We think it is unnecessary because if a child is disabled since birth then his condition is unlikely to improve. If he's got infantile cerebral paralysis, then he has to live with it forever. (E, FGD 3, South Kazakhstan Region)

There are often delays in the medical certification. For example, one respondent had to wait a month for the mandatory certification by a geneticist and endocrinologist: *You need to sign up and wait about a month. There is lack of medical staff here in Astana. (Guldraikhan, FGD 3, Astana)*

It takes one month to apply for the Disability Allowance for the first-time applicants and two weeks when re-applying. One respondent had to wait for three months.

When I reached the middle of the process I was about to give up. I thought e why do I need this at all? You must be very patient because it is too long. Just imagine how you manage to do it if your child is sick?! (L, FGD 3, Astana)

A respondent from Semey described the distress she and her child experienced whilst undergoing medical certification. She complained about the stigmatising attitude of the Medical and Social Expert Committee members towards benefit claimants:

The experts from the Committee behave as if they are gods. They sit like gods, look at you, bombard you with questions. They do not insult, but also do not smile. They say: 'Let the child answer himself, do not speak for him'. But my son feels lost, he cannot talk properly. They could be more kind. And my child is afraid of this commission, we go there as for punishment. They put pressure on you saying that all you need is money. They say that the mums run after money and complain when anything goes wrong. We are ordinary people, where should we write to complain? I do not want to complain so that it does not hurt my child afterwards. (G, IDI 3, Semey)

13.3 INFORMATION DISSEMINATION, ATTITUDES AND BEHAVIOUR OF BENEFIT ADMINISTRATORS

The application process is challenging for prospective beneficiaries not only because of the time and monetary cost involved. They often lack sufficient information about the application procedures and requirements. They also encounter negative attitudes and unfriendly behaviour from benefit administrators. According to the respondents, the treatment they received from public officials made the application process even more difficult and made them feel vulnerable and stigmatised.

The respondents in Astana and Semey reported that they often had incomplete information about social transfers, including eligibility conditions and application

requirements. They felt that information provision was 'not a priority' for benefit administrators. For example, some respondents said they often were not given adequate information about the required documents or the changes in the requirements. As a result, they were compelled to go back and forth several times until they had submitted all the documents.

The respondents found it difficult to make queries. They often had to wait in a queue in order to ask a question about documentation requirements or how to complete an application form. The respondents in Astana felt that the premises were overcrowded and stuffy, which made queuing difficult.

When I submit documents there is no one to seek advice from. Personnel don't tell you anything. Sometimes you spend a lot of time in line just to find out that you have filled the wrong application. (Gulgaisha, FGD2, Semey)

For many respondents, social networks (rather than public officials) present the main means for communicating information on transfers. In particular, people hear about transfers from relatives and acquaintances, and they exchange information with others in the queues at the Department of Employment and Social Programmes or PCPP.

The lack of information can result in non-uptake of benefits. There were two young mothers who did not know that they were eligible for a birth grant and the benefit for children under one.

I visited the PCPP but no one told me about that. I've just heard about this. Also, my friend told me that as a single mother I can also get something. (A, FGD 4, Astana).

Many people don't know that they can receive allowance. People are not informed. They never gathered us together, never asked about our problems. (M, FGD 2, Astana).

The qualitative assessment shows that applicants often experience negative attitudes and behaviour of administrators at the Department of Employment and Social Programmes or PCPP office. Respondents in Astana and Semey complained about the rudeness and incompetence they encountered during the application process. People felt that the personnel were not welcoming and approachable and were reluctant to provide advice.

They are unfriendly and unwilling to help. They shout. I submit my documents through my tears. (B, FGD 1, Astana)

Young girls just sit there and drink tea busy with personal things. They don't know how to deal with people who are in difficult life situations. (B, FGD 3, Astana)

There was a pregnant woman standing in the queue to submit her documents (she has four children). The lady at the window told her, 'Why don't you find a job?' She responded that her child was only 18 months old. 'How many times can you give birth? What do you deliver children for?' She [the official] said in such a rude manner that the woman could not think about how to respond. (I, FGD 2, Astana)

One respondent said she felt that it was up to beneficiaries to ‘please’ the administrators, and not vice versa. She thought that by adopting an obedient and self-deprecating stance she had more chance of getting a response:

Now I decided to follow a completely different approach trying to act like a fool in order to effectively communicate with them. Unfortunately, they don't understand normal human approach. (B, FGD 1, Astana)

Some parents had to ‘thank’ (i.e. to bring gifts) the responsible officers in order to speed up the processing of their application:

Yes, every time. We bring sweets to get certificates, then things go quicker. (G, Focus-Group Discussion 3, South Kazakhstan Region)

We sometimes buy them a box of chocolates to speed up the process. We don't buy chocolates for our kids but we do so for them. This helps to make things happen more quickly and saves us time. You have all your documents sorted out in one or two days. (G, FGD 4, South Kazakhstan Region)

The attitude of benefit administrators towards the applicants appears to be more approachable and supportive in the rural setting of South Kazakhstan compared with urban areas of Astana and Semey. While some respondents in South Kazakhstan mentioned the unwelcoming attitudes and limited information provided by benefit administrators, there were also others who said that the personnel were more accessible and willing to provide information and help with the preparation of relevant documents. This difference

between rural and urban settings is likely to be associated with urban administrators’ comparatively heavy workload as well as rural administrators’ proximity to clients in settings where everyone knows each other.

13.4 KEY FINDINGS

The qualitative assessment reveals beneficiary experiences of receiving social transfers and applying for benefits.

There was a **mixed picture with regard to the timeliness and accuracy of benefit payments**. Whilst many beneficiaries received their benefits on time, some referred to delay and administrative errors. The beneficiaries received the full amount of their benefits except in South Kazakhstan where small sums were deducted at the point of benefit receipt at a post office for newspaper subscription.

The application process required a substantial investment of energy and time. This is partly because of the need to obtain the required paperwork and documents, and partly because of red tape, limited communication and the unsympathetic attitudes of benefit administrators. Preparing application packs often requires monetary investment to cover the cost of photocopying, registration, transportation, notary certification and other costs. The beneficiaries found it especially difficult to apply for the State Disability Allowance, which required periodical hospital-based medical assessment. This absorbed a lot of time and money, while the process of medical certification was perceived to be traumatic.

14. Access to social services

Cash transfers alone are not sufficient to ensure children's well-being. It is important that children have access to important social services, including health care, social care facilities, pre-school and childcare services, and schools.

The UNICEF *Social Protection Strategic Framework* (UNICEF, 2012) emphasises the need to develop and strengthen 'integrated social protection systems'. Such systems are crucial for addressing multiple, inter-related vulnerabilities experienced by children and their families. The framework calls for promotion of linkages and synergies between different policy sectors and programmes, including between social assistance and social services.

There is no one single definition of integrated services. Integrated approaches in social sectors comprise various modalities in different sectoral areas, including child protection, social care, social assistance, health, nutrition, and early childhood development. A UNICEF-commissioned study on integrated services in the Central and Eastern Europe and CIS region (Babajanian and Holmes, 2013) distinguishes three avenues for introducing greater cooperation and integration:

1. Promoting coordination between national agencies by setting up inter-sectoral committees and procedures and practices for coordination and information exchange.
2. Consolidating structures, limiting overlap of functions and activities, delineating and clarifying the roles and responsibilities of different ministries and bodies involved in child welfare, and streamlining resource allocation at the national level.
3. Establishing linkages at the local level by promoting integrated services. The UNICEF study highlights different models of integrated service delivery. These include integrated social care services and combining social work and social services.

The integrated social care model combines different services under specialised care units. Social care services play a crucial role in identifying children with vulnerabilities, delivering treatment and rehabilitation, and offering advice, guidance and counselling to their families. These services deliver a range of specialist care and support services to specific groups. They can support children with disabilities and those living with HIV infection, dealing with family violence, homelessness and drug abuse, and preventing infant and young children relinquishment. An example of successful integrated social services is *Sure Start* – a government area-based initiative in England. It provides child care, early education, health and family support, with an emphasis on outreach and community development in disadvantaged areas.

Combining social work and service delivery represents another model of integrated services. This can be done by integrating social work in health care facilities and educational institutions. It can also be promoted at local centres for social services, which conduct statutory social protection and social support functions. The 'case management' model of social work – prevalent in many OECD countries, including England, Italy, Germany, Norway and others – provides a vehicle for the closer integration of different services and benefits for children and their families. In case management, social workers coordinate a comprehensive package of direct services, including outreach, legal and psycho-social counselling, risk assessment, and referrals. They also deal with children in residential care services, including placement and graduation, as well as adoption and fostering.

In the last decade, conditional cash transfer (CCT) schemes in Latin America have implemented innovative approaches to integrating social work, social assistance and social services. For example, *Chile Solidario* in Chile is perhaps best example of a comprehensive national social protection system (Temin, 2008). It institutionalised a referral system by appointing family counsellors to coordinate at the local level and to facilitate access to complementary services and programmes. Under its *Programa Puente* (Bridge Programme) sub-component, family counsellors help households assess their needs, identify gaps in service coverage and provision, and facilitate their access to social assistance programmes and services.

An integrated approach to social protection must focus not only on linkages between services and programmes in different sectors, but also linkages within a single sectoral area (Babajanian and Holmes, 2013). The link between early childhood and primary school education, for example, is crucial. Children's enrolment in pre-school facilities (e.g. kindergartens and day nurseries) is important for ensuring adequate child care and enabling parents to work. It is also crucial for avoiding fragmentation between early childhood and primary education and for promoting greater school readiness. Greater synergy between pre-school and school education largely depends on the availability, affordability and accessibility of pre-school facilities.

14.1 SOCIAL CARE AND SOCIAL WORK IN KAZAKHSTAN

Social care services in Kazakhstan are mostly oriented towards children with disabilities²³. In 2012, there were 129 counselling units ('psychological pedagogical correction

²³ In 2012, the total number of children with disabilities (0-17 years old) was 65,844 (Tomini et al., 2013).

rooms’) that support 13,506 children with disabilities (Tomini et al., 2013). The Ministry of Education supports 558 speech deficiency correction units (‘logopaedic rooms’) covering 17,057 children. There are 20 rehabilitation centres supporting 2,386 children with disabilities as well as 27 medical social institutions for children with psycho-neurological disabilities and muscular-skeleton disorders serving 2,901 children.

Children with disabilities receive in-kind support, which includes orthopaedic equipment, hearing aids, tape recorders, wheelchairs and other equipment. There are 17 residential institutions for children with mental disabilities and four institutions for children with physical disabilities (Tomini et al., 2014). In 2011, there were 14,118 children with disabilities in public residential institutions of all types. Since 2009, the government increased spending on social care services in residential institutions to strengthen the role of the specialist staff for various areas of support in social work, education, physical training, doctors, dieticians, and others (Akhmetov, 2011). Residential institutions are equipped with facilities for rehabilitation.

The Ministry of Education offers education services at pre-school and school levels through general kindergartens, special kindergartens, day care centres, general schools, inclusive schools (mixed classes and/or separate classes) and special schools (Tomini et al., 2014).

Respondents to our qualitative assessment reported difficulty accessing social care services. The respondents in Astana and Semey mentioned that there is a shortage of places in the rehabilitation centres, whilst respondents in South Kazakhstan complained about a complete lack of access.

There are only two rehabilitation centres in the city; the waiting list is two years long. The correctional course lasts only three months, but it is not enough. When the positive trend just starts to appear, you have to interrupt it because the course ends, and the next one is not soon. We have to pay the specialists. (L, FGD 3, Astana)

The respondents in South Kazakhstan complained about the absence of publicly-provided day-care services for children with disabilities. These day-care centres exist in various locations in Kazakhstan to provide children with specialist support by a psychologist, speech therapist and other therapists. Such centres have not been established here because of the difficulty in providing transportation for children with disabilities. Children with disabilities in rural areas live in different settlements that are often far from the district centre. If day-care centres were to be established they would be of most use to children from the district centre. Local administrations do not have money for special buses to pick up children with disabilities from all settlements.

Social care services can also be expensive and difficult to afford. For example, enrolment in special kindergartens and schools costs between KZT 56,000 and KZT 70,000. Poor families are rarely able to afford these expenses. In

addition to these expenses, parents are required to pay for services of specialists, such as psychologists and speech pathologists.

Social work in Kazakhstan and other CIS countries is often understood as provision of personal care services to specific predefined categories of children (e.g. children with disabilities, orphans, or those from ‘difficult’ families), rather than as a vehicle for assessing, preventing and addressing a broad spectrum of vulnerabilities (OPM, 2011). There are no social workers in maternity wards and there is no provision of social work to support delinquent children and those in difficult situations (Kovalevsky, 2012).

The concept of social work is arguably becoming increasingly ingrained, especially with passing the Law on Special Social Services in 2008 (OPM, 2011). Social workers have now been assigned to health care facilities, both at the primary and secondary level, including faculties for vulnerable groups, such as those with tuberculosis or HIV/AIDS. The Ministry of Labour and Social protection has 12,000 social workers at the Akimat²⁴ level who support children with disabilities through home visits and individual assessments (Tomini et al., 2014). The government is planning to increase the number of social workers and is supporting training and capacity building.

There is a need to deepen the improvements in social work in Kazakhstan (Kovalevsky, 2012). This includes greater coordination between social workers in social sectors, such as health, education and social assistance to identify vulnerable children more effectively. There is a need to include social workers in maternity wards to support mothers in order to prevent possible child relinquishment. It is important to enhance cooperation between social workers and the juvenile justice system.

14.1 PRE-SCHOOL EDUCATION AND CHILD CARE

The pre-school rate in Kazakhstan dropped considerably from 55% of children aged three to six in 1989 to 12% in 1997 (TransMONEE, 2011). The existing pre-school institutions were reformed as part of the ‘optimisation programme’ in the 1990s, as a result of which many were closed down, reorganised or privatised (UNESCO, 2011). The enrolment rate started improving again in the early 2000s and it doubled between 2006 and 2010 (UNICEF, 2013). The 2011-2020 National Education Development Programme seeks to increase pre-school enrolment to 100% by 2020 (ibid).

The existing pre-school facilities cover a relatively low percentage of children. The number of state run pre-school facilities was 4,972 in 2010 and accommodates 373,100 children, which constitutes 38.7% of all children of pre-school age (UNESCO, 2011). This implies that there are 111 children per 100 pre-school places (Roelen and Gassmann, 2012) and that much demand is unmet. In addition, there is a wide variation in access across regions and between urban and rural areas (UNICEF, 2007). There are more kindergartens available

²⁴ Municipal/ district government.

in urban areas than in rural ones, and rural enrolment rates (29%) are predictably lower than urban rates (45%).

In an attempt to increase enrolment and attendance of pre-school facilities in Kazakhstan, the BOTA Foundation piloted a CCT programme in 2009. CCTs have been widely used in other middle-income countries, especially in Latin America, to promote access to services such as education, health and nutrition among poor households. It offers regular monthly cash transfers to different groups of low-income households. Transfers are made provided the recipients meet specific conditions, such as attending antenatal appointments, pre-school or training courses.

An impact evaluation of the CCT programme (OPM, 2014) has concluded that it has increased pre-school attendance. The increase in attendance has been noted in 'mini-centres', whilst the demand for kindergartens and so called 'zero classes' (pre-schools) has not been significantly affected. The programme has also led to establishment of so called 'BOTA groups', set up by the community to meet the CCT conditionality where pre-school facilities did not exist or had no available places. The evaluation suggests that this results in a variation in opening times and amenities offered by different facilities. This can have implications for education outcomes. Another finding of the study is that increased enrolment has not been absorbed by kindergartens and zero classes, indicating supply-side bottlenecks. The study concludes that improving pre-school attendance requires not only demand-side incentives, but also supply-side expansion.

Respondents to the qualitative assessment for this study considered kindergartens important. They said that they would enable them to work, and that their children would be better fed and better prepared for school. They complained about the difficulty enrolling a child in the public kindergartens:

We go to public kindergartens, but they do not accept us; you need to enrol through friends; corruption plays a huge role, you have to bribe them. (Balym, FGD 1, Astana)

Private kindergartens are very expensive. Some families

with many children in South Kazakhstan did not contemplate sending their children to kindergartens. They felt it was 'a luxury' to spend KZT 4,000 a month on a kindergarten; they would rather spend this money on food or clothes.

We are not even thinking about a kindergarten. We stay home and raise the children ourselves. Definitely, that would be better for children to go into kindergarten – there they would be prepared for school – but we cannot assign 4000 tenge a month from our family budget for a kindergarten – that's a luxury for us. We would better buy food and clothes. (G, FGD 1, South Kazakhstan Region)

14.2 KEY FINDINGS

Access to services is critical for children's well-being. There is a **need to strengthen social work in Kazakhstan, including greater coordination between social workers in health, education and social assistance to identify vulnerable children** more effectively. There is a need to include social workers in maternity wards to support mothers in order to prevent possible child relinquishment. It is important to enhance cooperation between social workers and the juvenile justice system. Introducing case management practices can significantly enhance the role of social workers in facilitated access to social assistance and social services.

It is crucial to make social care services accessible and affordable. There are often limited places available at the rehabilitation centres for children with disabilities. Private social care facilities are expensive and parents in low-income families cannot afford them. There is also the problem of accessibility as social care facilities are often not available in some rural areas.

Kazakhstan has made substantial progress in increasing pre-school enrolment in the last ten years. There is, however, **a need to further expand access to publicly provided and affordable pre-school facilities** to ensure inclusive access across all the regions. The evaluation of the BOTA CCT programme points to the need to expand the availability of pre-school facilities in order to achieve greater enrolment.

15. Social stigma and exclusion

The accounts of our respondents suggest a significant degree of social stigmatisation of poor and vulnerable individuals. Respondents encountered negative attitudes from the general public as well as from public officials, including teachers at schools and medical workers at polyclinics and hospitals. Children face stigmatisation in public institutions and on public transport. These attitudes concern children from poor backgrounds as well as children with disabilities.

People from low-income groups are perceived by many to be responsible for their poverty. There is a widespread public opinion that many poor are lazy and do not wish to work, relying instead on public transfers. The following are some of the experiences of beneficiaries of negative social attitudes:

They say: 'You have no job, why did you deliver a child then?' They always say so to my daughter: 'You deliver children, and then you come to us.' As if they are paying from their own pocket. (Kalamkas, IDI 2, Astana)

My husband is unemployed ... People say: 'You are a healthy fellow, why don't you work!' (Gulgaisha, FGD 2, Semey)

Rich people do not talk to us, we do not exist for them, they look at us like we are lazy and we do not want to work. We would work [...] instead of receiving needy transfer, but there are no jobs in the settlement – only jobbing for rich people, but sometimes they do not pay or pay peanuts. (Kalamkas, FGD 2, South Kazakhstan Region)

We are treated as beyshara (needy). We receive transfers for poverty, which means, according to them, that we cannot feed our children. Others receive transfers too, but they have children with disabilities, many children. Yes, I have two children, but no husband and no job. I live off transfers. (Ainur, FGD 2, South Kazakhstan Region)

Families with children with disabilities face especially negative social attitudes towards their children. According to focus group participants, people are 'not ready' to accept children with disabilities as equal members of society. They encountered negative attitude from strangers and even their relatives.

Why do you torment yourself with this child? Is it not better to get rid of this child than to waste time on him your whole life. Send him to a children's home. It is tough to hear this, especially from close people. Even children in street keep away from a child with a disability. (Raikhan, FGD 3, South Kazakhstan Region)

My child is so small ... He is very badly treated. The neighbouring children are very aggressive to him. Their parents do not explain them anything. They think that if the child is disabled his parents are alcoholics, etc. (Guldraikhan, FGD 3, Astana)

What will happen when we [parents] are gone? His brothers do not accept him. (Lubov, FGD 3, Astana)

Even relatives do not accept him, let alone the society. (Gulnar, FGD 3, Astana)

Many focus group participants with children with disabilities complained about the attitudes of health care workers. The respondents referred to poor treatment of children with disabilities and their parents:

In hospitals they ask why we gave birth to such children. We make emergency calls when children have seizures; they come without the necessary drugs and blame us that we do not have drugs. (Z, FGD 3, South Kazakhstan Region)

They also referred to the reluctance of health workers to offer places for treatment in the republican diagnostic centres of rehabilitation:

It is almost impossible to get a quota for the child's treatment: they are never available, they say they do not get enough quotas for the region, but we have not heard of any of the children with disabilities being treated under the quota during the last year. The information is hidden, inaccessible, perhaps, some 'hardballs' get this quotes who can bribe for that. (A, FGD 3, South Kazakhstan Region)

While we cannot verify the quota situation as described, these perceptions suggest limited transparency in health workers' communication with service users.

Poor families with many children also face rudeness and negative attitudes. According to respondents, people resent them because they have many children but they do not have enough money to ensure the well-being of their children.

A respondent in South Kazakhstan said that a health worker reprimanded her for having a child without sufficient means to support them. The health workers even suggested that she had children in order to receive transfers.

When I was delivering the younger baby, they insulted me in the maternity clinic saying: why do you do this, don't you have enough children? You don't have [enough money], what to do, who will raise them? (Sara, FGD 1, South Kazakhstan Region)

These attitudes are deeply traumatising for children. One respondent said her daughter did not wish to repeat her parents' lives and have many children.

Our grown-up children, mainly the daughters, do not want to have many kids. They grew up looking at all these difficulties, so they say from time to time that they do not want to get married and have children. They want to study and work in the city. (Akmaral, FGD 1, South Kazakhstan Region)

Children from such families dress poorly and do not have money to contribute to presents for teachers and for school maintenance. They are often frowned upon by

teachers and other children. Here are some quotations that illustrate stigmatisation at schools:

The teachers have contempt for my children as they are not well-dressed, do not bring presents – we do not bring anything to the school teachers. (Aishagul, FGD 1, South Kazakhstan Region)

At school the teachers ask publicly: ‘where do your parents work?’ And definitely anyone in the class can hear that. The teachers look at the clothing, and if a child has poor clothing and his parents do not have high positions, their attitude to the child changes. The same is for the top positions. Each teacher should be informed, isn’t it possible to know among 25 children who has economically disadvantaged families, you could leave them after classes and tell it to them alone. Do not tell it publicly. It prejudices. The children do not even want to study because of that. (Altyn, FGD 1, Astana)

‘My son is in the ninth grade, and the teacher said publicly in the class: ‘As you are economically disadvantaged, you can get free food’. Of course, my son is a grown up [proud] person, he refused. Then he came home and burst out crying. And my daughter studies in the sixth grade, and she was asked [in a school questionnaire]: ‘What is your

mum’s salary?’ She felt ashamed to write ‘20 thousand’, so she wrote ‘200 thousand...’ (Irina, FGD 1, Astana).

If all other parents invest in something for the school, and my child cannot participate, he is also diminished. I was fighting with the teacher for three years. They offended my child: the other children and even the teacher called him names. (Ainura, FGD 1, Semey).

Thus, beneficiaries of social transfers often experience social stigma because of their poverty. Social attitudes lead to negative treatment of children with disabilities, which is likely to only reinforce their exclusion.

15.1 KEY FINDINGS

There is a **significant degree of social stigmatisation of poor and vulnerable individuals in Kazakhstan**. These attitudes concern children from poor backgrounds and children with disabilities as well as their parents. They often encounter negative social attitudes from the public as well as public sector officials at schools, polyclinics and hospitals. Such treatment negatively affects their self-esteem and contributes to a sense of vulnerability and exclusion.

16. Conclusions and policy recommendations

16.1 CONCLUSIONS

Coverage of social assistance is generally pro-poor.

Almost half of households in the bottom income quintile receive a social transfer, compared with one in five in the top three income quintiles. Coverage is highest for state social allowances and special state benefits; more than one in ten households receives one of these transfers. This means coverage for households facing specific vulnerabilities, such as disability or loss of a breadwinner (state social allowances) and mothers with many children, war veterans, and Chernobyl victims (special state benefits) is higher than coverage of social assistance for low-income groups. However, coverage is pro-poor – a greater share of households in the lowest income quintile receives a state social allowance or special state benefit. This could be explained by the fact that there is a higher concentration of individuals with these specific vulnerabilities in households in low-income quintiles.

Households across all income quintiles receive poverty-targeted transfers. However, the **inclusion error for poverty targeted social transfers is rather small, while we find a large exclusion error.** The majority of the extreme poor (i.e. individuals below 40% of the subsistence minimum) do not receive minimum income support to address their basic needs, even though they are eligible for it based on their household income.

In terms of the coverage of vulnerable groups, we see a mixed picture. Even though rural households face a greater risk of being poor, coverage of social assistance is higher amongst urban households. Coverage of households with heads who are out of the labour force or unemployed – groups that have a higher risk of being poor – is higher than the national average. Coverage for households with two or more children – a group identified as vulnerable – have above average coverage. The households have particularly high coverage of special state benefits, which include benefits for mothers with many children. Coverage of another vulnerable group – households with a member with a disability – is close to 100%. Coverage is particularly high for state social allowances, which includes disability allowances.

The analysis of the amounts received in transfers shows a complicated picture. On the one hand, **households in the lowest income quintile receive higher amounts of total social assistance per capita, although these are only slightly higher than the national average.** However, this picture holds only when we consider all benefits combined, and the situation is different when looking at poverty-targeted social transfers. More specifically, households in the higher quintiles receive higher amounts through

poverty-targeted social transfers, yet they are not eligible to receive them.

A somewhat different picture emerges when looking at transfer amounts received by individuals; on an individual level we see a more pro-poor distribution pattern, with poorer individuals clearly receiving higher levels of transfers. This seemingly contradicts the pattern we found in the analysis at the household level, but it can be explained by the fact that households in the bottom income quintile have significantly bigger households, on average. This means that even though some social assistance programmes (e.g. TSA) do take household size into account when setting transfer levels, *in terms of their aggregate effect*, social transfers are diluted and offer less support per household member in low-income households owing to the larger size of these households.

The analysis also considered the adequacy of different kinds of transfers. The calculations show that **universal transfers are more generous than targeted transfers.** The average transfer levels of the TSA – the main transfer to provide minimum income support – are not sufficiently high to cover the basic subsistence needs of beneficiary households. The findings of the qualitative assessment suggest that transfers were not sufficient to enable low-income families to fully meet the needs of their children.

The analysis also considered poverty incidence, where we consider the relative contribution of **social assistance to beneficiary households' budgets.** On the whole, social transfers make a small contribution to beneficiary households' budgets. For the population as a whole, social assistance accounts for about 2.5% of household budgets; for households in the lowest income quintile it is 7.6%. Social assistance for low-income households makes the smallest contribution to households' budgets owing to low transfer levels.

Finally, the analysis considered what would happen to household's poverty levels if they did not receive transfers. **Social transfers do have an effect – albeit small - on poverty levels, but to a variable degree for different groups of transfers.** For all social transfers combined, the poverty headcount would be 2.5% points higher without social transfers and if households did not replace the lost social assistance income. State social allowances have the biggest effect in terms of reducing poverty levels, particularly on households with children, due to their higher benefit levels. Targeted social transfers and housing assistance on the other hand, have fairly small effects on poverty, as is to be expected considering the low transfer levels.

The analysis also considers whether households received transfers from two or more groups of transfers. **On**

the whole, multiple transfer receipt is uncommon (75% of households only receive transfers from one group), **but households identified as vulnerable are more likely to receive multiple transfers.** These include households in the poorest income quintile, households with heads that are out of the labour force and households with children. The qualitative analysis confirms that vulnerable households often receive multiple transfers and find it easier to make ends meet when doing so. However, even when transfers are combined they are often still inadequate for fully meeting the needs of their children.

The fact that targeted social transfers (TSA particularly) are not effective in guaranteeing the minimum subsistence needs of poor households (either because they offer limited amounts or because they do not reach many poor households) has implications for the use and effectiveness of other social transfers. **As poor households receive limited subsistence support through targeted social transfers, they tend to utilise transfers aimed at addressing specific vulnerabilities of their children.** For example, transfers to support the needs of children with disabilities, or extra cost for caring for a child with a disability are often spent on the basic subsistence needs of a family in the absence of other substantial sources of income. Similarly, the transfer for families with many children is spent not only on children, but the whole family. In other words, the limited minimum income support available to low-income households undermines the objectives of other social transfers.

The design of the TSA means test contributes to this problem. In particular, the TSA is awarded following a stringent means test that considers income from other transfers as part of the household's income. **This implies that the TSA means test presupposes that beneficiaries should use other transfers for addressing the household's minimum subsistence needs.** Meanwhile, unlike TSA, these transfers do not aim to guarantee minimum income to low-income families; instead, they intend to reduce household vulnerabilities.

International literature suggests that there is only little evidence that social transfer programs alone affect fertility. In order to have a higher chance of promoting fertility, cash transfers must be delivered as part of a package of comprehensive family policies. Having said this, there is a **weak correlation between social assistance spending and population growth rate in 1991-2012** in Kazakhstan. The findings of the qualitative assessment in Kazakhstan corroborate the importance of combining generous cash transfer with a range of policy measures to tackle material insecurity and access to services. These include increasing child care availability, facilitating work-life balance, and achieving greater gender balance in work and care.

The combined expenditure on the three social sectors (health, education, and social support and welfare) was just over 51% of total government expenditure in 2011. This suggests the commitment of the government to social investment. **The expenditure on social support and**

welfare was the highest at just over 20% in 2011, again an indication of high priority placed in this sector.

Out of total social assistance expenditure, spending is greater on state social allowances and lowest on poverty-targeted transfers. Total expenditure per beneficiary, including administration costs is also greatest on state benefits. Targeted social transfers have by far the lowest expenditure level per beneficiary. The key reason for this is the low benefit level of these transfers.

The qualitative assessment reveals a mixed picture with regard to the timeliness and accuracy of benefit payments. Whilst many beneficiaries received their benefits on time, some referred to delays and administrative errors. The beneficiaries received the full amount of their benefits except in South Kazakhstan where small sums were deducted at the point of receipt at a post office for newspaper subscriptions.

The application process required substantial investment of energy and time and incurred substantial monetary cost. Red tape, limited communication and unsympathetic attitudes of benefit administrators made the application process difficult and time-consuming. It also contributed to a sense of insecurity and vulnerability among beneficiaries and affected their psychological well-being. The beneficiaries found it especially difficult to apply for the State Disability Allowance, which required periodical hospital-based medical assessment. This absorbed a lot of time and cost money, whilst the process of medical certification was perceived to be traumatic.

In order to enhance child well-being, social transfers in Kazakhstan must be complemented with effective and inclusive social services. There is a need to further expand access to publicly-provided, affordable pre-school facilities to ensure access across all the regions. It is important to strengthen social work in Kazakhstan, including greater coordination between social workers in health, education and social assistance to improve the effectiveness in identifying vulnerable children. There is a need to include social workers in maternity wards to support mothers in order to prevent possible child relinquishment. It is important to enhance cooperation between social workers and the juvenile justice system. Finally, it is crucial to make social care services accessible and affordable.

There is a significant degree of social stigmatisation of poor and vulnerable individuals in Kazakhstan. These attitudes concern children from poor backgrounds and children with disabilities and their parents. They often encounter negative social attitudes from the public as well as public sector officials at schools, polyclinics and hospitals. Such treatment negatively affects their self-esteem and contributes to a sense of vulnerability and exclusion.

16.2 POLICY RECOMMENDATIONS

Children do not live on their own: they live in a household. The objective of enhancing child well-being must be addressed through an integrated approach, as part of

addressing the household well-being. For social policies, this implies that it is not sufficient to concentrate on specific programmes for children, but it is crucial to improve the effectiveness of welfare support for the entire household.

Adequate support involves: (1) ensuring that household basic subsistence needs are met, and (2) supporting vulnerable households to meet additional costs related to large family size, sickness, disability, and special needs. It is crucial that these two components be seen as complementary rather than mutually exclusive.

The key finding of this study that requires immediate policy attention is that the minimum income benefits (TSA) do not provide adequate support to poor and vulnerable families and their children; this undermines the objectives of other transfers as households use them to meet their basic subsistence needs. As the overall value of transfers is low, benefits in general do not ensure that basic needs are fully met. Yet these families often require support beyond basic subsistence.

Providing adequate subsistence support to households will ensure that basic priority needs – for food, clothing, housing and access to services – are met and that other social transfers will be used to address additional needs associated with specific vulnerabilities. For example, in families with many children this implies that additional income received through child benefits be directed towards addressing the specific needs of children rather than diverted to support general household needs. It means that parents should be able to care for a child with a disability and ensure that their needs are met in terms of social health care, medicine, education and living conditions.

In order to achieve this balance in addressing subsistence needs and reducing vulnerabilities, it is first of all crucial to enhance the coverage and adequacy of TSA as the main instrument of minimum income support. Improvements in the TSA programme involve three important aspects. First, addressing targeting effectiveness of TSA, i.e. the ability of the programme to reach its target group as defined in its operational guidelines. In this connection, it is important to undertake a study to examine the specific reason for the limited reach of the programme to eligible individuals (below 40% of the minimum subsistence threshold) and high degree of inclusion errors.

Second, it is important to raise the current extremely low eligibility threshold for the means test to a 100% of the national subsistence minimum. This will ensure that social assistance can reach all the poor and not only a small fraction of the poor as is the case at present.

Third, this higher threshold should also be used for calculating the benefit value. This will ensure that benefits provide adequate support by covering the poverty gap, i.e. the difference between the minimum subsistence threshold and income levels of beneficiary households.

As a technical study conducted by ILO (2012) recommended the method of calculation for minimum

subsistence in Kazakhstan needs to be improved in line with international practice. This includes regular revision of the food basket based on updated prices and the introduction of costs of minimum expenditures on education, health and transportation as well as tax and mandatory payments in the calculation of the non-food basket.

The State Allowance for Children under 18 is not set in relation to the subsistence minimum and only offers a lump sum based on 1 MCI. This provides additional income to households who have children but is not sufficient to support basic needs of households. Therefore, this transfer cannot be considered as a minimum income support transfer. Rather, it is only a supplementary allowance for families with children.

As international practice shows, carefully designed institutional arrangements can help balance support for household basic needs and their specific needs. The Income Support transfer in the UK combines a basic allowance, a children's allowance and a premium to cover extra needs. It is also coordinated with social transfers to ensure the social assistance system is geared towards maximising support for vulnerable households.

It is important to improve the coordination mechanisms between different transfers. In Kazakhstan, there is a plethora of social assistance transfers that have different target groups and objectives. They are vital for ensuring support individuals with vulnerabilities at different stages of a life cycle. However, these transfers have not been effectively coordinated with the minimum income support schemes. In particular, the TSA means test must disregard income from other transfers when considering the household's income. This will ensure that households spend assistance received through these transfers on meeting specific vulnerabilities rather than spend them entirely on their basic subsistence needs. In other words, this will help meet the aims of these transfers to address vulnerabilities of children and their families.

Strengthening the linkages between social assistance and social services can help address child poverty and vulnerabilities. The role and functions of social workers must be enhanced to enable them to serve as focal points for promoting greater access to social assistance and services. Social care services and pre-school education must be made widely available and must not impose a significant cost on poor and vulnerable families.

It is important to identify relevant areas and entry points for promoting greater integration between social assistance and social services in Kazakhstan. Monitoring child well-being and diagnostic studies can help reveal the multiplicity and interconnectedness of children's needs and identify options for addressing them more comprehensively. Institutional analyses, costing studies and stakeholder analyses can help assess where integrated approaches are feasible and appropriate.

The study highlights that rural households are more vulnerable and exhibit higher poverty rates. Social assistance

alone is not sufficient to improve rural households' living standards. Policy options to reduce disparities between rural and urban areas and improve rural livelihoods should primarily focus on promoting productive opportunities for rural residents. The country's agricultural sector faces resource and structural constraints, and boosting agricultural sector growth require investments in transport infrastructure, agricultural research and innovation, food safety systems and training (OECD, 2013). These policies must be accompanied with efforts to facilitate poor households' access to credit, agricultural extension, and markets.

It is important that the process of application for social transfers be made more straightforward to ensure inclusive access. A key priority is to establish effective and transparent communication with all prospective applicants. Comprehensive information about application processes and requirements must be provided to the public both in writing and verbally. This includes explaining to all applicants how to complete forms and what documents to present. The benefit administrators must be explicitly tasked with the responsibility of offering advice and support (rather than just accepting and processing applications). They need to receive clear training and instructions about the basic standards of interaction with applicants and existing clients to ensure they are courteous and supportive.

Local officials must not be allowed to deduct any money from social transfers. This money is designated for specific needs of beneficiary families and no additional expenses can be imposed on them. The central ministries can issue a directive to prohibit additional charges that may be initiated locally.

Overcoming negative social attitudes and stigma is not easy and takes considerable time. It requires the proactive engagement of government officials in communicating to the public the principles of equality and inclusion that must underpin social relations in any country. It also necessitates measures to make people with disabilities more visible and include them in societal activities, such as politics, science, sports and culture.

The government is committed to ensuring efficient allocation of social assistance based on need. This is sensible, especially as the analysis of TSA targeting effectiveness reveals that there are individuals in higher income quintiles who do not require social assistance but nevertheless receive it. Yet it is important that the discourse about the need to improve targeting does not negatively affect public perceptions of benefit recipients. In fact, it is the responsibility of the government to convey to the public

that there are hardworking and honest citizens who are unable to earn sufficient money to support themselves and their families and that it is the role of the society to reach out to them and support them.

Effective monitoring and evaluation (M&E) is crucial for improving the well-being of children and families in Kazakhstan. It can help gather and analyse data on child well-being, access to services, and outcomes of social protection activities and introduce adjustments in the programme design and delivery to enhance effectiveness (Babajanian and Holmes, 2013).

First, M&E must entail analysis of key economic and social indicators, including well-being outcomes, such as mortality rates, nutritional status, and education achievements as well as access to health, education, and social care services. These data must be disaggregated by age, gender, ethnicity and disability so as to be able to observe different groups of children.

Second, it is important to assess the effects of specific programmes on children's well-being and their implications for equity. This can be done through regular household budget surveys. It is important that household budget surveys contain comprehensive modules on social transfers to allow detailed monitoring of receipt of benefits and their effects on poverty. As mentioned in this report, the 2009 HBS dataset clustered social transfers in groups of transfers, which constrained our ability to analyse the effects of specific transfers. Therefore, collecting and presenting data on individuals transfers can offer greater accuracy in understanding their effects. It is also important that as part of HBS data analysis the Agency of Statistics evaluates the effect of social transfers on poverty incidence following the simulation analysis used in this report. This would help policy-makers to monitor the effects of existing policies and introduce changes to improve their effectiveness if necessary.

Third, monitoring programme effectiveness involves regular collection and analysis of administrative data on various aspects of programme delivery, including beneficiary registration, identification, targeting, payments and termination. A strong management information system (MIS) is crucial for collecting and managing these data. Integrated MIS systems can coordinate information across various programmes. They are normally linked to a single registry at the national level. Furthermore, social protection MIS can be linked to registries in other sectors, including health, education and social care services. Integrated MIS can thus help to promote greater coordination and linkages in the delivery of social assistance and social services.

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Appendix 1: Poverty sensitivity analysis

Calculating consumption is an integral component of calculating poverty statistics as poverty indicators show whether an individual or group's aggregate consumption lies below the subsistence minimum or the poverty line and thus whether they can be considered poor in monetary terms. This also affects a lot of the indicators of benefit effectiveness and coverage.

We encountered several issues with the consumption data in the dataset available to us: our poverty estimates using the HBS 2009 are much lower than the estimates done by the World Bank using HBS 2008. Unfortunately, the documentation available to us on overall consumption is rather sparse. What is clear is that the World Bank considered thirteen different consumption variables (see table below) but did not include the group 'health', 'rent' as well as 'durables' in their total welfare variable (named 'gall', a name that is derived from the individual consumption variables 'gx'). We assume that they computed those variables according to Deaton and Zaidi's guidelines (2002), who wrote on constructing consumption variables from Living Standards Measurements Study for the purpose of poverty analyses. Surprisingly, this aggregate welfare variable exhibited very high values (extremely high in the individual dataset and high in the household dataset) which we could not explain with the data and information we have. Consequently, as consumption estimates are high, the prevalence rates of poverty are extremely low to non-existing when using the 'original' consumption variable and very high when dividing gall from the household dataset by household size.

Another report, prepared by Roelen and Gassmann (2012) for UNICEF, encountered the same problems when they attempted to recreate the World Bank statistics from 2008 using the same 2009 data as us. They were also unable to find a consumption variable that would result in the same poverty headcount, for instance. In their report they fell back

on using the nominal regionally adjusted adult equivalent total consumption (called 'neq_cons') as a basis for their calculations. We therefore decided to also use this variable as the basis for all poverty calculations. We also calculated new consumption quintiles (rather than making use of the existing ones which were probably based upon the World Bank's aggregate welfare variable), using this consumption variable to create consistent results.

These different consumption variables lead to different poverty rates, as shown in the tables at the end of this section. The variable neq_cons has the lowest total poverty headcount (34.0%, see Table A3), followed by npc_cons (48.6%, see Table A7). The variable gall shows the highest total poverty headcount at 55.8% (see Table A5). All of these differ substantially from the World Bank poverty headcount of 15.9% in 2008 (see Table A1).

Table A2 below outlines the advantages and disadvantages of the different consumption variables.

In order to give a better insight into how sensitive the different incomes are to different measurements, the following pages will provide an overview of the distribution of the three different variables.

Figures A1 to A3 below give an overview over the density distribution of consumption for the different variables. All three histograms have the subsistence minimum line (PM) as well as the poverty line (40% of PM) added, to show the sensitivity of the measurement of poverty to the distribution of the consumption variables.

As the two lines are slightly regionally adjusted by the government, this is simply an overview, as adding the individual lines would be hard to understand. Since the poverty line is regionally adjusted some people are classified as poor, where others with the exact same income are not as they live in different regions.

One can see, as the poverty rates already suggest, that the distribution of npc_cons as well as gall are more left-

Table A1: Poverty levels according to the World Bank 2008

	Poverty Headcount			Poverty Gap			Squared Poverty Gap		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Urban	16.5	8.8	12.1	3.3	1.5	2.2	1.1	0.5	0.7
Standard Error	0.5	0.4	0.5	0.1	0.1	0.1	0.1	0.0	0.1
Rural	28.8	22.7	21.2	6.3	4.3	4.1	2.1	1.3	1.2
Standard Error	0.8	0.7	0.7	0.2	0.2	0.2	0.1	0.1	0.1
Total	21.7	14.7	15.9	4.6	2.7	3.0	1.5	0.8	0.9
Standard Error	0.5	0.4	0.4	0.1	0.1	0.1	0.1	0.0	0.1

Table A2: The different consumption variables used for creating alternative poverty measurements

Variable name	Description	Advantage	Disadvantage
neq_cons	The consumption variable we used in the analysis presented on the 15 June 2014; it measures nominal adult-equivalent-adjusted total per capita consumption with rural/urban deflators	<ul style="list-style-type: none"> - Nominal per capita consumption - Adjusted for adult equivalent for children - Rural/urban deflators - Used in 2012 UNICEF report, so appears to be acceptable to the Government of Kazakhstan 	<ul style="list-style-type: none"> - Unclear how exactly it is constructed (labelling is the only indicator on how the variable is constructed)
gall	Total per capita consumption, current year prices (excludes health, rent and durables)	<ul style="list-style-type: none"> - Constructed and apparently used by the World Bank 	<ul style="list-style-type: none"> - Unclear how it is constructed, so for instance we don't know if adjusted for regional price differences - Values do not seem to make sense (very high, using it without adjusting for household size results in next to no poverty)
npc_cons	nominal adult-equivalent-adjusted household per capita consumption including health, rent and durables with rural/urban deflators	<ul style="list-style-type: none"> - Nominal per capita consumption - Rural/urban deflators 	<ul style="list-style-type: none"> - Unclear how exactly it is constructed (labelling only indicator on how the variable is constructed) - Not adjusted for adult equivalent for children

skewed than the distribution of neq_cons, thus creating higher poverty rates. Other than that the distributions all look fairly similar. All are left-skewed, as one would expect with income distributions.

Tables A3 to A9 below show the same poverty calculations for the three different consumption variables. Even though the different consumption variables show quite different poverty rates, as we already mentioned above, this

does not affect the findings of the study. The characteristics of households that increase the risk of poverty (see Box 3, Section 4) remain stable across the different variables. With all consumption variables the risk of poverty is increased by rural residence, male household heads, low education level of the household head, the household head being unemployed or otherwise out of the labour force, large households, households with many children, and having a household member with a disability.

Figure A1: Distribution of npc_cons

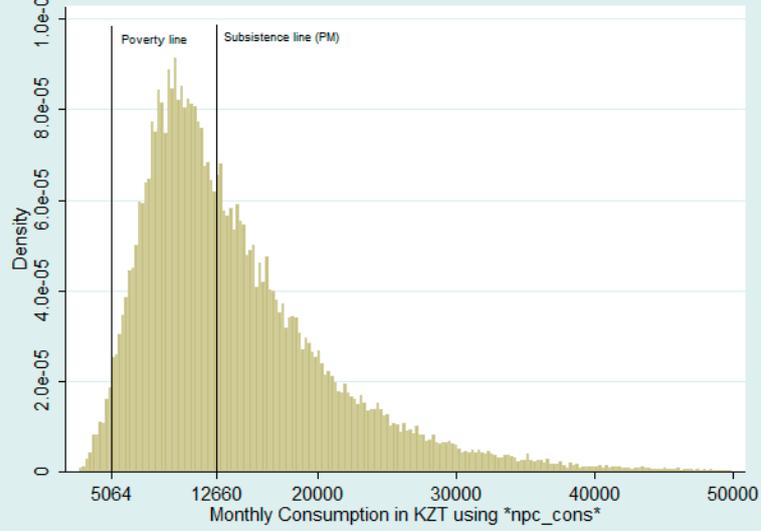


Figure A2: Distribution of neq_cons

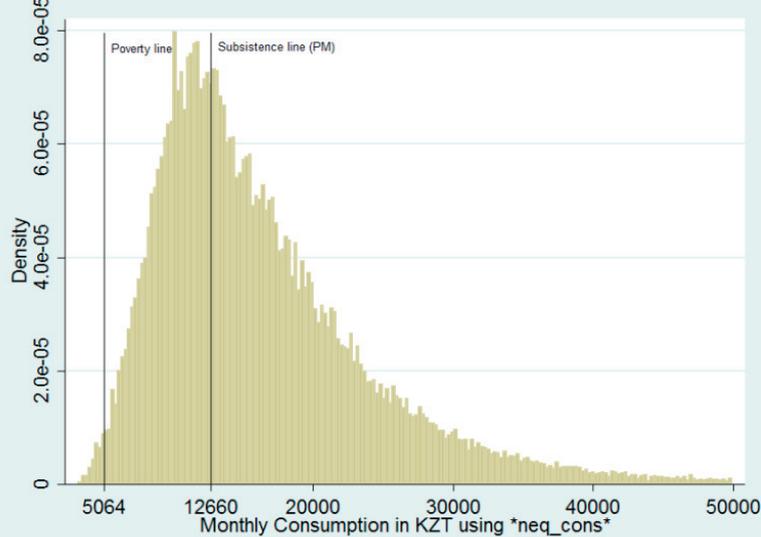


Figure A3: Distribution of gall

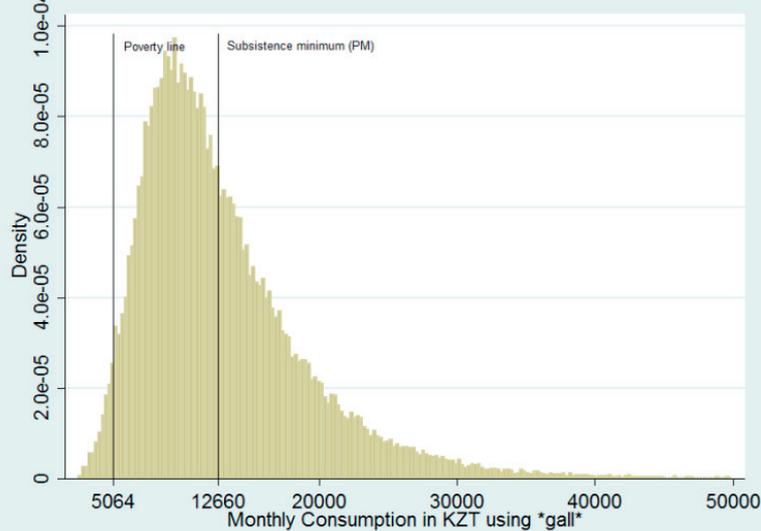


Table A3: Poverty measures by urban/ rural population at subsistence minimum (PM) (neq_cons variable)

	Poverty Headcount (P0)	Poverty Gap (P1)
Rural	49.2%	11.3%
Urban	21.1%	4.3%
Total population	34.0%	7.5%

Note: Weighted using population weights

Table A4: Poverty measures by urban/ rural population at 40% of subsistence minimum (PM) (neq_cons variable)

	Poverty Headcount (P0)	Poverty Gap (P1)
Rural	0.8%	0.5%
Urban	0.2%	0.1%
Total population	0.5%	0.3%

Note: Weighted using population weights

Table A5: Poverty measures by urban/ rural population at subsistence minimum (PM) (gall variable [from the household data divided by household size])

Poverty by urban	Poverty Headcount	Poverty Gap
Rural	69.6%	20.4%
Urban	44.0%	10.9%
Total population	55.8%	15.3%

Table A6: Poverty measures by urban/ rural population at 40% of subsistence minimum (PM) (gall variable [from the household data divided by household size])

	Poverty Headcount	Poverty Gap
Rural	2.7%	1.8%
Urban	1.2%	0.8%
Total	1.9%	1.2%

Table A7: Poverty measures by urban/ rural population at subsistence minimum (PM) (npc_cons variable)

	Poverty Headcount	Poverty Gap
Rural	66.2%	18.8%
Urban	33.5%	7.8%
Total	48.6%	12.9%

Table A8: Poverty measures by urban/ rural population at 40% of subsistence minimum (PM) (npc_cons variable)

	Poverty Headcount	Poverty Gap
Rural	2.3%	1.5%
Urban	0.9%	0.6%
Total	1.5%	1.0%

Appendix 2:

Additional tables

ADDITIONAL TABLES SECTION 4: POVERTY ANALYSIS

Table A9: Poverty of urban/ rural population at 40% of the official poverty line

	Poverty Headcount (P0)	Poverty Gap (P1)	Squared Poverty Gap (P2)
Rural	0.80%	0.50%	3.70%
Urban	0.20%	0.10%	1.40%
Total population	0.50%	0.30%	2.50%

Note: Weighted using population weights

Table A10: Poverty by type of settlement

Type of settlement	Poverty Headcount	Distribution of total population	Number of observations
Astana	13.8%	0.020	240
Rural	37.5%	0.445	5,340
Large city	13.8%	0.327	3,929
Medium city	19.9%	0.075	900
Small town	21.9%	0.045	540
Almaty	7.3%	0.088	1,050
Total	23.1%	1	11,999

Note: Weighted using population weights

Table A11: Poverty by region

Type of settlement	Poverty Headcount	Distribution of total population	Number of observations
Akmolinskaya	17.3%	0.062	749
Aktubinskaya	19.7%	0.043	510
Almatinskaya	28.6%	0.095	1,140
Atiraukskaya	38.0%	0.023	270
Zapadno-Kazakhstanskaya	24.7%	0.040	480
Jambilskaya	30.9%	0.058	690
Karagandinskaya	15.4%	0.113	1,350
Kostanayskaya	21.8%	0.080	960
Kizilordinskaya	60.8%	0.030	360
Manhistauskaya	30.0%	0.020	240
Yuzhno-Kazakhstanskaya	39.7%	0.100	1,200
Pavlodarskaya	14.5%	0.060	720
Severno-Kazakhstanskaya	19.1%	0.055	660
Vostochno-Kazakhstanskaya	18.2%	0.115	1,380
Astana (city)	13.8%	0.020	240
Almaty (city)	7.3%	0.088	1,050

Note: Weighted using population weights

Table A12: Poverty by household head's gender

	Poverty Headcount	Distribution of total population	Number of observations
Male	28.4%	0.441	5,288
Female	19.2%	0.559	6,711
Total	23.1%	1	11,999

Note: Weighted using population weights

Table A13: Poverty status by household head's marital status

	Poverty Headcount	Distribution of total population	Number of observations
Married	0.345	0.640	7,684
Not married	0.282	0.360	4,315
Total	0.328	1	11,999

Note: Weighted using population weights

Table A14: Poverty by household head's completed education level

	Poverty Headcount	Distribution of total population	Number of observations
none	50.8%	0.001	13
general primary	25.5%	0.019	226
general basic	23.1%	0.053	631
general secondary	34.9%	0.258	3,093
basic vocational	29.7%	0.115	1,376
secondary vocational	20.0%	0.313	3,758
higher vocational	12.9%	0.241	2,888
post-graduate	0.0%	0.001	14
Total	23.1%	1	11,999

Note: Weighted using population weights

Table A15: Poverty by household head's labour force status

	Poverty Headcount	Distribution of total population	Number of observations
employee	21.4%	0.590	7,077
self-employed	31.5%	0.154	1,847
unemployed	39.8%	0.017	209
retired	17.4%	0.198	2,372
student	9.5%	0.002	24
out of labour force	40.0%	0.039	470
Total	23.1%	1	11,999

Note: Weighted using population weights

Table A16: Poverty by household size

Number of household members	Poverty Headcount	Distribution of total population	Number of observations
1	1.8%	0.111	1,336
2	5.9%	0.204	2,444
3	13.4%	0.224	2,682
4	25.8%	0.210	2,525
5	42.3%	0.128	1,535
6	58.6%	0.070	839
7	71.2%	0.030	362
8 or more	82.1%	0.023	276

Note: Weighted using population weights

Table A17: Poverty by number of household members aged 0-14

Number of household members aged 0-14	Poverty Headcount	Distribution of total population	Number of observations
0	11.4%	0.575	6,905
1	27.6%	0.241	2,896
2	46.5%	0.127	1,525
3 or more	72.7%	0.056	673
Total	23.1%	1	11,999

Note: Weighted using population weights

Table A18: Poverty by whether the household has a member with a disability or not

	Poverty Headcount	Distribution of total population	Number of observations
Household has no member with a disability	23.1%	0.983	11,786
Household has member with a disability	25.0%	0.017	200
Total	23.1%	1	11,986

Weighted using population weights

ADDITIONAL TABLES FOR SECTION 5: BENEFICIARY ANALYSIS

Section 5.2: Coverage by household and geographic characteristics

Table A19: Share of households receiving social assistance (direct and indirect beneficiaries) by type of settlement, per month

	Proportion of group	Receiving any social assistance	Receiving Targeted Assistance	Receiving Housing Assistance	Receiving state social allowances	Receiving special state benefits	Receiving other social transfers
Astana	4.20%	42.5%	0.0%	2.1%	6.3%	4.2%	39.6%
Rural	46.00%	25.2%	0.8%	0.8%	12.6%	14.0%	3.3%
Large city	29.20%	22.7%	0.4%	2.5%	11.3%	10.2%	4.6%
Medium city	7.30%	24.9%	0.2%	3.4%	12.9%	11.8%	3.6%
Small town	4.30%	26.0%	0.3%	2.6%	12.0%	14.7%	3.4%
Almaty	8.90%	44.5%	0.8%	0.2%	7.7%	3.8%	38.3%

Note: Weighted by population weights

Table A20: Share of households receiving social assistance (direct and indirect beneficiaries), per month, by region

Region	Total social assistance	Targeted assistance	Housing assistance	State social allowances	Special state benefits	Other social transfers
Akmolinskaya	22.6%	0.8%	1.4%	12.2%	13.5%	3.6%
Aktubinskaya	27.0%	1.7%	1.4%	14.9%	14.3%	3.6%
Almatinskaya	22.2%	0.6%	1.9%	12.0%	8.0%	1.9%
Atirauskaya	20.1%	0.0%	0.0%	11.7%	6.2%	4.7%
Zapadno-Kazakhstanskaya	21.4%	0.2%	0.9%	12.3%	12.9%	0.2%
Jambilskaya	23.6%	0.4%	1.9%	15.2%	5.2%	3.9%
Karagandinskaya	30.5%	0.5%	1.5%	14.9%	16.8%	9.3%
Kostanayskaya	25.8%	1.0%	8.9%	11.1%	9.9%	0.3%
Kizilordinskaya	33.4%	1.0%	4.4%	8.0%	25.7%	0.5%
Manhistauskaya	19.8%	1.3%	0.3%	11.0%	2.5%	7.5%
Yuzhno-Kazakhstanskaya	25.9%	0.3%	0.2%	13.4%	12.6%	4.9%
Pavlodarskaya	14.5%	0.2%	0.1%	8.5%	6.8%	3.5%
Severno-Kazakhstanskaya	29.4%	1.4%	1.0%	12.0%	20.9%	5.2%
Vostochno-Kazakhstanskaya	20.2%	0.0%	1.4%	8.8%	14.0%	2.8%
Astana (city)	42.5%	0.0%	2.1%	6.3%	4.2%	39.6%
Almaty (city)	44.5%	0.8%	0.2%	7.7%	3.8%	38.3%
Total	27.3%	0.6%	1.7%	11.3%	11.0%	9.2%

Note: Weighted by population weights

Table A21: Share of households receiving social assistance (direct and indirect beneficiaries) by marital status of head, per month

	Region	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowances	Receiving special state benefits	Receiving other social transfers
Married	73.10%	23.6%	0.6%	0.8%	9.6%	11.2%	7.6%
Not married	26.90%	33.5%	0.6%	3.2%	14.3%	10.8%	12.0%
Total	100.00%	27.3%	0.6%	1.7%	11.3%	11.0%	9.2%

Note: Weighted by population weights

Table A22: Share of households receiving social assistance (direct and indirect beneficiaries) by head's education level, per month

	Proportion of group	Receiving any social assistance	Receiving targeted assistance	Receiving housing assistance	Receiving state social allowances	Receiving special state benefits	Receiving other social transfers
none	0.10%	53.3%	0.0%	0.0%	30.2%	38.5%	0.0%
general primary	1.50%	40.6%	0.0%	1.8%	11.7%	30.1%	6.7%
general basic	4.30%	36.0%	0.8%	3.1%	8.9%	19.8%	11.9%
general secondary (completed)	27.40%	29.9%	0.9%	1.6%	13.5%	13.1%	8.1%
basic vocational	11.60%	27.0%	0.5%	1.9%	13.1%	12.6%	7.0%
secondary vocational	30.70%	25.2%	0.5%	2.1%	11.1%	9.7%	8.5%
higher vocational	24.40%	24.6%	0.4%	0.8%	9.3%	7.0%	11.6%
post-graduate	0.10%						
Total	100.00%	28.7%	0.7%	0.9%	12.9%	13.1%	8.7%

Note: Weighted by population weights, the post-graduate group has too few observations to be able to measure coverage

Section 5.3: Targeting effectiveness

Table A23: Extent of pro-poor targeting

	Total	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Total Social Assistance	100.00%	36%	20%	17%	14%	13%
Targeted social transfers	100.00%	65%	12%	10%	10%	3%
Housing Assistance	100.00%	29%	15%	16%	23%	16%
State social allowance	100.00%	38%	20%	18%	13%	11%
Special state benefits	100.00%	30%	21%	17%	17%	16%
Other social transfers	100.00%	30%	16%	16%	16%	22%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Section 8: Multiple benefit receipt

Table A24: Multiple grant receipt by type of transfer

	Targeted Assistance	Housing Assistance	State Social Allowance	Special State Benefits	Other social transfers
Targeted assistance	100.00%				
Housing assistance	0.09%	100.00%			
State social allowances	0.03%	0.25%	100.00%		
Special state benefits	0.14%	0.36%	3.86%	100.00%	
Other social transfers	0.17%	0.19%	1.08%	0.98%	100.00%

Table A25: Multiple grant receipt by income quintile

	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	Total
Receives one group	64.9%	70.8%	73.2%	74.3%	75.9%	72.7%
Receives two group	26.6%	22.2%	20.5%	20.5%	19.5%	21.3%
Receives three groups	7.8%	6.2%	5.7%	4.7%	4.1%	5.4%
Receives four or more groups	0.6%	0.9%	0.5%	0.5%	0.5%	0.6%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A26: Multiple grant receipt by marital status of the head

	Married	Not married
Receives one group	76.4%	66.5%
Receives two group	18.0%	27.0%
Receives three groups	5.2%	5.7%
Receives four or more groups	0.5%	0.8%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A27: Multiple grant receipt by gender of the head

	Male	Female
Receives one group	75%	71%
Receives two group	19%	23%
Receives three groups	6%	5%
Receives four or more groups	1%	1%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A28: Multiple grant receipt by urban/ rural

	Rural	Urban
Receives one group	75.4%	70.7%
Receives two group	18.6%	23.4%
Receives three groups	5.5%	5.3%
Receives four or more groups	0.6%	0.6%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A29: Multiple grant receipt by education level of the head

	none	general primary	general basic	general secondary	basic vocational	secondary vocational	higher vocational	post graduate
Receives one group	46.7%	59.4%	64.0%	70.1%	73.0%	74.8%	75.4%	43.0%
Receives two group	37.9%	32.2%	28.1%	23.2%	19.7%	19.0%	20.7%	57.0%
Receives three groups	15.4%	7.0%	7.4%	6.3%	6.5%	5.6%	3.3%	0.0%
Receives four or more groups	0.0%	1.4%	0.6%	0.4%	0.7%	0.6%	0.6%	0.0%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A30: Multiple grant receipt by employment status of the head

	employee	self-employed	unemployed	retired	student	Out of labour force
Receives one group	79.2%	73.9%	65.7%	60.2%	91.1%	37.4%
Receives two groups	16.6%	19.9%	25.3%	33.5%	8.9%	32.9%
Receives three groups	3.9%	5.7%	7.8%	5.4%	0.0%	26.7%
Receives four or more groups	0.3%	0.5%	1.2%	0.9%	0.0%	3.0%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A31: Multiple grant receipt by household size

# members	1	2	3	4	5	6	7	8 or more
Receives one group	68.3%	74.5%	76.4%	79.1%	73.1%	58.6%	55.8%	48.8%
Receives two groups	26.9%	20.1%	17.3%	15.9%	21.0%	34.1%	35.0%	37.0%
Receives three groups	4.3%	4.7%	5.8%	4.6%	5.7%	6.7%	7.5%	11.0%
Receives four or more groups	0.5%	0.7%	0.5%	0.4%	0.2%	0.6%	1.6%	3.2%

Note: Income quintiles based on per capita household expenditure excluding social assistance

Table A32: Multiple grant receipt by number of children of the household

# children	0	1	2	3 or more
Receives one group	74.2%	76.9%	69.0%	48.4%
Receives two groups	19.9%	17.9%	25.4%	41.0%
Receives three groups	5.4%	4.6%	5.0%	9.0%
Receives four or more groups	0.5%	0.6%	0.5%	1.5%

Note: Income quintiles based on per capita household expenditure excluding social assistance

ADDITIONAL TABLES FOR SECTION 6: BENEFIT EFFECTIVENESS

Section 6.1: Social assistance amounts received for vulnerable groups

Table A33: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by type of settlement, per month

	Receiving any Social Assistance	Receiving Targeted Assistance	Receiving Housing Assistance	Receiving state social allowances	Receiving special state benefits	Receiving other social transfers
Astana	1811		2034	2663	2244	1180
Rural	1488	1192	1579	2042	530	652
Large city	2203	1503	1734	2664	1025	974
Medium city	1916	974	1757	2300	735	884
Small town	2239	2859	1469	3059	930	933
Almaty	1265	4660	1003	2763	1720	644

Note: Weighted by population weights

Table A34: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by region, per month

Region	Total Social Assistance	Targeted Assistance	Housing Assistance	State social allowances	Special state benefits	Other social transfers
Akmolinskaya	1,737	1,795	1,698	2,392	800	823
Aktubinskaya	2,083	1,485	1,835	2,631	567	1,033
Almatinskaya	1,874	1,025	885	2,497	552	739
Atirauskaya	1,686	1,662	1,836	2,016	772	1,303
Zapadno-Kazakhstanskaya	1,019			1,262	450	626
Jambilskaya	1,436	157	851	1,870	496	2,111
Karagandinskaya	1,660	1,923	1,485	1,846	856	758
Kostanayskaya	2,066	1,041	1,588	2,817	696	686
Kizilordinskaya	2,079	871	2,087	2,389	708	2,577
Manhistauskaya	1,307	1,118	994	2,408	722	824
Yuzhno-Kazakhstanskaya	2,279	1,560	2,400	3,359	375	582
Pavlodarskaya	1,444	1,622	1,000	2,137	386	651
Severno-Kazakhstanskaya	2,375	968	255	2,697	1,149	986
Vostochno-Kazakhstanskaya	2,103	1,688	1,566	2,844	923	873
Astana (city)	2,121		1,298	2,380	1,174	1,310
Almaty (city)	1,811		2,034	2,663	2,244	1,180

Note: Weighted by population weights

Table A35: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by gender of the head, per month

	Total	Male household head	Female household head
Total social assistance	1737	1248	2045
Targeted social transfers	1795	1355	2086
Housing assistance	1698	1306	1761
State social allowances	2392	1706	2798
Special state benefits	800	530	1056
Other social transfers	823	751	863

Note: Weighted by population weights

Table A36: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by education of the head, per month

	Total	none	general primary	general basic	general second.	basic vocation.	Second. vocation.	higher vocation.	post-graduate
Total social assistance	1,737	4,446	1,623	1,859	1,587	1,551	1,918	1,730	1,256
Targeted social transfers	1,795			624	1,465	960	2,422	2,422	
Housing assistance	1,698		2,051	2,264	1,495	1,668	1,602	1,922	
State social allowances	2,392	6,402	2,250	2,806	2,218	2,072	2,561	2,462	
Special state benefits	800	1,139	1,067	1,231	579	523	830	1,019	2,546
Other social transfers	823		536	856	797	647	851	857	1,071

Note: Weighted by population weights, an empty cell means no one in these households received this transfer

Table A37: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by employment status of the head

	Total	employee	self-employed	unemploy.	retired	student	Out of labour force
Total Social Assistance	1,737	1,619	1,503	1,840	1,669	4,677	2,885
Targeted social transfers	1,795	1,317	1,534	1,653	4,276		885
Housing Assistance	1,698	1,296	1,726	1,459	1,969		1,529
State social allowance	2,392	2,294	2,003	2,193	2,345	6,820	3,118
Special state benefits	800	536	498	449	1,520		549
Other social transfers	823	760	834	1,419	875	207	587

Note: Weighted by population weights, an empty cell means no one in these households received this transfer transfer

Table A38: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by number of children in the household

	Total	0	1	2	3 or more
Total Social Assistance	1,737	2,116	1,639	1,063	868
Targeted social transfers	1,795	3,280	1,357	883	1,307
Housing Assistance	1,698	1,841	1,623	855	1,359
State social allowances	2,392	2,858	2,106	1,534	1,283
Special state benefits	800	1,115	534	462	411
Other social transfers	823	894	704	729	725

Note: Weighted by population weights

Table A39: Average per capita social assistance received by households (direct and indirect beneficiaries) in KZT, by having a household member with a disability

	Total	Household doesn't have member with a disability	Household has member with a disability
Total Social Assistance	1738	1619	3693
Targeted social transfers	1795	1822	576
Housing assistance	1704	1703	1717
State social allowances	2392	2236	3396
Special state benefits	800	828	509
Other social transfers	823	827	314

Note: Weighted by population weights

Section 6.2: Poverty effects

Table A40: Sensitivity analysis simulating the absence of transfers on the poverty headcount

	p0 with full receipt of Social Assistance	p0 with (-25%) of Social Assistance	p0 with (-50%) of Social Assistance	p0 with (-75%) of Social Assistance	p0 with (-100%) of Social Assistance
Total social assistance	22.2%	22.8%	23.4%	23.9%	24.7%
Targeted social transfers	22.2%	22.2%	22.2%	22.2%	22.2%
Housing assistance	22.2%	22.3%	22.3%	22.3%	22.3%
State social allowances	22.2%	22.5%	23.0%	23.4%	23.9%
Special state benefits	22.2%	22.3%	22.4%	22.4%	22.6%
Other social transfers	22.2%	22.2%	22.3%	22.3%	22.5%

Note: Weighted by population weights

Table A41: Sensitivity analysis simulating the absence of transfers on the poverty gap

	p1 with full receipt of Social Assistance	p1 with (-25%) of Social Assistance	p1 with (-50%) of Social Assistance	p1 with (-75%) of Social Assistance	p1 with (-100%) of Social Assistance
Total social assistance	4.50%	4.71%	4.99%	5.31%	5.69%
Targeted assistance	4.51%	4.52%	4.53%	4.53%	4.55%
Housing assistance	4.51%	4.52%	4.52%	4.53%	4.53%
State social allowances	4.50%	4.49%	4.43%	4.35%	4.21%
Special state benefits	4.50%	4.50%	4.51%	4.50%	4.50%
Other social transfers	4.50%	4.51%	4.51%	4.52%	4.51%

Note: Weighted by population weights

Table A42: Expenditure on social protection programmes, 2001-2012 (KZT 000s)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
State social allowances	28,584,306	32,156,224	34,831,459	37,009,763	51,466,743	59,479,233	72,487,603	90,971,088	104,469,824	113,936,021	130,272,520	136,571,150
State basic disability benefit	15,132,241	17,967,342	19,962,249	21,261,860	32,825,783	39,247,959	48,691,758	62,343,830	73,087,784	81,661,837	93,873,132	100,389,150
State basic survivor's benefit	13,452,065	14,188,882	14,869,210	15,747,903	18,640,960	20,231,274	23,795,845	28,627,258	31,382,041	32,274,184	36,399,388	36,182,000
Special state benefit					6,532,539	13,615,511	16,047,387	16,569,371	18,519,528	28,188,251	53,942,230	44,806,198
Hero mothers benefit					2,554,106	5,331,607	6,239,390	6,136,561	6,593,252	14,836,897	27,488,712	29,055,678
Large families with four or more minor children living together					3,978,433	8,283,904	9,807,997	10,432,810	11,926,276	13,351,355	14,741,827	15,750,520
Social assistance		11390,708	9,313,925	7614,602	6,689,247	10,186,375	10,459,248	14,325,988	15,938,004	15,379,988	15,002,714	13,372,111
Targeted social transfers		9,146,977	7,363,776	5,843,537	5,059,599	3,366,871	2,519,413	3,406,422	3,276,451	2,785,459	2,497,135	1,873,619
State child allowance for children up to 18 years old						5,414,353	6,522,995	7,593,292	8,524,900	9,140,334	8,699,698	8,549,757
Housing assistance		2,243,731	1,950,149	1,771,065	1,629,648	1,405,151	1,416,840	3,326,274	4,137,563	3,454,195	2,953,194	2,948,735
State benefits for families with children			2,076,306	3,005,015	3,622,816	8,139,896	16,724,081	27,841,752	30,335,568	43,213,193	55,211,880	57,384,004
Lump-sum state childbirth benefit			2,076,306	3,005,015	3,622,816	4,286,653	4,221,278	11,854,925	13,620,174	15,156,913	19,750,650	20,084,038
State childcare benefit for children aged under one year old						3,853,244	12,502,804	15,986,827	16,715,394	19,086,219	24,408,142	24,520,307
Benefit for parents, caretakers bringing up children with disabilities										8,970,061	11,053,088	12,779,658

Source: Ministry of Labour and Social Protection

