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**Implementing SDG 1:  
Poverty Eradication through Family Support Policies and Social Protection  
Measures in Transition Countries**

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## 1. Introduction

The Sustainable Development Goals (SDGs) represent an ambitious global plan of action that aims to eliminate poverty in its multiple dimensions, ensure healthy lives and quality education, achieve gender equality, and promote decent employment, among others. Despite progress made by transition countries in Eastern Europe and Central Asia in various domains, including towards the eradication of extreme poverty, an increase in life expectancy and near-universal enrolment and completion rates in primary education, the SDGs are relevant to these national settings and present an opportunity for these countries to address existing and emerging challenges and scale up what has worked.

Family support policies are directed towards achieving outcomes related to fertility, employment, poverty reduction, gender equality, education or health, and contribute to the development and well-being of families. The main types of family support policies include parental leave policies, childcare services and family benefits. They constitute an essential part of a social protection system which has emerged as an important strategy to protect people from shocks and reduce vulnerabilities, while developing human capital and encouraging economic growth. Social transfers including family benefits in particular provide income support to families and allow them to improve their living standards. Social protection measures have been recognized by the 2030 Agenda for Sustainable Development as a key tool in ending poverty (goal 1), achieving gender equality (goal 5) and reducing inequality (goal 10).

The current paper aims to examine key family support policies and social protection measures in transition economies and their impact on poverty reduction. Transition economies here are referred to post-Soviet states which have undergone structural changes in economic, political and social domains. The countries under examination include two East European states, that is Russia and Belarus, and three Central Asian Republics, that is Kazakhstan, Kyrgyzstan and Uzbekistan. While these countries undertook diverse social and economic measures to address challenges after the Soviet Union collapsed which resulted in somewhat different outcomes, all these countries recognize the importance of the family whose well-being lies at the core of family support policies and social protection programmes.

The current paper considers the multidimensional nature of poverty that goes beyond the lack of funds necessary to meet basic needs and encompasses poor health and low educational outcomes. In what follows the paper will provide an overview of key economic and social trends in the countries under examination, and relevant indicators related to poverty, health and education, as well as government expenditure on these sectors.<sup>1</sup> Then the main types of family support policies and social protection measures will be presented, followed by the discussion of their impact on poverty reduction.

## 2. Economic and social trends in selected transition economies

Following the collapse of the Soviet economy, support for families in the countries under examination was severely cut back. The reorganization of the national welfare system in the 1990s included the decentralization of health and education, introduction of privatization and insurance mechanisms instead of state-funded welfare benefits, and elimination of subsidy programmes. The Soviet universalist principle of providing assistance had been largely replaced in favour of means-tested support targeting the most needy groups in Central Asian Republics and more recently in Russia and Belarus.

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<sup>1</sup> Unless indicated otherwise, data presented in the paper are obtained from official government websites, that is Federal State Statistics Service of the Russian Federation <http://www.gks.ru>, National Statistical Committee of the Republic of Belarus <http://www.belstat.gov.by>, Committee on Statistics, Ministry of National Economy of the Republic of Kazakhstan <http://www.stat.gov.kz>, National Statistical Committee of the Kyrgyz Republic <http://www.stat.kg> and State Committee of the Republic of Uzbekistan on Statistics <http://www.stat.uz> (accessed on 30 April 2016). Where references for data are not provided, it means that the data are generated from these sources.

The drastic changes in economy and social provision in the 1990s resulted in sharp increases in poverty, deeply affecting the living conditions of society as a whole and families in particular in all these countries. The decline in production and closure of many enterprises led to unemployment, while low wages, particularly in agriculture and public sector, were not sufficient to sustain livelihoods. Responsibility for supporting families shifted away from the state to families themselves who had to rely on mutual assistance by intensifying intergenerational transfers, financial and in kind (Dugarova 2016).

At the beginning of the transition, post-Soviet states were characterized by declining fertility and high mortality, which led to a natural decline of the population throughout the 1990s, notably in Russia and Kazakhstan. Among the countries under examination, Russia currently has the largest population, while Belarus and Kyrgyzstan are the least populous nations (table 1). At the same time, the population density is among the lowest in Russia and Kazakhstan, constituting 8.8 and 6.5 people per square kilometre, accordingly, making them one of the world's most sparsely populated countries, which is in contrast to 46.8 people per square kilometre in Belarus, 31.0 in Kyrgyzstan and 70.3 in Uzbekistan (UN DESA 2015). These demographic trends have to a large extent shaped the directions of family support policies in Russia and Kazakhstan.

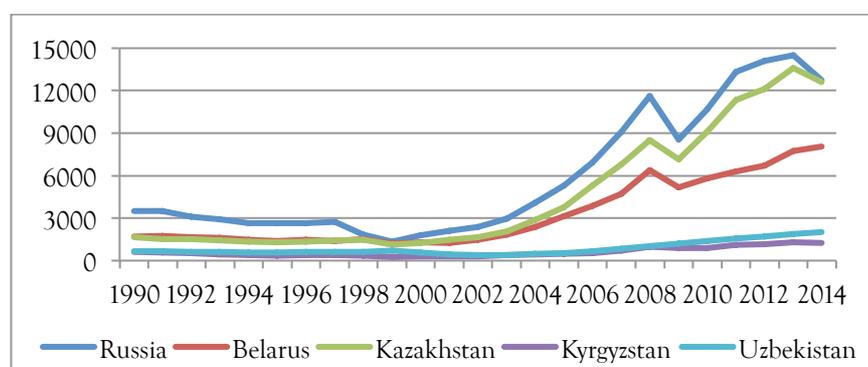
**Table 1 Population in selected transition economies (millions)**

	1990	1995	2000	2005	2010	2015
Russia	147.6	148.3	146.4	143.6	143.2	143.5
Belarus	10.2	10.2	10.0	9.6	9.5	9.5
Kazakhstan	16.5	15.9	15.0	15.5	16.3	17.6
Kyrgyzstan	4.4	4.6	5.0	5.1	5.5	5.9
Uzbekistan	20.5	22.7	24.5	25.9	27.7	29.9

Source: UN DESA (2015)

From the early 2000s up until the 2008 global economic crisis, Russia, Kazakhstan and Belarus experienced a period of steady economic growth, which was largely due to the booming commodity sector (figure 1). This allowed respective governments to consolidate revenues and use them to meet the social needs of the population. Uzbekistan undertook a number of reforms in the economic and social spheres during this period including employment generation through development of small businesses and private entrepreneurship, and expanding investments in the social sphere (CER 2015). Despite poor economic performance in the 1990s, the economy of Kyrgyzstan started to recover in the 2000s driven by the development of the private sector including entrepreneurial activity and private farming, and rapidly growing commercial services such as trade and tourism (Mogilevsky and Omorova 2011).

**Figure 1 GDP per capita (current US\$)**



Source: World Bank Indicators

As a result of these developments, poverty has been decreasing steadily since the 2000s in these countries, albeit with different pace (table 2).<sup>2</sup> In Russia, the official poverty rate fell from 29 per cent in 2000 to 10.7 per cent of total population, or 15.4 million people, in 2012. In Belarus, the poverty rate reached its lowest level in 2014 since the dissolution of the Soviet Union, decreasing from 41.9 per cent in 2000 to 4.8 per cent in 2014. In Kazakhstan, it fell dramatically from 44.5 per cent in 2002 to 2.5 per cent in 2015, while in Kyrgyzstan, it declined by nearly half from 62.6 per cent in 2000 to 30.6 per cent, or 1.8 million people, in 2014.<sup>3</sup> In Uzbekistan, while in the early 1990s nearly half of the population lived below the poverty line, the situation changed by the late 1990s, with the poverty rate declining to 19.1 per cent in 1998 and further to 13.7 per cent in 2015. In recent years, however, due to economic downturn there has been a reversal or slowdown in the poverty reduction trend in some of these countries. In Russia, for instance, the poverty rate rose to 13.4 per cent in 2015, or 19.2 million people officially considered poor.

**Table 2 Poverty rate in selected transition economies, in %<sup>4</sup>**

	1992	1994	1996	1998	2000	2002	2004	2006	2008	2010	2012	2013	2014	2015
Russia	33.5	22.4	22.1	23.4	29.0	24.6	17.6	15.2	13.4	12.5	10.7	10.8	11.2	13.4
Belarus	...	38.4	...	33.0	41.9	30.5	17.8	11.1	6.1	5.2	6.3	5.5	4.8	5.1
Kazakhstan	...	...	34.6	39.0	31.8	44.5	33.9	18.2	12.1	6.5	3.8	2.9	2.8	2.7
Kyrgyzstan	...	...	43.5	54.9	62.6	54.8	45.9	39.9	31.7	33.7	38.0	37.0	30.6	...
Uzbekistan	...	44.5	...	19.1	21.6	26.5	26.1	24.9	21.8	17.7	15.0	14.1	...	13.7

**Note:** Data for 2015 in Russia, Kazakhstan and Uzbekistan are tentative. Data for Belarus in 1994 are for 1995. “...” means that data are either not available in the official government databases or could not be obtained. **Sources:** Federal State Statistics Service of the Russian Federation; National Statistical Committee of the Republic of Belarus; Committee on Statistics, Ministry of National Economy of the Republic of Kazakhstan; National Statistical Committee of the Kyrgyz Republic; CER and UNDP (2005), CER (2015) for Uzbekistan.

<sup>2</sup> The national data on poverty should be treated and compared with caution due to different definitions of poverty, its measurements and methodology, as well as population coverage in these countries. People are considered poor or ‘low-income’ in Russia and Belarus if their per capita income (or in the case of Russia, per capita disposable resources that include financial and natural resources) is below the national poverty line, which is equivalent to the minimum subsistence level. In Kazakhstan, the poverty line is set at 40 per cent of the national subsistence minimum. The poverty line in Kyrgyzstan and Uzbekistan is calculated based on the minimum consumption standard. Raising the national poverty line to the level of the real price of consumer basket that should also take into account health and educational needs (and in the case of Kazakhstan, equalising the value of the poverty line and the subsistence minimum) is often argued to be the first step towards addressing poverty in these countries (see, for example, Oxfam 2012). Governments, however, often have limited incentive to do this, as it would ‘create’ more poverty (Hoy 2016). A large share of the population in these countries lives near the poverty line, which increases the probability of transition of a substantial part of the population from the non-poor to the poor. Furthermore, the government data can often be manipulated so as to provide a better image of the country and minimise social expenditure, and thus do not necessarily reflect the real situation with poverty. In Kazakhstan, for instance, while according to official sources the population with income below the subsistence minimum accounted for 8.2 per cent in 2009 and 2.5 per cent in 2015, other sources estimated the proportion of people living in poverty at 34 per cent and 20 per cent of the population, respectively (Aliev 2015; UNICEF 2015b). Despite varying estimates, the trend of poverty reduction has been consistent regardless of the source.

<sup>3</sup> Kyrgyzstan also assesses extreme poverty, which is currently set at the rate of KGS 1,466 per capita per month. It declined from 5.3 per cent in 2010 to 1.2 per cent, or 71,000 people, in 2015, the majority of whom live in rural areas. The extreme forms of poverty, if estimated by the international standard of USD 1.25 per day, or USD 1.90 since 2015, are virtually non-existent today in Russia, Kazakhstan and Belarus (see, for example, Aliev 2015; Novoselova 2005; Oxfam 2012). It is clear that the state of poverty by international standards can differ from the real situation and should be interpreted carefully. In Russia, for instance, the percentage of the population living on less than USD 2.50 a day was estimated at 0.1 per cent in 2012, but the share of families with children in the total number of families with incomes below the subsistence minimum accounted for 62 per cent (Government of Russia 2014). People are considered extremely poor in Russia if the level of disposable resources is two or more times below the national subsistence minimum. While the Russian Federal State Statistics Service does not provide the number of people in this category, its data indicate that in the total number of extremely poor families, those with children under 16 accounted for 69 per cent in 2014.

<sup>4</sup> The poverty rate corresponds to the proportion of population with income below the national minimum subsistence level in Russia, Belarus and Kazakhstan, while in Kyrgyzstan and Uzbekistan it comprises the population with consumption expenditure below the national poverty line. In 2016, the minimum subsistence level is RUB 9,701 per capita per month in Russia; BYR 1,640,000 in Belarus; and KZT 22,859 in Kazakhstan. In Kyrgyzstan, the national poverty line accounted for KGS 2,485 in 2015, which corresponds to consumption expenditure per capita per month. In Uzbekistan, the poverty line is based on the cost of a food basket that guarantees a minimum calorie intake of 2,100 kilocalories per person a day.

## Health

Ill health is often a reason why families end up in poverty and can also be caused by poverty. The poor lack resources and access to health care services that are necessary for ensuring good health. One of the key indicators of nation's health is the length of people's life. The average life expectancy has been increasing both for men and women in the countries under consideration during the past couple of decades. Despite this, the life expectancy gap between men and women has not narrowed down, and women continue to live on average ten years longer than men (table 3). This is in contrast to OECD countries, where an average life expectancy is 82 years for men and 77 years for women (OECD 2015).

**Table 3 Life expectancy at birth in selected transition economies**

	Russia		Belarus		Kazakhstan		Kyrgyzstan		Uzbekistan	
	men	women	men	women	men	women	men	women	men	women
1990-1995	60.6	72.8	64.0	74.8	60.5	70.3	62.1	70.3	63.0	69.4
1995-2000	59.6	72.3	62.0	73.1	57.5	69.0	62.0	70.0	63.6	70.0
2000-2005	58.6	72.0	62.3	73.7	59.1	70.4	62.7	70.6	63.9	70.5
2005-2010	61.0	73.7	63.6	75.2	60.2	71.5	62.7	71.1	64.4	70.9
2010-2015	64.2	75.5	65.3	77.0	64.3	73.9	66.3	74.3	64.9	71.6

Source: UN DESA (2015)

Life expectancy rates are influenced by trends in infant and child mortality. SDG 3 target 3.2 calls for the reduction of infant mortality to at least 12 per 1,000 live births and under-five mortality to at least 25 per 1,000 live births by 2030. Among the countries under examination, Russia and Belarus already achieved the former target, with Kazakhstan being close to it (table 4), while the latter target has been attained by all countries except Uzbekistan (table 5). Recent progress in health indicators in Kazakhstan, for instance, can be attributed to the state programme of healthcare development "Salamatty" (2011-2015). The Russian government's "Concept of developing domestic food assistance" (2014-2020) has contributed to better nutrition for children as well as pregnant women, particularly from disadvantaged backgrounds. Although Uzbekistan put maternal and child health as one of the government priorities throughout the transition period by implementing reforms in primary health care including the creation of rural health units and improving services for mothers and children (CER 2014), the outcomes in these two indicators on child health have been the poorest compared to other countries under examination. These outcomes can be largely attributed to malnutrition and insufficient quality of medical care, which mainly affects children from poor families and those living in rural areas (CER and UNDP 2005).

**Table 4 Infant mortality rate in selected transition economies (infant deaths per 1,000 live births)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990-1995	22	15	51	60	59
1995-2000	21	15	43	48	55
2000-2005	16	10	32	40	50
2005-2010	11	6	27	36	47
2010-2015	8	4	14	20	44

Source: UN DESA (2015)

**Table 5 Under-five mortality rate in selected transition economies (deaths under age 5 per 1,000 live births)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990-1995	26	18	61	72	72
1995-2000	25	18	54	58	66
2000-2005	20	12	38	49	60
2005-2010	13	8	33	46	57
2010-2015	10	5	17	23	53

Source: UN DESA (2015)

According to the 2030 Agenda, the maternal mortality rate should be less than 70 per 100,000 live births. All countries in question, except Kyrgyzstan, achieved it (table 6). A relatively high rate of the maternal mortality rate in Kyrgyzstan can be explained by low living standards, heavy physical work performed by women particularly in rural areas, and insufficient quality and efficiency of the healthcare system. Little food variety or poor nutrition further cause a shortage of essential minerals in women's body and have a negative effect on their health leading to pathology during pregnancy. The lower access to basic sanitation and safe water also contributes to women's low health status.

**Table 6 Maternal mortality ratio in selected transition economies (maternal deaths per 100,000 live births)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990	63	33	78	80	54
1995	82	33	92	92	32
2000	57	26	65	74	34
2005	42	13	44	85	42
2010	29	5	20	84	39
2015	25	4	12	76	36

Source: WHO (2015)

Despite the achievements and promising progress in reducing infant, child and maternal mortality in the countries under consideration, the situation with tuberculosis and HIV/AIDS is of big concern. These diseases are mostly commonly found among marginalized groups including those living in extreme poverty. The incidence of tuberculosis reached its peak in the early-mid 2000s, with a particularly high rate in Kazakhstan and Kyrgyzstan, but has been decreasing since then (table 7). In the latter, the situation remains most severe among the countries in question. Despite continued improvement, ending the epidemic of tuberculosis by 2030 remains a challenge in these national settings.

**Table 7 Incidence of tuberculosis in selected transition economies (per 100,000 people)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990	50	35	71	95	65
1995	96	70	81	169	74
2000	128	83	177	244	99
2005	136	74	191	210	120
2008	119	72	162	165	105
2010	105	69	145	145	97
2011	99	67	135	141	93
2012	93	64	126	140	89
2013	89	61	115	141	86
2014	84	58	99	142	82

Source: World Bank Indicators

The HIV/AIDS epidemic in this region is one of the fastest growing in the world, with women accounting for nearly half of newly reported HIV infections (UNICEF 2015a). Those affected by HIV/AIDS are often unable to work (or are prevented from working due to discrimination) and are at higher risk of poverty and social exclusion. Addressing these issues requires not only targeted curative measures but also a broader effort at overcoming poverty and discrimination.

**Table 8 Registered cases of HIV in selected transition economies**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990	441	14	2	...	...
1995	193	8	5	...	0
2000	59,281	527	345	16	125
2005	32,704	751	962	171	1,820
2008	44,101	881	2,318	552	2,658
2010	57,214	1,069	1,988	554	3,734
2011	59,592	1,196	2,006	594	3,357
2012	59,713	1,223	2,015	704	3,647
2013	63,560	1,533	1,974	480	4,076

Source: TransMonEE 2015 database

To achieve better health outcomes, it is essential to increase health financing, which is quite low in these countries. Government expenditure on health varied from 2.2 per cent of GDP in Kazakhstan to 3.8 per cent of GDP in Belarus in 2014. This contrasts with public expenditure in OECD countries, which on average accounted for 6.5 per cent as a share of GDP in 2013.<sup>5</sup>

**Table 9 Government expenditure on health in selected transition economies (% of GDP)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1995	4.0	4.8	3.0	3.1	3.6
2000	3.2	4.6	2.1	2.1	2.5
2005	3.2	5.0	2.5	2.3	2.3
2008	3.4	3.9	2.3	2.5	2.5
2010	3.7	4.3	2.5	3.1	2.8
2011	3.5	3.5	2.3	3.3	2.9
2012	3.7	3.9	2.4	3.8	3.1
2013	3.5	4.0	2.3	3.5	3.1
2014	3.5	3.8	2.2	3.2	...

Source: World Bank Indicators; Federal State Statistics Service of the Russian Federation; National Statistical Committee of the Kyrgyz Republic

## Education

In contrast to relatively poor health outcomes, the educational attainments of both men and women in transition countries have been quite high since the Soviet Union, with near-universal coverage in basic education and almost absent illiteracy (see, for example, ADB 2013, Falkingham 2005). The total illiteracy rate of the population, for instance, was less than 0.5 per cent in these countries in 2015 (ILO 2015).

One of the most worrying trends in the education system in these settings is the situation with preschools (see more details on preschool services in section 3). The enrolment rate of children aged 3-6 years in pre-primary education varies between the countries, with the highest rate being in Belarus and lowest in Uzbekistan (table 10). In the latter, the downward trend can be attributed to rising educational costs and a decline in female participation in the labour force (CER and UNDP 2005). This area requires more attention from the governments in view of the role that preschool institutions play in improving family

<sup>5</sup> <http://www.oecd.org/els/health-systems/health-expenditure.htm> (accessed on 30 April 2016).

welfare, both in terms of emancipating a parent (primarily a mother) to participate in the labour market and the developmental impact on children.

**Table 10 Pre-primary enrolment rate in selected transition economies (% of population aged 3-6)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
1990/91	72.5	63.3	53.7	30.3	39.2
1995/96	62.0	62.3	25.5	7.2	27.0
2000/01	64.1	84.9	25.6	8.0	19.1
2005/06	69.6	87.7	37.9	12.2	21.3
2008/09	71.6	92.3	42.5	14.7	19.7
2010/11	72.9	93.2	52.9	17.2	18.5
2011/12	74.6	96.4	50.6	17.9	18.2
2012/13	76.8	95.6	54.7	20.1	18.2
2013/14	79.9	96.7	55.6	21.6	18.4

**Note:** Data for Belarus refer to children aged 3-5. **Source:** TransMonEE 2015 database; National Statistical Committee of the Republic of Belarus for 2011-2014.

In contrast to preschool education, primary and secondary education has been widely available and accessible in these countries, with nearly 100 per cent enrolment rate of children of relevant age in basic education (table 11). The primary completion rate is also close to 100 per cent both among boys and girls in all these countries (World Bank Indicators). Despite high enrolments rates in basic education, dropout rates have been increasing after secondary education in this region, particularly among children in low-income families (UNICEF 2015a).

**Table 11 Basic education enrolment rate in selected transition economies (% of relevant population)<sup>6</sup>**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
2000/01	100.5	92.0	99.7	95.8	97.0
2005/06	105.2	93.5	104.4	94.6	96.7
2008/09	108.1	100.7	104.3	95.9	110.0
2010/11	109.0	99.6	104.5	96.5	108.3
2011/12	106.5	100.9	104.7	97.1	108.1
2012/13	106.2	100.1	105.3	97.7	107.9
2013/14	106.6	99.4	105.2	98.4	107.7

**Note:** For Russia, data refer to children aged 7-14; for Belarus, data for 2000-2008 refer to children aged 6-15, for 2009 to children aged 6-14, for 2011-2013 to children aged 6-10; for Kazakhstan, Kyrgyzstan and Uzbekistan to children aged 7-15. Values exceeding 100 per cent reflect inconsistencies in enrolment and/or population data. **Source:** TransMonEE 2015 database; National Statistical Committee of the Republic of Belarus.

The government expenditure on education is higher than expenditure on health in these countries and on average is close to that in OECD countries, which spent around 6 per cent of GDP on all levels of education in 2011.<sup>7</sup>

<sup>6</sup> Basic education corresponds to the International Standard Classification of Education (ISCED) level 1 (primary education) and level 2 (lower secondary education).

<sup>7</sup> <https://www.oecd.org/edu/education-at-a-glance-2014.pdf> (accessed on 30 April 2016).

**Table 12 Government expenditure on education in selected transition economies (% of GDP)**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
2000	2.9	6.2	3.3	3.0	6.7
2005	3.8	6.4	3.4	4.9	6.5
2008	4.1	5.3	3.6	5.9	...
2010	...	5.4	3.5	5.8	8.0
2011	...	4.8	3.6	6.8	...
2012	4.2	5.1	4.0	7.4	...
2013	...	5.2	3.8	6.8	8.25
2014	4.3	5.0	...	6.5	...

Source: TransMonEE 2015 database; National Statistical Committee of the Kyrgyz Republic; State Committee of the Republic of Uzbekistan on Statistics

In spite of high literacy and enrolment rates, the education sector in the region is undermined by unequal access, poor quality, increasing costs of education including textbooks and uniforms, as well as persisting gender disparities. Furthermore, technical and higher education are ill suited to meeting labour market needs. With growing rural-urban migration and urbanization in Central Asia that put strains on urban preschools and social services, while reinforcing inequalities in income, health and education, there is an urgent need to invest in both quality education and health services and make them more accessible and affordable to poor families.

### 3. Key family support policies and social protection measures

#### *Parental leave policies*

National legislation in the transition countries under examination includes provision for paid maternity leave and childcare leave, but not for paid paternity leave. The period of maternity leave constitutes 18 weeks, except for Russia where it is 2 weeks longer (table 13). In Russia, Belarus and Uzbekistan, it is paid at the rate of 100 per cent of the wage.<sup>8</sup> Kazakhstan and Kyrgyzstan developed their own system of estimating the size of benefits, including for maternity leave.<sup>9</sup> The size of the lump sum maternity leave payment in the former is determined by multiplying an average monthly wage by an appropriate coefficient of the number of leave days, which is 4.2 for 126 days of the maternity leave, and deducting 10 per cent of compulsory pension contribution.<sup>10</sup> In Kyrgyzstan, maternity leave is paid at the rate of 100 per cent of the monthly wage for the first 10 days and the remaining days at the amount of 10 monthly calculation indices (MCI).

The longest paid childcare leave among these countries is in Belarus where it amounts to three years and the shortest one in Kazakhstan where it lasts for one year, while in Kyrgyzstan the childcare leave is not paid (table 13). In all these countries (except Belarus), unpaid leave can be taken up to three years, to which either of parents (or a close relative) is entitled. During the leave in Russia and Kazakhstan, the childcarer receives a monthly childcare payment at the rate of 40 per cent of his or her average wage. In Belarus, the size of the allowance accounts for 35-45 per cent of the average wage (35 per cent for the first child, 40 per cent for subsequent children and 45 per cent for children with disabilities). In Uzbekistan, a monthly childcare allowance is paid at the rate of 200 per cent of the minimum monthly wage (which amounted to UZS 130,240 in 2015).

<sup>8</sup> An average monthly wage of women constituted RUB 27,946 in Russia in 2014, BYR 6,027 million in Belarus in 2015, KZT 96,545 in Kazakhstan and KGS 9,732 in Kyrgyzstan in 2014. The Uzbekistan government currently does not disaggregate data an average wage by gender.

<sup>9</sup> Kazakhstan and Kyrgyzstan use a monthly calculation index to calculate social benefits, including family allowances, pensions and other payments. In 2016, it amounts to KZT 2,121 in the former and KGS 100 in the latter.

<sup>10</sup> In Kazakhstan, a distinction is made between childcare payments and childcare allowances, with the former provided to working parents and the latter to non-working ones. A monthly childcare allowance constitutes 5.76 monthly calculation indices.

**Table 13 Parental leave provisions in selected transition economies**

	Russia	Belarus	Kazakhstan	Kyrgyzstan	Uzbekistan
Maternity leave	20 weeks (140 days) paid at 100% of wage	18 weeks (126 days) paid at 100% of wage	18 weeks (126 days) paid at 4.2×wage-10% of pension contribution	18 weeks (126 days) paid at 100% of wage + 10 MCI	18 weeks (126 days) paid at 100% of wage
Paternity leave	No	No	5 days of unpaid leave	No	No
Childcare leave	3 years (mother or father), of which 1.5 years paid at 40% of average wage	3 years (mother or father) paid at 35-45% of average wage	3 years (mother or father), of which 1 year paid at 40% of average wage to mother only	3 years unpaid (mother or father)	3 years (mother or father), of which 2 years paid at 200% of minimum wage

Source: author's elaboration based on relevant legislative documents in selected countries

Although there is a legal provision in these countries for the equal responsibility of parents for rearing their children, in practice it is very rare for fathers to take paternity childcare leave to look after a child. This can largely be attributed to the conservative nature of family support policies and traditional gender role stereotypes.

### *Childcare services*

An extensive preschool system in the Soviet time started to collapse since the 1990s, as childcare facilities and the number of children enrolled in preschools were steadily declining in all these countries. A sharp fall in demand for preschools was mainly attributed to falling fertility, unemployment and the decline of income in the early transition period. Much of the enterprise-based childcare stopped functioning, as enterprises cut back on social facilities under pressure for profitability. In the 2000s, as the fertility rate was increasing in these countries (albeit with some variation), demand for preschool services was growing. The number of preschools, however, continued to decrease, leading to an acute shortage of places (see, for example, Dugarova 2016).

The governments of Russia, Kazakhstan and Kyrgyzstan have undertaken specific measures to address this problem, putting the development of preschool institutions as one of the key priorities in the social sphere in recent years. As a result, there has been an increase in preschools and the number of children attending them (tables 14 and 15). In Kazakhstan, for instance, the actual coverage of children of preschool age accounted for 73 per cent in 2013, while in Russia the overall availability of preschools for children of 3-7 years old reached 95 per cent in 2015. These measures, however, have mainly targeted children aged three to seven years, with limited attention given to those under the age of three, that is when the paid childcare leave comes to an end.

In Belarus, although the coverage of children aged 3-5 years old in preschools reached 97 per cent in 2015, that of children aged 1-2 years old accounted for only 29 per cent. Despite a stable increase in the number of children up till 7 years old in preschools in Kyrgyzstan, their share is still low, accounting for around 20 per cent in 2014. In Uzbekistan, the number of preschools has been declining steadily, with only 23 per cent of children in total population of relevant age covered by preschool education in 2015 (CER 2015). To put this in international terms, in OECD countries on average 33 per cent of children under the age of three were enrolled in childcare and at least 70 per cent of children aged from three to five attended preschools in 2010 (OECD 2015).

**Table 14 Number of preschools in selected transition countries, 1990–2015**

	1990	1993	1995	2000	2003	2005	2010	2012	2013	2014	2015
Russia	87,900	78,300	68,600	51,300	47,800	46,500	45,100	44,326	43,187	50,980	...
Belarus	...	...	...	4,423	4,182	4,150	4,099	4,064	4,027	3,972	3,951
Kazakhstan	8,743	8,053	5,058	1,089	1,106	1,179	4,781	7,221	7,661	8,467	8,834
Kyrgyzstan	1,696	998	456	416	417	448	691	819	927	1,062	...
Uzbekistan	9,834	9,273	8,464	6,704	6,746	6,495	5,375	5,192	5,160	...	...

**Note:** The number of preschools in Russia in 2014 includes educational institutions providing early childhood education and childcare, of which 41,300 are kindergartens (Government of Russia 2015). The data for Kazakhstan from 2010 include mini-centres. Data for Uzbekistan in 1990 are for 1991. **Source:** Federal State Statistics Service of the Russian Federation; National Statistical Committee of the Republic of Belarus; Committee on Statistics, Ministry of National Economy of the Republic of Kazakhstan; National Statistical Committee of the Kyrgyz Republic; State Committee of the Republic of Uzbekistan on Statistics

**Table 15 Number of children in preschools in selected transition countries, 1990–2015**

	1990	1993	1995	2000	2003	2005	2010	2012	2013	2014	2015
Russia (million)	9.0	6.8	5.6	4.4	4.3	4.5	5.4	6.0	6.3	6.8	...
Belarus	...	...	...	390,8	362,4	366,7	384,0	398,0	407,0	410,6	409,8
Kazakhstan	1,067,800	747,400	407,200	133,200	156,500	185,400	390,800	584,300	634,500	727,500	758,800
Kyrgyzstan	211,571	92,245	46,114	45,768	47,464	54,365	85,236	115,812	132,481	152,216	...
Uzbekistan	1,339,500	1,166,300	955,200	624,600	591,700	565,600	522,900	549,800	575,800	...	...

**Note:** The number of children in Russia in 2014 includes children in educational institutions providing early childhood education and childcare (Government of Russia 2015). Data for Uzbekistan in 1990 are for 1991. **Source:** Federal State Statistics Service of the Russian Federation; National Statistical Committee of the Republic of Belarus; Committee on Statistics, Ministry of National Economy of the Republic of Kazakhstan; National Statistical Committee of the Kyrgyz Republic; State Committee of the Republic of Uzbekistan on Statistics

Fees for state preschool institutions are generally low and affordable, with benefits and subsidies provided to low-income and large families, but state preschools tend to be overcrowded, while the quality of services is quite poor (see, for example, Savitskaya 2005). Although private preschools are growing, average families are not able to afford them in these countries.

### *Family benefits*

Key family benefits in the countries under examination include birth grants (except Kyrgyzstan), maternity benefits, lump sum childbirth allowances, childcare allowances (except Kyrgyzstan), and child allowances. There are additional benefits to special categories of families, which may vary and generally include large families, single-parent families and child(ren) with disabilities.

In view of the country's sparse population, family benefits in Russia, Kazakhstan and to a certain extent Belarus have been aimed at encouraging childbirth and reducing the costs of children. A notable example is the Maternal Capital programme in Russia<sup>11</sup> and the Family Capital programme in Belarus.<sup>12</sup>

<sup>11</sup> The Maternal Capital (2007-2018) is the largest pronatalist programme in modern Russia, which provides a certificate to families with a second or subsequent child, regardless of family's income status. Annually indexed and non-taxable, the value of the benefit increased from RUB 250,000 (USD 9,400) in 2007 to RUB 429,000 (USD 12,300) in 2014. In 2015, it constituted RUB 453,000. In addition to mothers of two or more children, single fathers of adopted children or children themselves (upon the loss of both parents) are entitled to it. The certificate can be used for (i) improvement of housing conditions, (ii) children's education (including early childhood education), and (iii) contribution to mother's pension fund. During the period of 2007–2015, 6.5 million families received the certificates, the vast majority of which were used to improve housing conditions (for more details see Dugarova 2016).

<sup>12</sup> The Family Capital (2015-2019) is a social protection programme in Belarus that aims at supporting families with children and encouraging childbirth. It entails the provision of a non-cash allowance in the amount of USD 10,000 at the birth (or adoption) of the third or subsequent children and can be used to improve housing conditions, receive education and social services including health care, and contribute to a mother's pension.

To address poverty more effectively, the countries under examination have recently adopted a new approach to social provision that entails transition from social assistance to social activation. In Uzbekistan, for instance, this implies enhancing the productive capacity of low-income and vulnerable groups through retraining and employment programmes (CER 2014).<sup>13</sup>

Russia has implemented the “Social support of citizens” (2013-2020) programme aimed at reducing poverty among low-income families who can receive support from the state if they are willing ‘to undertake active steps to overcome poverty’. Participants are provided with lump sum cash payments (which amounted to RUB 35,200 to families in 2014) to increase their income. The support is provided on the basis of a social contract, which entails assisted job search, participation in public works, vocational training, self-employment and other activities that can help participants to overcome ‘a difficult life situation’. As part of the programme, 48,000 social contracts were signed in 2014, covering over 145,000 family members. As a result, an estimated 60 per cent of participating families increased their income by 1.5 times, and 40 per cent of low-income families with children are claimed to have improved their living standards and risen from poverty.<sup>14</sup>

Within the social activation approach, Belarus has implemented the “State programme on social protection and the promotion of employment for 2016-2020”. It aims at addressing weaknesses in the labour market characterized by insufficient efficiency with a high number of involuntary part-time employees. In addition, Belarus provides targeted social assistance to low-income families, covering over 250,000 people in 2015, which is nearly half of the total low-income population, with main beneficiaries being large and single-parent families.

Since 2014, the government of Kazakhstan enhanced the targeting of social protection measures by implementing a conditional cash transfer programme among low-income citizens based on the principle of “mutual obligations”. This implies strengthening citizen’s obligations to the state for the provision of state social assistance (which in some case was unconditional) and activation of their working potential through, for example, the development of private farming or self-employment. In 2014, nearly 4,000 families participated in this programme, with a total of 20,500 individuals. The programme contributed to the improvement of living conditions of the low-income population, as evidenced by the fact that per capita income of the participants increased by more than twice compared to the period prior to the participation in the programme. Since 2002, Kazakhstan has also been carrying out the Targeted Social Assistance (TSA) programme focused on citizens with incomes below the poverty line. As the poverty has been declining steadily since the early 2000s, so has the number of recipients of the TSA. Over the past decade, the number of TSA beneficiaries decreased by 93 per cent, from 516,900 persons in 2005 to 38,200 in 2015.

To provide income support to the most vulnerable categories and stimulate economic activity of the working population, the government of Kyrgyzstan has implemented the “Programme on development of social protection of population in the Kyrgyz Republic for 2015-2017”. Social transfers constitute an essential part of family’s income in the country, accounting for 16 per cent in the structure of disposable income. At the same time, the total number of recipients of state benefits decreased from 510,600 in 2005 to 388,300 in 2014. Another important source of income in Kyrgyzstan which is characterized by high labour migration comes from work carried out outside the country. The share of this type of income reaches up to 18 per cent in some parts of Kyrgyzstan.

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<sup>13</sup> In line with this approach, there was an institutional change in Uzbekistan which saw the Ministry of Labour and Social Protection being renamed into the Ministry of Labour in 2016 that now focuses exclusively on employment issues, while the duties and responsibilities of social protection were divided between the Ministry of Health and the Ministry of Finance.

<sup>14</sup> To support labour activation, the Russian government is also carrying out the “Promoting Employment” programme (2013-2020), which covered 206 thousand people in professional (re-)training programmes in 2015. Kazakhstan adopted the Employment Road Map (2013-2020) aimed at improving livelihoods through productive employment, particularly among low-income families, which also includes a retraining programme for unemployed women with children.

Despite these investments in the social sphere, social protection programmes and family-related benefits in particular receive limited funding in these countries. Russia, for instance, spent 11.9 per cent of GDP on social protection in 2014, Belarus 12.6 per cent in 2012, Kazakhstan 7 per cent in 2013, Kyrgyzstan 5.8 per cent in 2014, and Uzbekistan 12.8 per cent in 2014.<sup>15</sup> This is lower than in OECD countries which spent on average 21.6 per cent of GDP on social protection in 2014.<sup>16</sup> The share of family and maternity benefits in GDP is even lower across these countries, constituting, for example, 0.8 per cent in Russia in 2014 and 1.1 per cent in Belarus in 2012.

#### 4. Discussion

Based on the data presented in the previous sections, the following main points can be drawn.

##### *a) Families with children are at a higher risk of poverty.*

Despite the progress achieved in the improvement of living conditions of families in the countries under examination over the past decade and a half, poverty is still widespread, especially among large families with children, as well as those living in rural areas, who remain to be at the highest risk of poverty. In Russia, for instance, the number of families with children in the total number of families with incomes below the subsistence minimum constituted 63 per cent compared to 37 per cent of families without children in 2014, while in Belarus, it was 68 per cent for the former and 18 per cent for the latter. Low wages, growing unemployment due to the deteriorating economic situation, and informal employment,<sup>17</sup> along with unequal access to social services, continue to contribute to poverty.

##### *b) Poverty is found even among the working population.*

While various social protection mechanisms aimed at labour activation have contributed to the improvement of living conditions of many families in the countries under examination, they have been insufficient to eradicate poverty. In fact, a majority of those living below the poverty line in the region are employed (UNICEF 2015a). In Kyrgyzstan, for example, nearly 33 per cent of workers lived below the national poverty line in 2012 (UNICEF 2015a); in Uzbekistan, nearly 50 per cent of families with low consumption levels had working family members in 2009, with seasonal and occasional workers being most vulnerable (UNICEF 2009); while in Kazakhstan, one-third of self-employed people today are engaged in unproductive labour being at the edge of poverty (Khamzina et al. 2015). Even when employed, the jobs are often low-paid and low-quality, providing no social security. The main factor causing poverty in the region could thus be not necessarily unemployment per se but rather low wages. Working people can also find themselves in poverty (see, for example, Gassmann 2011; Prokofieva et al. 2014), and increasing productive potential alone is unlikely to lift people out of poverty.

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<sup>15</sup> The data on spending on social protection should be treated with caution, as countries adopt different definitions and measurements of social protection.

<sup>16</sup> <https://data.oecd.org/social-exp/social-spending.htm> (accessed on 30 April 2016).

<sup>17</sup> A significant proportion of the working population in the region is employed in the informal sector (UNICEF 2015a). Working in the informal sector, particularly for women, on the one hand can provide greater flexibility in terms of workplace arrangements, but on the other hand can deprive them from social protection. While the transition period in Russia has been accompanied by a rise in informal employment that has been seen as an important mechanism to adapt to negative shocks (Gimpelson and Kapeliushnikov 2014), the percentage of women in the informal sector in total non-agricultural employment is low, constituting 10.9 per cent in 2010 compared to 13.3 per cent for men (ILO 2013). In Kazakhstan and other Central Asian Republics, where in contrast to Russia the rural economy is still large, informality is heavily concentrated in agriculture, while the share of non-agricultural informal employment is smaller (see, for example, Rutkowski 2011). In Kazakhstan, for instance, 62 per cent of all informal workers were employed in agriculture, whereas informal employment outside agriculture represented 18 per cent of total non-agricultural employment in 2009. Of this, women accounted for 49.1 per cent in non-agricultural informal employment compared to 50.9 per cent for men (Rutkowski 2011).

*c) Social benefits alone are not effective in eradicating poverty.*

While wages and social benefits are useful in coping with the most acute deprivations, they are not sufficient or effective in providing adequate support to poor families and eradicating poverty. This is because their level is very low in monetary value or they often do not reach many families due to the inefficient targeting system (see, for example, Oxfam 2012; UNICEF 2015b). Furthermore, financial assistance in the form of family benefits does not compensate for the earnings, including those forgone due to unpaid care work, whereas income from one parent is not enough to ensure a decent standard of living for the whole family. This is particularly evident during the period when the paid childcare leave comes to an end and before parents can send a child to a preschool, as most childcare facilities in these countries are available to children from three years onwards. As a result, such families face a higher risk of falling into poverty.

*d) The profile of poverty is gendered.*

Women in these countries tend to be more vulnerable to poverty than men due to lower participation in the labour market, lower wages, higher unemployment rates (except Russia and Belarus),<sup>18</sup> and continuous burden of unpaid domestic and care work particularly in rural areas (Dugarova, in progress). In Russia, for instance, women earned on average 26 per cent less than men in 2013, while in Kazakhstan the gender pay gap reached 33 per cent in 2014. Furthermore, among single parents women constitute the vast majority. In Russia, for example, according to the Russian Population Census 2010, a quarter of families with children were single mothers and 3 per cent were single fathers. In addition, the shortage of preschools, along with child and family benefits that in some contexts encourage childbirth, further undermine women's participation in the labour market. Difficulties in finding adequate childcare can result in significant losses of welfare, as the inability to combine work and family life can further increase the risk of poverty.

*e) Addressing poverty requires cooperation with non-state actors.*

Due to the ongoing economic downturn in the region, poverty is likely to increase further. In view of the state decreasing capacity, the governments of Russia, Kazakhstan and Kyrgyzstan emphasized an increasing cooperation with non-state organizations, including civil society and private sector, in providing social services. In Russia, for instance, 19,700 socially oriented non-governmental organizations carried out activities on social support and social protection of citizens in 2014 (an increase from 4,200 in 2013), with 1.97 million people participating in these activities in Russia.

## **5. Policy recommendations**

Economic growth in the 2000s, along with enhanced targeted social protection measures in recent years, have clearly contributed to the reduction of poverty among families in transition countries, and yet they have been insufficient to eradicate it. In order to end poverty in all its forms, as proposed by SDG 1, it is necessary to adopt a comprehensive system of family support and social protection policies, which go beyond providing benefits to most vulnerable groups and include measures in labour market, education, healthcare and other social services. In particular, the current paper suggests the following actions:

- Raise the amount of wages and improve the quality of jobs;
- Increase the value of social benefits, including family and child allowances;
- Expand the coverage and adequacy of social assistance;

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<sup>18</sup> In 2015, the unemployment rate in Russia was 5.8 per cent (6.2 for men and 5.4 for women), in Belarus 6.1 per cent (7.7 for men and 4.5 for women), in Kazakhstan 5.6 per cent (4.8 for men and 6.5 for women), in Kyrgyzstan 8.2 per cent (7.3 for men and 9.5 for women) and in Uzbekistan 10.1 per cent (no gender disaggregation) (ILO 2015).

- Scale up social support and care service provision by increasing access and improving the quality of social services such as healthcare, education, care for children and the elderly;
- Develop better gender-sensitive policies such as flexible forms of employment, paid paternity leaves, and promotion of shared responsibility within the family;
- Allocate more fiscal resources to the social sector, including health, education (particularly preschool) and social protection.

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