Elena Maltseva* and Saltanat Janenova**

The Politics of Pension Reforms in Kazakhstan: Pressures for Change and Reform Strategies***

Abstract: In 2013 Kazakhstan has experienced an unprecedented collective action by the female non-government organisations against a new pension reform which increased the retirement age for women from 58 to 63 and nationalised pension funds. The official reasons for pursuing a new pension reform were to decrease a gender gap in accumulating pension funds by enabling Kazakhstani women work longer and save more funds; as well as improve efficiency of the pension system. This paper aims to explore the underlying reasons for heated protests by the female activists caused by the new pension reform and to extract lessons from the Kazakhstani experience about policy implementation in the context of limited political pluralism and unequal female representation in political life.

The paper argues that several institutional and political factors triggered the protests, including the context and the way in which the law was formulated and presented to the public, as well as the obvious problems with the content of the proposed law. The criticism raised by women groups concerned the various aspects of the policy process, including the lack of proper consultation with the public and limited female involvement during the process of policy formulation, which contributed to serious flaws in the content of the law, including the problems with gender salary gap, informal employment, the structure of Kazakhstani families, ineffective system of child-care support as well as gender stereotypes about the roles of women and men in the Kazakhstani society. In light of these factors, the protesters criticized the reform and questioned the feasibility of achieving greater gender equality and providing a socially just old-age pension security to the Kazakhstani women if these policy changes were to be implemented.

On a broader scale, the protests pointed to the development of robust civil society in Kazakhstan, which is considered a necessary pre-condition for democracy promotion and the protection of basic human rights. As we argue in this paper, the protests demonstrate that civic activism is well on the rise in Kazakhstan, contributing to strengthening of the country’s nascent civil society. Given this trend, unless the government addresses the issues undermining the openness and effectiveness of the governance process, including the limited political pluralism, opaque governance process and weakly functioning democratic institutions, the intensity and frequency of public protests in Kazakhstan are likely to increase. The paper is based on extensive research conducted in Kazakhstan, including a series of interviews with the leading experts on the Kazakhstani pension reform, and a comprehensive review of scholarly literature on the 1998 and 2013 pension reforms.

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Introduction

Following two decades of painful economic and social reforms, Kazakhstan has emerged as one of the most dynamic economic and political actors in Central Asia. During the past decade, the country has made impressive strides in economic development, strengthened public management and its business climate, and launched important social welfare reforms and critical infrastructure projects to sustain its growth (OECD, 2014, p.3). Equally important is the fact that between 2000 and 2015 Kazakhstan saw significant improvements in social development indicators, including regional poverty levels, especially in urban areas, and income and gender inequality. This became possible thanks to the implementation of the government’s poverty reduction program from 2000 to 2005, as well as several other programs targeting economic development and employment (Asian Development Bank, Country Partnership Strategy: Kazakhstan 2012–2016). Gender inequality was addressed in the Gender Equality Strategy of the Republic of Kazakhstan covering the period of 2006–2016, which was released in 2005 and focused on four main areas of Kazakhstan’s gender policy: the political and economic advancement of women, the protection of the reproductive health of women and men, the fight against violence against women, and gender equality in family relations (UN Women, The Strategy for Gender Equality: Kazakhstan 2006-2016).

According to the study conducted by the Asian Development Bank and the United Nations Development Programme (UNDP), poverty in Kazakhstan decreased consistently since early 2000 in both rural and urban areas, falling from 13.6 percent in 2005 to under 4.0 percent in 2010 in urban areas, and from 24.4 percent in 2005 to 10.0 percent in 2010 in rural areas (Asian Development Bank, Country Partnership Strategy: Kazakhstan 2012–2016). Decrease in income inequality remained less impressive, despite an overall reduction of the Gini coefficient from 0.366 in 2001 to 0.278 in 2010 (Asian Development Bank, Country Partnership Strategy: Kazakhstan 2012–2016). In regards to gender inequality index (GII), which reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity, in 2015 Kazakhstan had a GII value of 0.202, ranking it 42 out of 159 countries, ahead of the Russian Federation and Ukraine, which ranked at 52 and 55, respectively (UNDP, Human Development Report 2016: Kazakhstan). Kazakhstan has also demonstrated impressive results in education, with 99.7 percent of its female population having at least some secondary education, compared to 100 percent of their male counterparts (UNDP, Human Development Report 2016: Kazakhstan).

And yet, despite such remarkable developments, Kazakhstan still faces a number of poverty, inequality and gender-related issues. In particular, there are concerns about the growing regional disparities in wealth distribution; a persistently high poverty rate in certain regions, i.e. in rural areas and single-industry towns; a significant gap between male and female life expectancy, which currently stands at 10 years (62.3 for men and 71.7 for women), thus ranking among the highest in the world; relatively low levels of female political empowerment and problems with women inclusion in the system of social protection and formal labor market (World Economic Forum, The Global Gender Gap Report 2014).

So, for example, in 2015 only 66 percent of the female population in Kazakhstan participated in the labour market, compared to 77 percent for men. There is also a gender imbalance in certain occupations, such as the civil service, where women account for 54.2 percent of all civil servants, whereas in other spheres, such as business and small entrepreneurship, women tend to
be underrepresented (Agency for Civil Service and Anti-Corruption of the Republic of Kazakhstan, 2015). According to the data from 2012, only around 25 percent of firms in Kazakhstan were managed by women (World Bank, 2012). Finally, the gender imbalance is especially pronounced in the political sphere. As of 2014, the share of women in the Parliament was 26.2 percent, which was slightly below the OECD average (28.6 percent) (Inter-Parliamentary Union, 2014). Also, in 2016 women occupied only 1 of the 17 ministerial positions. It is also worth mentioning that female politicians tend to be involved in social sectors (healthcare, education, social protection) and to have less political experience than males.

In other words, despite a number of noticeable achievements in the post-Soviet period, Kazakhstan is still facing several challenges that threaten to undermine the country’s economic and social sustainability and its ability to become one of the most advanced countries in the world. As some observers pointed out, even though the Kazakhstani constitution proclaims full gender equality, there are numerous structural, political, cultural and religious factors, which prevent women from successfully realizing their potential in politics, business, labor market or public life (Pyrkalo, 2017). In this regard, the recent pension reform and the protests, which accompanied its implementation, with women uniting against the initiative and forcing the government to re-negotiate the conditions of the retirement age hike, highlighted a number of challenges that women face in post-Soviet Kazakhstan, as well as demonstrated the sources of public discontent, which poses a serious problem for the government, undermining the carefully crafted image of Kazakhstan as an island of stability in an otherwise volatile region.

The goal of this paper is to examine the origins of one of the most prominent recent cases of social discontent and to draw conclusions about the state-society relations and governance issues in Kazakhstan. The paper aims to explore the underlying causes of the protests and the limits to their influence on the government, as well as to discuss the implications of these protests for the political and economic development of Kazakhstan in the context of limited political pluralism and low level of female representation in government.

The paper argues that several institutional and political factors triggered the protests, including the context and the way in which the law was formulated and presented to the public, as well as the obvious problems with the content of the proposed law. The criticism raised by women groups concerned the various aspects of the policy process, including the lack of proper consultation with the public and limited female involvement during the process of policy formulation, which contributed to serious flaws in the content of the law. In particular, the law failed to address such problems as gender salary gap, informal employment, the structure of Kazakhstani families, ineffective system of child-care support as well as gender stereotypes about the roles of women and men in the Kazakhstani society. In light of these factors, the protesters criticized the reform and questioned the feasibility of achieving greater gender equality and providing a socially just old-age pension security to the Kazakhstani women if the proposed policy changes were to be implemented.

On a broader scale, the protests pointed to the development of civil society in Kazakhstan, which is considered a necessary pre-condition for democracy promotion and the protection of basic human rights. As we argue in this paper, the protests demonstrate that civic activism is well on the rise in Kazakhstan, contributing to strengthening of the country’s nascent civil society. Given this trend, unless the government addresses the issues undermining the openness and effectiveness of the governance process, including the limited political pluralism, opaque governance process and weakly functioning democratic institutions, the intensity and frequency of public protests in Kazakhstan are likely to increase. The paper is based on extensive research
conducted in Kazakhstan, including a series of interviews with the leading experts on the Kazakhstani pension reform, and a comprehensive review of scholarly literature on the 1998 and 2013 pension reforms.

The paper proceeds as follows. The next section introduces the reader to the theoretical literature on collective action in non-democratic political regimes. This will be followed by the discussion of the origins and goals of the 2013 pension reform. In the next section, we will outline the views of the major policy actors and women groups, as well as the ways in which the government and civil society explained and legitimised their positions. The final section evaluates the social and political implications of the 2013 women protests in the context of the ongoing welfare policy change in Kazakhstan.

Collective Action in Non-Democratic Regimes
Work in progress

Understanding the Origins and the Goals of the 2013 Pension Reform

The Soviet pay-as-you-go (PAYG) pension system, which Kazakhstan inherited following the collapse of the Soviet Union, presented the government with a number of pressing issues. The generosity of the Soviet pension system with its universal coverage, low retirement age, generous earning-related benefits, high average replacement rate, and a system of non-contributory social pensions came under significant pressure in the context of changing demographic composition, economic crisis, fiscal deficit and collapsing institutions (Falkingham and Vlachantoni, 2012; Matthews et al., 1989). And given the changing international environment and the growing influence of the international financial institutions (IFIs) such as the World Bank and the IMF in the post-Soviet countries, many observers started pondering whether a completely new pension system should be developed (Seitenova and Becker, 2004; Mansoor and Quillin, 2007; Palmer, 2007; Falkingham and Vlachantoni, 2012; Amandykova and Rakhimberlina, 2013).

As a result, the Kazakhstani government followed the advice of the IFIs and designed a private pension-fund system that resembled the Chilean pension model. It was hoped that the new system would avert an old-age social security crisis by promoting self-sufficiency instead of government dependence, help reduce government expenditures, improve the management of pension funds, encourage savings, and contribute to the development of the capital market (Bird, 1997; Kokovinets, 1998; Andrews, 2001; Seitenova and Becker, 2004). Passed on 20 June 1997, the new Pension Law No. 136-I came into effect on January 1, 1998. The reform transformed Kazakhstan’s pension system from a solidarity-based system to the one based on individual accounts to be maintained either with the newly established state pension fund or with private pension funds, and raised the retirement age from 60 to 63 for men, and from 55 to 58 for women (Soloviev, 1997; Andrews, 2001). Essentially, it meant that the two systems—redistributive and contributory—would operate concurrently to each other for a while. The new pillar known as the mandatory accumulative pension system was financed with a fixed 10 percent of the mandatory pension deductions from the worker’s income. In addition to the mandatory pillar, the government also introduced a voluntary accumulative pension system that was based on voluntary pension contributions (VPC). It was anticipated that all citizens would make voluntary pension contributions to increase their savings and secure a higher income after retirement. In regard to the old solidarity component, the reform recognised accrued rights as earned up to 1998, but terminated the solidarity pension benefits for all other population groups. This move meant that retirees continued to receive their benefits under the old solidarity pension
system and that workers who had accrued benefits prior to 1998 retained the right to receive those benefits upon reaching retirement age in the future (Hinz, Zvinieni and Vilamovska, 2005). In other words, according to the original plan, the publicly funded pension would exist for as long as there were workers with accrued rights.

A decade later, it became evident that few of the government expectations pertaining to the development of the Kazakhstani fully-funded pension system and the capital market materialised. Affected by state restrictions on investment due to concerns about volatility on the international markets and possible exchange and liquidity risks if investing in foreign securities, pension funds had failed to make the positive impact on the development of the Kazakhstani capital market, economy, and pension system, as it was envisaged when the government launched the reform in 1998 (Gorst, 2013; Zhandildin, 2015). Implemented in the context of a weakly developed rule of law and underdeveloped financial markets, the introduction of a fully privatised pension system came with a price in the form of non-transparent deals, weak governance in the private pension sector, and high service fees and operation costs (Yesirkepov, 2013). The 1998 pension reform also failed to achieve high replacement rates, and enhance pension coverage and compliance as expected. The low returns on investments, which averaged 3-4 percent, made the goal of attaining the 60 percent replacement rate stated by the government at the beginning of the reform highly unlikely (Yesirkepov, 2013). According to the World Bank World Development Indicators, in 2011 65 percent of the Kazakhstani labour force did not make any pension contributions (Abdih and Medina, 2013). This especially concerned the self-employed workers in the informal sector and/or unemployed people who remained in the socioeconomic shadows. For example, housemaid services and subsistence farming were the two areas that grew rapidly in post-Soviet Kazakhstan and in which many people, especially women, worked unofficially (Semykina, 2014).

Essentially, the new system failed to provide adequate old-age income security to a significant number of people with low earnings, shorter, broken careers, and/or a lack of an official employment record, all of which particularly applied to women. This problem especially concerned women born in 1948–1950 who retired before 1998 during the period of economic stagnation. Because of the negative economic effects of the transition period during the 1990s—with resulting business closures, loss of production volumes, involuntary lengthy unpaid leaves, and minimal wages—these women were unable to provide proof of their most recent employment and average salary. As a result, because of interruptions in their employment record, but also because of their low earnings, many of them received a minimum pension only (“O sovershenstvovании sistemy rascheta urovnia pensii,” 2013).

In conclusion, the presence of various economic, fiscal, demographic and social problems motivated the government to launch the reform process, which, in turn, was heavily influenced by the ideology of neoliberalism and the advice of powerful international financial institutions. However, the implementation of the 1998 pension system was met with a number of structural challenges, such as weakly developed political and economic institutions, which had a profound impact on some population groups, especially women. The existing problems made it obvious that the type of the pension reform implemented by the Kazakhstani government in 1998 fell short of providing its citizens with an adequate level of pension security. Therefore, a range of adjustments to the 1998 pension system were required.

**Reforming Kazakhstan’s pension system: From privatisation to nationalisation**
The first attempt to address the shortcomings of the 1998 pension system was made in June 2005 when the government introduced a basic social pension (Bazovaia Pensia in Russian) that targeted the least protected population groups. According to the original plan, the basic social pension would be provided to all persons reaching retirement age and not be dependent on private contributions and work history. This pension came in addition to the one earned under the residual old solidarity system and the fully-funded accounts, and was often described more as a safety net rather than a fully functioning first pillar (Kurmanov, 2011).

Further changes were announced in January 2012 during President Nazarbayev’s state-of-the-nation address titled “Socio-Economic Modernisation—The Main Vector of Kazakhstan Development.” In line with this development strategy, the president made an order to develop a new concept for a pension system that would fall in line with the proposed modernisation goals and tackle the deficiencies of the previous old-age social security system (Mozharova, 2013). The proposed 2013 reform was a radical shift that reversed a policy adopted as part of a wider process of market reforms in the late 1990s. With this move, the Kazakhstani government became the first Central Asian republic to follow in the steps of several Latin American countries that introduced important changes into their fully-funded, defined-contribution pension systems. The reform process was swift, top-down and initially involved a limited number of policy actors, thereby limiting the possibilities for consensus building and social dialogue during the early stages of the reform.

The reform process was led by the president, the government, the Ministry of Labor and Social Protection, and the National Bank of the Republic of Kazakhstan, whereas the involvement of civil society, private pension funds, and other stakeholders, including international policy actors, was minimal. The draft bill On Pensions in the Republic of Kazakhstan presented to the public in April 2013 proposed the following changes to the 1998 fully-funded pension system:

1. creation of a single pension fund under the name of Unified Accumulative Pension Fund (UAPF, or ENPF in Russian) on the basis of State Accumulation Pension Fund (SAPF);
2. assigning of the National Bank with the management function of pension assets held by the ENPF;
3. increasing the retirement age for women from 58 to 63 progressively between 2014 and 2024; and
4. introducing mandatory 5 percent contributions paid by the employers for the workers employed in difficult and dangerous occupations (Medeusheyeva, 2013; Torebayeva, 2013).

However, given the government’s top-down approach to the reform process and the lack of open discussion prior to the reform, an openly negative reaction from citizens, especially women’s groups, followed. The public protests provoked the active discussion of the controversial bill in Parliament and with the public. In the end the protests resulted in the modification of the law and the postponement of the increase of women’s retirement age until 2018. The government also kept the right for early retirement for some groups such as women with five or more children, and several other categories unchanged.

In 2015, the government announced additional changes to the pension system. In particular, by 2018 the government plans to link the size of the basic pension payment to the length of service/employment and introduce the so-called quasi-funded pillar, in which each participant will have an individual retirement account (in addition to the already existing accumulative account) and to which employers will make contributions in the amount of 5 percent of the employee’s income. This pension payment will be available to all citizens with work experience.
of no less than five years (Atabaev, 2014; Zakon.kz, 14 May 2014; Khabar.kz, 17 February 2015). It is envisioned that the new quasi-funded pillar will support both the cumulative and the solidarity principles. The accumulation principle will be represented by everyone getting a second account for additional regular contributions to be transferred to. The solidarity principle is reflected in the subsequent pension bonus being a lifelong one, unlike the funds that come from the cumulative system, where the pension is allocated until the funds are exhausted (Urazova, 2014).

In short, the transformation of the Kazakhstani pension system is a continuing process. It started in the mid-1990s with the radical overhaul of the old Soviet pension system to the one based on a fully-funded, privately managed pension system with individual accounts and defined contributions. However, various factors including weakly developed and enforced rule of law, underdeveloped financial and labour markets, problems with the modernisation and diversification of the economy, changing demographics, low levels of information about the advantages of private pension systems, and deeply entrenched gender differences affecting the job prospects, employment and average salary of the female population undermined the effectiveness of the Kazakhstani private pension system, thereby affecting the level, breadth and scope of old-age pension protection. The situation exploded when the government decided to reform the system and raise the retirement age for women without consulting the public. The next section analyzes the origins and the impact of the recent women protests on state-society relations in modern Kazakhstan.

**State-Society Relations through the Prism of the 2013 Pension Reform**

As some observers noted, the 2013 pension reform fuelled one of the biggest women protests in the history of post-Soviet Kazakhstan (Aimbetova 2013). In fact, protests occurred in Kazakhstan on a regular basis, starting with scattered protests against the consequences of economic reforms during the 1990s, and leading to the Zhanaozen events in December 2011 and the spontaneous protests against the 2013 pension and 2016 land reforms. Contrary to the earlier protests, the events which unfolded during the discussion and formulation of the 2013 pension reform were rightfully described as the first massive and well-organized protest movement primarily comprised of women of different socioeconomic backgrounds.

To be more precise, the protests started even before the famous 2013 pension reform in response to the government decision to decrease child and maternity leave support. The ruling passed in February 2013 stated that in cases when an expecting mother’s salary exceeded the monthly amount of KZT186,600 ($1,700), she would not be eligible for full maternity leave indexed to her salary, but would have to obtain the difference between minimum support and her salary from the employer (Rustemova, 2013). As a result, many advocacy groups predicted gender discrimination in the hiring policies, such as paying women lower salaries in order to avoid payment of maternity leave or not hiring women.

The movement informally called “For Fair Maternity Benefits” united women of different age and socio-economic status, including those holding senior well-paid positions in national companies, businesses, and international companies. The latter group found themselves at a particular disadvantage as their maternity benefits were significantly reduced under the new law. The initiator of the social movement "For Fair Maternity Benefits" Aliya Delmasheva noted during the peaceful demonstration of women in Almaty in spring 2013 that they could not have a constructive dialogue with the State Social Insurance Fund and the Ministry of Labor and Social Protection, and they were trapped in “a bureaucratic football” between government stakeholders.
As she commented on the nature of their interaction with state authorities: “Officials responded to our requests in order to confuse the matter completely. When we asked, how much employers have to pay under the new legislation, the Social Insurance Fund stated that “it was not possible to estimate the employer’s expenses for reimbursement of part of the maternity leave, since it was necessary to take into account many factors that affect the calculations...”. In other words, the attempt to join the working group at the Ministry was only partially successful, although the movement did manage, with the support of the few parliamentary deputies, to pass a policy memo with alternative proposals and have a joint meeting with the representatives of the Ministries of Economy, Finance and Labor and Social Security.

The members of the social movement were young, well-educated females in the sphere of accounting, finance, law, and quite creative in their attempts to attract attention of the government to their appeal: they recorded and posted a video “What citizens of Almaty city think about new law on maternity benefits?” on Youtube, went on a bicycle marathon with the mayor of the capital wearing a T-shirt with sign “For Fair Maternity Benefits”, sent a parcel to the Minister for Labour and Social Protection with balloons and titles of various women’s sicknesses on each balloon, recorded demonstrations in different regions and shared on Internet, and showed a flash mob in the public places. The questionnaire survey was conducted using Survey monkey on Facebook and the analysis of the responses supported the arguments of the activists which they presented to the ministry. Gradually, the social movement “For Fair Maternity Benefits” joined with other women who were protesting against increasing the retirement age for women.

Indeed, timing matters. Not only did the government decision to increase the retirement age coincided with the debate on maternity benefits, the announcement was also made shortly after the labour minister publicly stated that there was no need to raise the retirement age (Diapazon, 27 September 2012). Predictably enough, it was met with public outrage. The legitimacy crisis deepened after the Parliament supported the controversial bill, despite massive women protests and calls for further discussion. The bill On Pensions in the Republic of Kazakhstan was passed by the lower (Mazhilis) and upper (Senate) chambers of Parliament on 23 May 2013 (Forbes Kazakhstan, 24 May 2013).

The positions of actors affected by the government decision varied from openly negative to cautiously optimistic. The most negative reaction to the reform came from women’s rights movements, which openly criticised the various aspects of the proposed increase in the retirement age for women from 58 to 63. In fact, the intensity of protests and public discussion of the controversial bill in mass and social media was unprecedented in scale, and rather unique for post-Soviet Kazakhstan.

The collective movement started from heated discussions on the social media during winter-spring 2013 which went viral via Facebook. Activists invited citizens to unite together and shared the dates and contact details in each region. Despite several attempts to block the Facebook pages of some activists, peaceful demonstrations of female NGOs and women of different age, nationality and social status took place across different regions of Kazakhstan.

Besides demonstrations, a group of young, well-educated women from urban cities (Almaty and Astana) who worked in different fields including business, economics and finance wrote

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collectively the petition to the President and a policy memo. This document contained policy alternatives and calculations on how to improve the welfare system for women. Women activists presented the policy memo to the coordinating ministry, however, with no feedback. A collective petition was shared via Facebook, supported by several thousands “Likes” and signed by over 100,000 citizens including prominent female leaders in education, culture, sports and politics against the decision to increase the retirement age for women. The petition was passed to the president with alternative policy options suggested by the activists through one of the senior officials of the Presidential Administration in mid-April 2013 (Janenova, 2015).

The petition appealed to the President, National Bank and Ministry for Labour and Social Protection: “We consider it cynical and unfair to address issues of financial stability and economic development of the country at the expense of the population. The exploitation of older women who have worked all their lives for the benefit of the country, contradicts the principles of justice, on the basis of which we build our society. We are convinced that the increase in the retirement age must be correlated with the level of consumer prices, with the increase in the size of pensions and life expectancy, and not with the plans of officials to solve the problems of the financial system at the expense of women. Support our compatriots and sign a petition against the increase in retirement age” (Annulment of the law on increase of the retirement age for women).

Interesting observation is that only few men expressed public support in the collective action, mostly journalists and bloggers. There were few cases of blocking Facebook pages of the activists, penalty imposed on some activists for collecting signatures in the public places, microphones were accidentally turned off during the demonstrations, and local municipalities in several cities did not approve public meetings.

The female activists argued that the introduction of changes to women’s retirement age should have been accompanied by comprehensive reforms of Kazakhstan’s labour market and healthcare systems, as well as better access to childcare facilities for families with young children. Kazakhstani women, even though they live longer than men, have numerous health problems that undermine their ability to work effectively after the age of 58, and are disproportionately affected by the deficiencies of the Kazakhstani labour market.¹ The respondents argued that in regard to women’s health, changes to Kazakhstan’s healthcare had to be introduced that emphasize prevention and regular checkups, especially in rural areas and among poorer population groups, or for women living and/or working in inhospitable climatic and/or working conditions.

Speaking of the conditions on the Kazakhstani labour market, many women raised the issue of how difficult it was for women age 40 and older to find stable employment and change jobs. Related issues concerning youth employment and the necessity to create additional employment opportunities, not only for the elderly population but also for the youth, were brought up by the participants. As the vice-president of the Federation of Trade Unions, Larissa Kharkova pointed out: “In Kazakhstan women over 40 years old are either unemployed, or self-employed. Most women find their jobs in shadow economy and small businesses with no pension contributions. There are women working in dangerous industries with intensive workload who do not reach their retirement age. Women have to work as much as men, but for lower salary. The number of

¹ Author interviews with the President of the Federation of Free Trade Unions of Kazakhstan, Kazakhstan, 10 June 2015, and the leader and founder of a civil movement “For Fair Maternity Benefits”, Astana, Kazakhstan, 9 July 2015.
divorces and number of single mothers is increasing every year. We hope that deputies of the Parliament won’t approve these changes which will lead to outrage and social unrest” (Bekirova, 2012).

Moreover, as some members of the women movement argued, the introduction of a higher retirement age would dramatically affect the economic well-being and social fabric of many Kazakhstani families. Given the shortage of state-run pre-school childcare facilities, many young families have to rely on their mothers for free babysitting services. In the absence of timely developments in this area, the participants claimed that many young families would find it extremely difficult to balance their work and family obligations.¹ In summary, the respondents argued that Kazakhstan needed more jobs, a diversification of the economy to accommodate a greater number of female workers, better employment policies and their stricter enforcement, and significant improvements in the healthcare and education systems if the government wanted to move ahead with a higher retirement age for women.

In light of negative public reaction and a series of protests organised by women’s groups, the government was forced to defend the proposed policy change. It did so by pointing to growing demographic and fiscal pressures, claiming that under the current system, although men were paying the bulk of money into the pension system, they could not benefit from it because they had a lower life expectancy and higher retirement age than women. Therefore, the government decided to extract the cost of financing the pension system from women by increasing their retirement age so as to create parity between the pension contributions of male and female workers.² The government argued that such an equalisation would increase the opportunities for women for getting larger pensions. Women account for 3.8 million, or 45 percent, of the total number of individual retirement accounts, yet their average amount of pension savings is 25 percent lower than those of men. The official reasons for the gap in pension savings are that women participate less in the labor force, and are victims to gender pay differences.

In an attempt to soothe the public discontent, the government promised that more than 500,000 vacancies would be created by 2020 to keep the unemployment rate at 5 percent (Government of the Republic of Kazakhstan, n.d., Business Road Map for Employment – 2020). It also declared the intention to address the structural problems evident in the labour market and to introduce measures to improve the skills of women workers through on-the-job training; engage self-employed women in the Employment Program—2020; improve access to micro-credit for women engaged in business or willing to start their own business; and train women who are on maternity leave in their chosen professions. In addition, a complex plan, Initiative 50+, was enacted to facilitate the employment of people over 50 years old within state and sectoral programs (Government of the Republic of Kazakhstan, 2013a). Amendments were made to the Labour Code to strengthen guarantees aimed at the elimination of discrimination during employment and at keeping jobs for employees who are over 55 years old, as well as introducing fines for publishing vacancies that contain gender and age requirements. Finally, it was argued that further gender differences in pension provision would be reduced thanks to the availability

¹ Author interview with the leader and founder of a civil movement “For Fair Maternity Benefits”, Astana, Kazakhstan, 9 July 2015.
² According to various accounts, the percentage of Kazakhstani citizens over 65 years was set to increase from 6.7 percent in 2005 to 11 percent in 2030, and exceed 25 percent by 2050. Most importantly, most of these pensioners would be women (UNDP, 2005). For example, as of the beginning of 2015, the female population in the age category of 65+ amounted to 766,852 people, whereas men accounted for only 420,725 people (Agency of Statistics of the Republic of Kazakhstan, 2015b).
of a minimum pension guarantee for persons who reached retirement age but did not have sufficient retirement savings.

Further references to gender equality in the labor market were made during the discussion of Kazakhstan’s new development strategy known as *Kazakhstan-2050*. The program targets some of the lingering problems in the Kazakhstani economy, including poverty, social imbalances in the regions, and labour market conditions (Nazarbayev, 2012, 2014). To tackle these problems, the government promised to pay greater attention to infrastructure development, the management of natural resources, industrialisation, the modernisation of the agricultural sector, and support of small entrepreneurship. It also promised further investments in Kazakhstan’s education, research, and training and retraining systems. By and large, the strategy demonstrated an understanding that such goals as solving social problems and gender inequality in the labor market, as well as addressing the needs of the young and the old were closely related and had to be tackled at the same time.

By the end of 2013, the protests subsided, although the Facebook page ―For Fair Maternity Benefits‖ still exists and allows to observe the regular activities organized by the members of this social movement online and in various regions. In each region and major city there are social networks uniting women who are active both in virtual reality via social media and public life. These women, many of whom are successful in different areas such as business, civil service, and international organizations meet on a regular basis both online in closed groups and in person to discuss various topics affecting women in Kazakhstan, including the issues of gender empowerment. For example, the Ladies Club in Astana consists of 20 thousand women, who are highly educated, computer literate and with access to Internet.

In conclusion, the women protests which emerged spontaneously in response to the series of unpopular decisions passed by the government revealed a number of important trends in the dynamics of state-society relations in post-Soviet Kazakhstan.

1. The 1990s as the breeding ground for social discontent: The liberal economic reforms of the 1990s coupled with the social consequences of the post-Soviet transition resulted in the growing number of dissatisfied population, especially among women. The socio-economic transformation had a profound impact on the position of women in the Kazakhstani economic and social welfare systems, many of whom moved into the informal labor market and had, therefore, incomplete histories of employment. The result was low pension coverage, with more than 30 percent of the population not covered by the funded pension system in 2015. This especially concerns women, who are more likely to be engaged in the farming industry or in cleaning and housekeeping services. In fact, the situation of many formally employed workers is no better, as their monthly income is so low that their pension contributions are minimal, significantly complicating their current living situation, and also not contributing in any meaningful way to the pension fund. Not surprisingly, this problem again concerns women who usually have lower salaries and are more likely to be employed in agriculture, education, healthcare, and other lower-paid sectors of the economy (Agency of Statistics of the Republic of Kazakhstan, 2015a). High levels of unofficial employment in the population suggest significant problems in the structure of the Kazakhstani economy, including the slow growth of jobs in the formal sector and high rates of growth in the informal sector. It could also mean that the country lacks noticeable developments in manufacturing, and has instead a large agricultural sector, where self-employment is widespread (Yessenova, 2014).

These, and several other problems, contributed to the growing dissatisfaction of the Kazakhstani women, which eventually triggered a wave of spontaneous protests and contributed to the
development of a social movement comprised of women, which demanded important changes in the Kazakhstani economy and labor market.

2. Top-down modernization strategy with limited state-society interaction and no consultation with the public on sensitive policy issues: In regard to citizen involvement in the decision-making process, there was no real policy dialogue during the initial stage of the 2013 pension reform, as well as the formulation of the 2015 changes to basic pension payment. The government failed to consult the public, and especially women. In reality, the government was the only stakeholder acting as a policy designer and decision-making center, whereas all other stakeholders, including Parliament and civil society groups, did not participate equally in the process and thus had no chance of influencing the policy agenda during the initial stages of policy development. Instead of building genuine dialogue with the public, the government limited itself to communicating the reform through public information/education campaigns, which failed to build public support for the reform and instead resulted in numerous protests against the reform. And even though the protests did indeed lead to the intervention of the president and a shift in the government position on some aspects of the pension reform, they did not fundamentally change the government approach to dealing with sensitive policy issues and they also undermined the public trust in government and its actions. By and large, the reform process revealed several structural and processual deficiencies that threatened to undermine the effectiveness of the implemented policy changes.

3. The development of civil society outside of the established channels of state-society interaction. Kazakhstan’s political system is best described as a soft authoritarian regime which relies substantially on forms of subtle manipulation and persuasion than on outright repression (Schatz, 2009; Schatz and Maltseva, 2012; Means, 1996). This type of political regime usually looks with great suspicion at any active forms of public contention such as the “opposition” and protest movements, instead promoting the so-called “consentful” type of state-society relations and limited degree of citizen involvement in public affairs (Cheskin and March, 2015). In soft authoritarian political regimes, civil society organizations are usually developed under the watchful eye of the state with the goal of establishing some institutionalized channels for managed state-society interaction, and also for legitimizing the regime in the eyes of international audience.

Keeping this in mind, at the first sight the Kazakhstani non-governmental sector seems to be fairly well developed. According to the 2016 data, there were as many as 30,000 non-commercial, including 18,000 non-governmental, organizations. At the same time, the majority of these non-governmental organizations are closely linked to the state and have relatively limited influence on public policy and political affairs (OECD, 2017). In light of these shortcomings, and faced with the pressure of international community, the government recognized the importance of civil society development for building participatory democracy and inclusive policy-making. So, for example, in 2015 the President of Kazakhstan Nursultan Nazarbayev in his regular State of the Nation Address titled The Plan of the Nation emphasized the need to increase the role of civil society in policy-making. Following this statement, some progress in promoting public accountability of the government with the help of information technologies has been made. The open data portal (https://data.egov.kz/) was launched with several links to government statistics, blogs of the ministers and akims, and open government platform which enables any citizen to comment on the new legislative draft.

However, the effectiveness of these initiatives in making the state-society relations more engaging and state actions more accountable to the public is yet to be determined. It is worth
mentioning that in both cases of public discontent covered in this paper, women organized via social networks and were led by female activists who had no connections to the state and the established non-governmental organizations. As we pointed out, civil society and citizens are extremely active on social media, in particular Facebook, using it as a platform for debates on the new policies, criticism of the government’s actions and organization of collective action as we observed with the cases of the social movement for maternity benefits and anti-pension law movement as well as land reform protests in spring 2016.

The government reacted to the wave of public protests and the surge of public activism on social media with the law that strengthened punishment for journalists, bloggers and civil activists, varying from financial penalty to imprisonment, in cases of dissemination of information which criticizes and creates a negative image of the government officials and members of their families (Law on Access to Information, 2015). Besides, the government was given the right to refuse providing information to the journalists if the information was considered to be confidential. In addition, in January 2016 the government introduced public councils under central and local government bodies which aim to provide public opinion on the legislative drafts and execute public monitoring over the government’s performance including implementation of the budget programmes, strategic plans, etc (Janenova, 2017). In practice, however, public councils represent a hybrid form specific for Kazakhstani context: public councils include government officials and civil society representatives as their own members, the head of the public council is appointed by the political officials, and public meetings are rarely held in the presence of the journalists and citizens. In fact, the executive leadership of the government bodies holds strong control over the performance of the public council and the extent of their activity in the public arena. Finally, another law “On state social order, grants and prizes for the non-governmental organizations” (2015) complicated the reporting procedures for civil society organizations by introducing a single operator in the field of NGO grant financing. Civil activists and some international organizations expressed concerns that the law would lead to the government monopoly in determining the types of NGOs and their spheres of activity (“The NGO law is an attempt to restore order or to hunt witches?”, 2015).

These developments suggest that the Kazakhstani government is not serious in its intention to develop a more participatory and inclusive policy-making process. As the recent waves of protests indicated, Kazakhstan is witnessing the emergence of active civil society that operates outside of established state-society structures and is ready to challenge the government on some of the most sensitive policy issues. And while the civil society in Kazakhstan is ready for an open dialogue with the government and active participation in the policy-making process, the government is not interested in changing the existing structure of state-society relations, suppressing the voice of independent civil society and avoiding public discussion of sensitive policy issues.

**Conclusion**

This paper argued that the recent wave of women protests was triggered by a combination of political, socioeconomic and policy-related factors. In particular, the introduction of a new fully-funded pension system in the context of the post-Soviet socioeconomic transformation contributed to growing gender inequalities in the labor market and pension system. And given the challenges that many women were faced with in post-Soviet Kazakhstan, the decision of the government to introduce the changes into the country’s welfare and pension systems and to raise the retirement age for women without consulting the public on such sensitive policy matters resulted in social discontent and a wave of women protests. In other words, the way in which the
law was formulated and presented to the public, as well as the obvious problems with the content of the proposed law contributed to the wave of public discontent.

The protests suggest the development of robust civil society in Kazakhstan that operates outside of official government structures and is willing to engage the government on a whole range of sensitive policy issues. At the same time, the government response to the protests indicates that the authorities are not yet ready to introduce any meaningful changes into the structure of the state-society relations. Given such contradictory trends, we argue that unless the government addresses the issues undermining the openness and effectiveness of the governance process, including the limited political pluralism, opaque governance process and weakly functioning democratic institutions, the intensity and frequency of public protests in Kazakhstan will likely increase.

Bibliography


