INTRODUCTION

Wonder Foundation is a charity that works to empower vulnerable women and girls through education. We partner with locally-rooted organisations in the UK and overseas to achieve this. Our partners share our vision that empowerment means giving women the tools to make informed decisions about their own lives, as well as the importance of engaging those around them, especially their families, in supporting each woman’s personal and professional development. This is possible because each project offers women in education programmes a personal mentor who can help her to raise her aspirations and negotiate her challenges in order to achieve them.

One of these partners is the Kazakhstan Foundation for Cultural, Social and Educational Development* (KFCSED). Since 2005 KFCSED has been reaching out to disadvantaged women in low-income regions remote from urban centres and opened Kumbel Training Centre in 2012 as a response to the few opportunities open to many young women, so that they could learn skills for entry into the growing hospitality sector, where there is a shortage of skilled workers.

This report provides an insight into the situation for women in Kazakhstan, a diverse country with huge resources and great potential as well as more specifically into the country’s hospitality sector.

We believe that supporting Kazakhstan’s women to reach their potential and make informed choices about their futures will be a great investment in the economic, social and cultural future of the country.

*KФКСОР Казахстанский Фонд Культурного, Социального и Образовательного Развития

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MAP OF KAZAKHSTAN

POPULATION, DIVERSITY AND ECONOMY IN KAZAKHSTAN
Statistics and indicators
1.1 Statistics on Ethnic, Cultural and Religious Diversity

The population of Kazakhstan has been growing slowly but steadily in the past 10 years, totalling 17.7 million in February 2016. Kazakhstan is a multi-ethnic country with 140 ethnic and 17 religious groups living on the territory of the Republic. Kazakhs are the largest ethnic group, comprising 66% of the country’s population. They are followed by ethnic Russians, who constitute around 21%. Notably, Russians are the majority ethnic group in North Kazakhstan and Kostanay regions, where they comprise 49.76% and 41.58% of the population respectively. Other ethnic groups found across Kazakhstan include Uzbeks, Ukrainians, Tatars, Germans, Koreans and many more.

Within the framework of current demographic and migration trends in Kazakhstan, populations of Kazakhs, Uzbeks and Uyghurs are growing. As of February 2016, 957,772 ethnic Kazakhs have immigrated to their historical homeland, receiving returnee (“oralman”) status. In contrast...

Kazakhstan’s populations of Russians, Ukrainians, Tatars and Germans have been shrinking since independence. In 2014, for instance, 20,287 ethnic Russians, 2,075 Ukrainians and 2,330 Germans emigrated from Kazakhstan, mostly to other CIS countries. Women tend to comprise a larger proportion of all emigrants from Kazakhstan, although the number of male emigrants is rising. The number of female immigrants is roughly equal to that of male immigrants.

Incidence of inter-ethnic marriage in Kazakhstan as a whole has fallen since 2011. In 2014, 25,364 inter-ethnic marriages were registered. Russians were found to be the ethnic group most likely to marry individuals of ethnicities other than their own. Among Kazakhs, more men marry outside their ethnic group than women.

Islam, practiced by 70.2% of the population, is the majority religion in the Republic. It is followed by Christianity, which accounts for 26.3%. As the UN’s Special Rapporteur on freedom of religion or belief observes, religious and ethnic pluralism is “almost inextricably intertwined” in Kazakhstan – religion often serves as a proxy for ethnicity and vice versa. For instance, a 2009 national census revealed that 98.3% of ethnic Kazakhs identified as Muslim (predominantly Sunni Islam of the Hanafi school), while 91.6% of ethnic Russians and 90.7% of Ukrainians were Christians (predominantly Russian Orthodox). 28.5% of Koreans and 14% of Germans were non-believers. 11.4% of Koreans practiced Buddhism.

TheAssembly of People of Kazakhstan, headed by the President and convened at least once a year, reflects this ethnoreligious pluralism by representing the interests of Kazakhstan’s ethnic minorities at national level. Established in 1995, the Assembly consists of 384 representatives of all ethnic groups living in Kazakhstan and is an important element of Kazakhstan’s political system. Its work is aimed at implementing the state’s ethnicities policy, ensuring social and political stability, and providing for more effective interaction between state and civil society in the area of inter-ethnic relations. The Assembly elects 9 of its members to the lower house of Parliament, the Mazhilis, to represent the interests of all ethnic groups across Kazakhstan in the country’s Parliament.

Kazakhstan takes pride in the multicultural and multi-confessional character of its population and inter-ethnic peace are deemed essential for internal stability of the Republic. The principles of equality and national self-expression are guaranteed by the Constitution, and cultural diversity is safeguarded through policy initiatives such as the establishment of ethnic minority language schools, religious institutions, cultural centres, and media outlets. The government maintains that...
its policy, based on the principle of unity in variety, enjoys popular support. For President Nazarbayev, harmony between Kazakhstan’s 140 ethnic groups is “our life-giving oxygen”, while the state language, Kazakh, is described as the key factor “cementing” the nation. Internationally, Kazakhstan has been cited as an example of inter-ethnic accord and sustainable development of a multi-ethnic society, including by the late Pope John-Paul II and former UN Secretary-General Kofi Annan.

Some have questioned the true extent of ethnic harmony in Kazakhstan. For instance International Crisis Group observes a persistent belief among non-Kazakhs that ethnic Kazakhs enjoy undue advantages. Language continues to be one of the most contentious issues. Kazakh is the official state language, but local organizations may use Russian on an equal basis with Kazakh. The law does not require the ability to speak Kazakh for entry into the civil service and prohibits linguistic discrimination. Nonetheless, Kazakh language ability is looked upon favourably, which non-Kazakh speakers protest is discriminatory. According to Crisis Group, language policies such as the practice of replacing Russian place names with Kazakh ones, and the perception that government and business are largely closed to non-Kazakhs, cause offence. The government, on the other hand, has previously explained the underrepresentation of ethnic minorities in the civil service as reflecting minorities’ preference for work in business and the services sector; where earnings are higher than in the civil service. In April 2016, President Nazarbayev noted that 45 ethnicities are already represented in the civil service, and promised that Kazakhstan will work to ensure ethnic diversity within state institutions. Government policy plays an important role in maintaining peaceful coexistence in Kazakhstan.

1.2 STATISTICS AND INDICATORS ON THE ECONOMIC SITUATION OF KAZAKHSTAN

Kazakhstan is an upper-middle-income country with GDP per capita of around USD 10,500 in 2015. Since 2000, the economy of Kazakhstan has been one of the ten highest performing economies in the world and is often cited as an example for other CIS states. Thanks to a post-2009 recovery in the price of oil and substantial foreign currency reserves accumulated since 2000 in the National Oil Fund, Kazakhstan weathered the financial crisis rather well, experiencing sustained growth in spite of the global recession.

However, in 2015 Kazakhstan’s economy decelerated substantially, expanding by just 1.2% (compared to 4.1% in 2014). GDP in 2015 stood at 40,878 billion tenge (USD 184.4 billion). The economic slowdown was caused by the recent decline in global commodity prices and economic downturn in Russia and China, Kazakhstan’s major trade partners. Kazakhstan devalued its currency, the tenge, by 19% in February 2014, and in November 2014 the government announced a stimulus package to cope with the economic challenges. In spring 2015, Kazakhstan embarked on an ambitious reform agenda to modernize its economy and improve its institutions. However, in the face of further decline in the Russian rouble, falling oil prices, and the regional economic slowdown, Kazakhstan announced in August 2015 that it would cancel its currency band in favour of a floating exchange rate, which sparked further depreciation in the value of the tenge. Whilst halting the depletion of Kazakhstan’s foreign currency reserves, the depreciation resulted in a drop in the hard currency value of citizen’s earnings, a rise in the local currency cost of dollar-denominated debts that many people hold, and a rise in the cost of imports. This negatively affected private domestic demand and intensified inflationary pressures. The pass-through effect of the August depreciation caused inflation by just 1.2% in 2015.

22 World Bank, “Kazakhstan”; Комитет по статистике Министерства национальной экономики Республики Казахстан, Динамика основных социально-экономических показателей: “Основные социально-экономические показатели Республики Казахстан”.
The economic downturn has worsened living standards across Kazakhstan and the government is attempting to soften the impact of the slowing economy by protecting social spending and increasing pensions. However, the World Bank observes that pro-poor transfer programs are still relatively undeveloped, leaving low-income households vulnerable to rising food prices, falling real wages and diminished employment opportunities. A recent report by Ranking.kz found that the number of individuals above pension age in employment has doubled in 2015, indicating that more people are choosing to keep working instead of relying on pensions. According to real-estate news service Krzysha, nearly a quarter of all mortgage holders across the country are now three months behind with repayments. In January 2016, mortgage holders even held a protest outside a major bank in Almaty, calling for a recalculation of their loans. Mental health professionals in the country note that the recent economic downturn has proven particularly traumatic for men, who are under significant pressure to provide for their families, leading to an increase in numbers of men seeking psychological help.

The economy is expected to slow even further this year. According to Focus Economics, the spillover effects from a protracted recession in Russia along with still-low commodities prices will weigh on economic growth. As of May 2016, analysts expect the economy to expand only 0.3% in 2016.15 According to Bertelsmann Stiftung, a considerable number of self-employed persons remain particularly vulnerable to the worsening macroeconomic outlook.16 In 2017-2018, growth should pick up with the Kashagan offshore oil field coming online and Russia’s economy improving.17 Next year, Kazakhstan’s economy is expected to grow by 2.1%. However, weak domestic demand may limit industrial and services growth, as households seek to restore savings, firms endeavour to strengthen balance sheets, and the government moves to consolidate fiscal accounts. External demand may also remain weak, as non-commodity trade volumes are subdued. Consequently, the World Bank predicts that growth is likely to be far below the 8.3% rate averaged between 2000 and 2010.18

**Rural and Urban Disparities**

According to official data, the subsistence minimum across Kazakhstan currently amounts to 20,431 tenge per capita.19 Also known as the poverty line, this represents the income level people require to afford life’s basic necessities (such as food, clothing, housing), and satisfy their most important sociocultural needs. As of March 2016, the subsistence minimum was lowest in Pavlodar region, where it amounted to 18,349 tenge per capita, followed by Kyzylorda region (18,429 tenge) and Zhambyl region (18,678 tenge). On the other hand, the subsistence minimum was highest in Mangystau region (24,846 tenge per capita), Almaty city (23,100 tenge) and Astana city (23,020 tenge).20

At the end of 2015, the percentage of Kazakhstan’s population living on incomes below subsistence level was 2.3%. In cities, only 1% lived on incomes below the poverty line, but in rural areas the proportion was over four times higher at 4.1%. Particularly alarming was the rural-urban disparity in South Kazakhstan region, where 7.5% of the rural population lived on incomes below subsistence level, compared to only 1.7% of the urban population.21

**Labour Market**

The flagship labour policy programme Employment Roadmap 2020 includes a number of active policies to provide training, job matching and facilitating regional mobility of workers22. Over 130,000 of the self-employed, part-time employed and unemployed have participated in the programme in 2015, almost half of whom were women.23
However, the recent economic downturn is hampering progress in this area, with many workers being laid off and few new jobs being created.

Kazakhstan’s economically active population currently consists of 8.9 million people; and the level of unemployment has steadily decreased from 13.5% in 1999 to 5.2% in 2013, despite the crisis of 2007-2009.46 However, since 2013 employment growth rates have fallen below 1% due to the economic slowdown. In the first quarter of 2016, the level of unemployment was recorded at 5%, largely unchanged since 2014.47 The social stigma attached to unemployment deters many people, particularly men who are traditionally considered to be the main breadwinners in the family, from registering with the government.48 Nevertheless, statistics from the Ministry of Healthcare and Social Development show that the number of individuals officially registered as unemployed in March 2016 was 23% higher than in March 2015 and currently exceeds 69,000.49 Up to 60% of those registered unemployed are women.50

Across Kazakhstan, the proportion of the economically active population who were registered as unemployed was highest in Kyzylorda region (2.7%), followed by Atyrau region (1.9%). The regions with the lowest percentage of registered unemployed were Almaty city and Akмолa region (both 0.3%), followed by Aktobe region and Almaty region (both 0.4%).51

In the last quarter of 2015, the average monthly nominal earnings in the whole of Kazakhstan amounted to 136,094 tenge.52 Wages were highest in Atyrau region (254,178 tenge/month), Mangystau region (236,372 tenge/month), and Astana city (221,093 tenge/month). By contrast, workers in North Kazakhstan region, Zhambyl region and South Kazakhstan region earned, on average, as little as 87,341 tenge/month, 87,778 tenge/month and 88,785 tenge/month respectively.53

Self-employment has decreased since 2001, largely because of shifts in employment from agriculture to services, structural transformation of Kazakhstan’s economy and the growth of other sectors such as education, which is almost entirely composed of salaried workers.54 However, the number of self-employed has grown during the 2008-2009 economic crisis.55 2.4 million individuals are currently self-employed in Kazakhstan, up to a half of them are women.56 65.4% of the total self-employed population live in rural areas. Almost half of the self-employed are concentrated in the southern regions of the country: South Kazakhstan, Zhambyl and Almaty region are home to 48% of the self-employed.57 Today, a significant proportion of the self-employed work in sectors including agriculture (45.2%), trade (25%), construction (9%) and transportation services (10.4%).58 According to a joint report by the government and the UN Country Team, many of the self-employed are involved in market and retail trade because such activities “do not require long-term training, work experience, additional training and allows them to have comparatively stable income.”59

According to the Statistics Committee under the Ministry of the National Economy, in 2014 the country’s informal economy totalled 27.3% of GDP of which 0.6% was illegal activity.60 Informal employment includes those self-employed workers whose enterprises are informal and all contributing family workers, but also employees who are undeclared, not covered by labour law or do not receive basic labour and employment-linked social rights.61 Around 23% of all employed persons in Kazakhstan worked in the informal sector in 2015. Women are slightly more likely than men to be engaged as workers in the informal sector or to be unpaid family workers (as opposed to self-employed businesspeople who hire others), particularly in rural areas.62 According to the Asian Development Bank, women find informal businesses to be an attractive form of work because it allows them to combine work and care of children and other household matters. In addition, they can resolve any issues concerning their businesses themselves, are not subject to inspections by tax authorities, and are not required to file tax returns.63 However, informal sector work is characterized by lower wages and lack of unemployment protection and other benefits. As Gavrilovic and...
colleagues found, the self-employed and informal workers were the most vulnerable groups during the 2008–2009 global economic crisis\(^\text{64}\). Moreover, according to a 2015 study, minority women (mainly Uzbeks and Uighurs) have markedly higher informality rates in times of recession than Kazakh and European women\(^\text{65}\).

### 1.3 Structure of the Economy of Kazakhstan

The largest economy in Central Asia, Kazakhstan possesses substantial fossil fuel reserves and other minerals and metals, such as uranium, copper, and zinc. Kazakhstan’s industrial sector makes up 36.3% of the country’s GDP\(^\text{66}\). It rests on the extraction and processing of these natural resources as well as a relatively large machine building sector specializing in construction equipment, tractors, agricultural machinery, and some military items. Kazakhstan’s economy has a large agricultural sector featuring livestock and grain but, despite employing almost a fifth of the working population, agriculture only accounts for 4.7% of GDP\(^\text{67}\). Meanwhile, services comprise 56.8% of the GDP\(^\text{68}\).

There are 98,830 private enterprises involved in wholesale and retail trade, contributing 17% to Kazakhstan’s GDP\(^\text{69}\). According to the World Bank, exports of goods and services comprise 39.1% of GDP while imports amount to 25.9%\(^\text{70}\). In 2015, foreign trade turnover was USD 75,911.6 million, of which the volume of Kazakhstan’s exports was USD 45,752.6 million and imports USD 30,186 million. Overall, 73% of Kazakhstan’s trade in 2015 took place with non-CIS countries\(^\text{71}\).

Kazakhstan has an export-oriented economy, highly dependent on shipments of oil and related products, which make up nearly three quarters of total exports\(^\text{72}\). In 2015, over 80% of exports went to non-CIS countries\(^\text{73}\). Kazakhstan’s main export partners are Italy (18% of total exports), China (12%), the Netherlands (11%), Russia (10%) and France (6%). Others include Switzerland, Ukraine and Canada\(^\text{74}\).

Among Kazakhstan’s key imports are electronics, machinery and mechanical appliances (25% of total imports); mineral products (15%); transport equipment (12%); base metals and related products (10%); chemicals and related products (9%) and foodstuffs and beverages (6%)\(^\text{75}\). In 2015, around 58% of imports came from non-CIS countries\(^\text{76}\). Nevertheless, Russia remains Kazakhstan’s largest import partner, accounting for 34% of total imports. It is followed by China (17%), Germany (6.6%), United States (4.4%) and Italy (3.9%)\(^\text{77}\).

Kazakhstan’s economy is heavily dependent on the hydrocarbon sector – oil production accounts for up to 40% of aggregate budget revenues\(^\text{78}\). The government recognises that its economy suffers from an overreliance on oil and extractive industries so it has embarked on an ambitious diversification program, aimed at developing targeted sectors like transport, pharmaceuticals, telecommunications, petrochemicals and food processing\(^\text{79}\). In order to address concerns regarding unemployment and poverty, the government launched several national programs, including Employment Roadmap 2020, Business Roadmap 2020 and Nurly Zhol. These programs provide professional training courses, subsidize interest rates on credits for SMEs, and help to launch industrial projects creating new jobs\(^\text{80}\). In an attempt to promote diversified economic growth outside the energy sector, regulatory reforms have aimed at streamlining the business start-up process. However, progress has been modest so far: SMEs’ contribution to GDP currently amounts to only 20%, and 30% to employment. In January 2016, the number of registered small enterprises (small companies, individual entrepreneurs, and farmers) reached 1.3 million; however, only about half were economically active, and the majority (over 70%) were in the form of individual entrepreneurship without the creation of a legal entity\(^\text{81}\). Although positive reforms have been achieved, enterprises continue to face a variety of obstacles. According to Bertelsmann Stiftung, the private sector continues to be dependent on the state sector for access to funds and SMEs face the politicization of business, as well as a stifling bureaucracy\(^\text{82}\). Successful implementation of key institutional reforms outlined in the new “100 Concrete Steps” programme will facilitate Kazakhstan’s long-term economic growth.


66 Комитет по статистике Министерства национальной экономики Республики Казахстан, Статистико-экономическое развитие Республики Казахстан за январь-март 2016 года, 14.

67 Ibid.

68 Ibid, 32; 14.

69 World Development Indicators, Kazakhstan Imports [Accessed May 20, 2016].


71 Комитет по статистике Министерства национальной экономики Республики Казахстан, Казахстан за январь-март 2016 года, 37-38.


73 Ministry of National Economy of the Republic of Kazakhstan Committee on Statistics (Комитет по статистике Министерства национальной экономики РК), Статистические показатели No1 2016, 47.

74 Trading Economics, “Kazakhstan Exports,”


76 Trading Economics, “Kazakhstan Exports,”


2.1 STATISTICS AND INDICATORS ON GENDER EQUALITY

- Kazakhstan ranks 47/145 on the Gender Gap Index and 52/155 on the Gender Inequality Index;
- Women’s health and education levels are high, but women’s political empowerment lowers the score;
- Women’s economic engagement is now falling;
- Men and boys predominate in technical fields of study, women and girls in traditionally “feminine” areas;
- The workforce is heavily gendered, men are overrepresented in industry, women in the public sector;
- The gender wage gap is growing, it is widest in Western Kazakhstan where oil production is concentrated;
- Women are actively involved in SMEs, however, very few large firms are led by women.

As of January 2016, women make up 51.6% of Kazakhstan’s population. The World Economic Forum’s latest Global Gender Gap Report ranks the Republic of Kazakhstan 47th out of a total 145 countries, scoring 0.719 on the Gender Gap Index. The Index aims to measure the relative gaps between women and men across four key areas: health, education, economy and politics. Kazakhstan’s gender gap has seen a steady, albeit slow, improvement over the last decade, its overall score rising by 0.026 indices in the period from 2006 to 2015. Rather high scores are attached to women’s health and survival (a measure of the sex ratio at birth and healthy life expectancy), as well as educational attainment (a measure of the literacy rate and enrolment in primary, secondary, and tertiary education). Nevertheless, the country scores lower in women’s political empowerment (which measures women in parliament, ministerial positions, and as heads of state). In addition, Kazakhstani women’s economic participation and opportunity (based on labour force participation, wage equality, numbers of women in senior positions, etc.) has fallen in the two years since 2013.

Women’s political participation has improved significantly in the last ten years, however women are still underrepresented in public and political life and in decision-making positions, including in Parliament, local representative bodies, the executive bodies, local government, as well as in diplomacy. For instance, there are only 3 women among 47 members of the Senate, the upper house of Parliament (6.4%). Meanwhile, the number of women deputies in the lower house of Parliament, the Mazhilis, has only increased by one following the most


Women in Kazakhstan are actively involved in the sphere of small and medium-sized business. As of May 2016, women comprise 47% of individual entrepreneurs. According to official data, women run 697,355 SMEs in the country—42% of all registered small and medium-sized companies. The largest number of women-owned SMEs are involved in the sphere of small and medium-sized business. As of May 2016, women comprise 47% of individual entrepreneurs. According to official data, women run 697,355 SMEs in the country—42% of all registered small and medium-sized companies. The largest number of women-owned SMEs are involved in the sphere of small and medium-sized business.

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women’s businesses tend to be small or even micro in size, they are concentrated in specific sectors – primarily small-scale trade and services. For instance, over half of all female individual entrepreneurs in the country were engaged in trade in May 2016.

Official statistics from 2015 show that women represent 56% of the total unemployed population. The level of unemployment among women is 5.7%, compared to 4.3% among men. Meanwhile, long-term unemployment is estimated at 3.1% among women and 1.8% among men. Across Kazakhstan’s regions, the gender gap is widest in the Mangystau region, where 2.6% of economically active men are unemployed compared to 7.9% of women. Levels of unemployment are equal for men and women in Akmola region, while in Atyrau region 1,555 more men than women are unemployed. Unemployment trends are discussed in greater detail in section 4.1 Statistics and indicators on the economic situation of Kazakhstan.

According to the state’s 2011 report to CEDAW, women living in Kazakhstan’s rural areas tend to work in plants that produce baked goods, canned vegetables and meats, and in repair shops and clothing stores. They are employed in the “handicraft trades”, including sewing and embroidering national dress and fabrics, knitting fine wool kerchiefs, weaving rugs, producing national dishware, and manufacturing jewellery. In the non-commodity sphere, rural women are particularly active in the services sector: Hairdressing and cosmetic salons, garment makers, food services (cafes, restaurants and cafeterias), articles for trade and tourism, medical and dental offices, and pharmacies are described as “purely women’s businesses”, since women account for more than 90% of all personnel and managers in these sectors.

However, the Asian Development Bank reports that deficiencies in basic services and the burden of household work on rural women are considerable obstacles to their economic engagement. Observers maintain that women in rural areas of Kazakhstan face greater discrimination than women in urban areas, suffering from higher incidence of domestic violence, limited education and employment opportunities, limited participation in political life, and the burden of household work on women’s part.

2.2 Economic Engagement of Women in Rural Areas

According to the state’s 2011 report to CEDAW, women living in Kazakhstan’s rural areas tend to work in plants that produce baked goods, canned vegetables and meats, and in repair shops and clothing stores. They are employed in the “handicraft trades”, including sewing and embroidering national dress and fabrics, knitting fine wool kerchiefs, weaving rugs, producing national dishware, and manufacturing jewellery. In the non-commodity sphere, rural women are particularly active in the services sector: Hairdressing and cosmetic salons, garment makers, food services (cafes, restaurants and cafeterias), articles for trade and tourism, medical and dental offices, and pharmacies are described as “purely women’s businesses”, since women account for more than 90% of all personnel and managers in these sectors.

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number of women-run SMEs is found in Kostanay (48%), Karaganda (48%) and Pavlodar (46%) regions. Areas with the lowest number of women-run SMEs include South Kazakhstan (33%), Almaty (37%) and Zhambyl (38%) regions. However, this is not the case with larger firms, where women are considerably underrepresented in leadership and managerial positions. According to the World Bank, only 4.2% of large enterprises had top female managers in 2013, lowering the overall proportion of women-led Kazakhstani firms to 18.8%.

In addition to the fact that registered and unregistered women do not have equal access to credit, legal protection, and information, and their businesses are frequently targeted by official authorities and crime, they are also subjected to discrimination in the areas of employment, labor conditions, and earnings. In the official statistics, women are represented in leadership and managerial positions in the armed forces, the administrative apparatus of the country, and in the public sector, as well as in the private sector. However, the representation of women in these areas is not proportionate to their share in the total labor force. For instance, women account for only 13% of the total workforce in the administration, 9.5% in the public sector, and 24% in the private sector. Women are underrepresented in the highest positions of management and leadership, including top management positions in the armed forces, the administrative apparatus of the country, and the private sector.

The representation of women in the highest positions of management and leadership is not proportionate to their share in the total labor force. In the armed forces, women account for only 2% of the total workforce. In the administrative apparatus of the country, women account for only 12% of the total workforce. In the private sector, women account for 30% of the total workforce.

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especially in southern Kazakhstan, is generally more conservative and tends to hold more traditional views on the roles of women and men. Women are typically expected to take care of their families, primarily as wives and mothers. Restrictive attitudes such as a fear that women will grow “too independent” and not fulfil their household obligations work to inhibit rural women’s participation in the economy. As USAID found, in southern Kazakhstan, even educated women do not actively seek employment outside the home. Meanwhile, employment opportunities in oil-rich rural areas are concentrated in the oil and gas sectors, predominantly employing men. In Mangystau region, for example, women contributed as little as 24.8% to GDP in 2014. According to official statistics, a third of all unemployed women in Kazakhstan live in rural areas.

That said, rural women should not be presumed to be passive. On the contrary, gender roles have shifted as a result of privatisation of agricultural production since Kazakhstan’s independence, and women are increasingly becoming the main breadwinners for their families. Fewer formal employment opportunities in rural areas mean that a higher proportion of women engage in informal work, setting up informal businesses such as making sweets, baking, and selling home-produced goods (e.g., meat, milk, fruit, and vegetables). Most women travel to cities and district centres to trade their products at the local market. Statistics cited by the Asian Development Bank suggest that women made up nearly 60% of the informal sector among the economically active rural population in 2009.

However, wages in the informal economy tend to be much lower, and self-employed and informal workers do not pay into the pension system or receive social insurance. As is characteristic of informal work worldwide, they have little security and no legal protection in terms of workplace safety, regulation of working conditions, or maternity, childcare, or sick leave. One rural woman selling dairy products in Aktobe city interviewed by Radio Azattyk said that she has to sleep no more than 5 hours per night in order to have time to process the milk, travel to and from the city to sell it, take care of her cattle, and prepare for the next day. In addition, women selling produce in city markets are often targeted by local authorities and the police, who try to force informal traders to officially register as self-employed and pay taxes, which would further diminish their income. Fearing fines, women avoid giving out their names to the police. As one woman put it, “as soon as we see a police officer, we grab our goods and run in different directions. Yesterday one of them chased me all the way to the hostel in Akhtanov street.”

The proportion of economically active women who are self-employed is lower in Kazakhstan’s rural areas than in cities. Although both urban and rural women can face constraints in trying to sustain and develop their businesses due to insufficient financing as a result of gender gaps in the distribution of microcredit, land and other economic assets, rural women experience additional difficulties in starting a business. The financial constraints on their entrepreneurial activities include lack of collateral (i.e., property is often registered in the name of the husband or male head of household), refusals of loans by banks, complicated banking procedures, fear of taking on debt, and the lack of skills and knowledge necessary for creating a business plan (a requirement for obtaining loans).

The government is actively trying to improve the situation of women in Kazakhstan. The government and international organisations are working on projects to promote women’s entrepreneurship. They provide training, financial support, and access to information and networking opportunities. The government is also trying to improve access to education and vocational training for women, particularly in rural areas. However, there is still a long way to go. Women’s participation in the workforce is still lower than men’s, and they face significant barriers in accessing education, employment, and credit. The government is taking steps to address these issues, but more needs to be done to ensure equal opportunities for women in all sectors of the economy.
to encourage entrepreneurship among women in rural areas; programmes to improve their business and management skills and increase the number of women setting up small- and medium-sized enterprises have been established.

In 2014, CEDAW heard that a business road map had been drawn up and guidance on setting up a business had been given to 31,000 women, 80% of whom lived in rural areas27. The Damu Entrepreneurship Development Fund provides microcredit loans targeted towards rural and poor women. Since 2010, 1,469 female entrepreneurs received microcredit loans for a total of 10.6 billion tenge. The programme has shown positive results in increasing women’s share of small and medium-sized enterprises28.

Kazakhstan is becoming increasingly urbanized and its largest cities, particularly Almaty and Astana, have experienced considerable population growth in recent years. No sociological studies have been conducted on the professional and career aspirations of women from rural areas, but findings suggest that young women are among the many young people migrating to the country’s urban centres in search of employment. According to the Asian Development Bank, the primary motivation for migration to larger cities is the deterioration of living conditions in rural areas and the lack of economic opportunities, primarily because of declining agricultural production29.

Kazakhstan has an educated workforce, although the proportion of highly technically competent workers is fairly small. Demand for skilled labour generally exceeds local supply30. Technical skills, management expertise, and marketing skills are all in short supply. Many large investors therefore rely on foreign workers and engineers, however, employers’ reliance on foreign labour in the face of poverty in rural Kazakhstan has become a political issue in recent years31. The government is committed to improving the skills of Kazakhstan’s workforce, as demonstrated by initiatives such as the training programmes of Damu Entrepreneurship Development Fund or the Employment Roadmap 2020, adopted in 2007.

More recently, there have been efforts to improve the quality of education, particularly of vocational training. In September 2011, non-commercial JSC Holding Kazspkor was set up under the Ministry of Education with the goal of developing a network of leading vocational educational institutions capable of educating the workforce to a high standard and in line with the needs of employers. The new technical and vocational education and training (TVET) system aims to create two world-class colleges between 2015 and 2017 that will train 3,060 students in tourism and hospitality, construction and utility services, computing, the energy industry, and engineering and design. In conjunction, four new inter-regional centres with a capacity of 2,800 students will be opened. The idea of these colleges is to combine classroom and applied learning (a “dual system”). They aim to engage employers at every stage of the creation and operation of the colleges to ensure that syllabuses are designed with the needs of the labour market in mind. By 2020, the expertise developed in these leading colleges will be transferred to 278 state colleges (Kazakhstan has a total of 467 state colleges)32. Effective implementation of these plans is essential for Kazakhstan’s long-term competitiveness.

Gender segregation is evident in technical and vocational education in Kazakhstan. According to official data, young men predominate in technical and vocational colleges, while young women are more likely to attend universities – 57% of all university students are female33. So far, limited information is available on TVET graduate employment, especially its quality. However, the Organisation for Economic Co-operation and Development (OECD) finds that in many fields, Kazakhstani TVET graduates now have better employment prospects and can earn higher salaries than university graduates34. In fact, the sector of employment appears to play a more important role than education in the determination of wages. Unsurprisingly, young women are concentrated in traditional female fields of study such as education, health care, and the services sector; while young men predominate among those receiving higher education and technical training in fields that are experiencing growth and higher wages: the hydrocarbon, transport, and energy industries. The patterns of educational enrolment correspond closely to patterns of labour market segregation35. Therefore, vocational training in sectors where women are underrepresented could help redress the gender imbalance and expand women’s employment prospects and participation in the workforce. However, large-scale reform would be required for women to have equal access to employment in such fields36.

In 2015, Kazakhstan’s services sector employed around 5.2 million individuals (61%) out of a total 8.6

129 ADB, Kazakhstan Country Gender Assessment.
132 OECD Multi-dimensional Review of Kazakhstan, 148.
133 Комитет по статистике Министерства национальной экономики РК, Женщины и мужчины Казахстана 2009-2013, Table 6.12; Ministry of Education and Science of the Republic of Kazakhstan National Centre of Educational Statistics and Assessment (Национальный центр образования и науки РК).
135 ADB, Kazakhstan Country Gender Assessment.
136 ADB, Kazakhstan Country Gender Assessment, 27.
Between 2010 and 2013, employment expanded considerably in manufacturing and some knowledge-intensive service sectors – job creation was fastest in transport equipment manufacturing, finance, insurance, and hospitality sectors. Annual growth in employment in hotels in restaurants stood at around 10%, compared to an average of 2% across all sectors of the economy. However, the hospitality industry was negatively affected by the recent economic downturn and in 2015 HEADHUNTER.KZ found that demand for labour was highest in the sales sector (25.9% of total demand), followed by accounting (10.4%), and management and administration (9.8%). Nearly half of all jobs advertised on the HEADHUNTER.KZ portal were in Astana and Atyrau. Tourism and the hospitality industry were among the less competitive in Kazakhstan’s services sector – only 997,710 (19%) of services workers are self-employed.

Tourism and the hospitality industry were among the less competitive in the services sector last year, with around eight job seekers per vacancy. Nevertheless, employment in the sector is expected to grow with the advent of Expo 2017 and Kazakhstan’s hotels are increasingly investing in technology, equipment, and training to improve staff efficiency. Technical and vocational education and training can play an important role in improving the skill level of the labour force as it can fill the gap between basic education and occupation-specific training provided by employers. TVET is also valuable in allowing workers to upgrade their skills or move into more relevant industries in response to shifts in labour market demand.

The Council of Businesswomen of the National Chamber of Entrepreneurs of Kazakhstan (совет деловых женщин Национальной палаты предпринимателей Республики Казахстан «Атамекен») maintains that rural areas are in particular need of services development, however, rural women often lack the skills necessary to enter employment or develop their own enterprise. For example, women’s unemployment levels in Aksai, a city in West Kazakhstan where British oil and gas company BG Group used to operate, are very high. While the oil and gas sector has developed rapidly and helped the town grow, other sectors have not caught up; the West Kazakhstan region is remote and small business development has been relatively slow. This problem was exacerbated when the more skilled labour in the area migrated away from other sectors into oil and gas. Consequently, the town lacks certain basic local services like dry cleaning, or a bakery. Yet, only 175 out of a total 849 colleges providing technical and vocational education and training in Kazakhstan are based in rural areas. Improving the availability of TVET in relevant service sector industries could therefore benefit rural women’s economic engagement.

Although sex- and gender-based discrimination is prohibited by law, labour practices in the services sector do not always accord with the principles of gender equality. Women employed in services routinely face discrimination of gender equality. Women employed in services are among the least competitive in the services sector last year, with around eight job seekers per vacancy. Nevertheless, employment in the sector is expected to grow with the advent of Expo 2017 and Kazakhstan’s hotels are increasingly investing in technology, equipment, and training to improve staff efficiency. Technical and vocational education and training can play an important role in improving the skill level of the labour force as it can fill the gap between basic education and occupation-specific training provided by employers. TVET is also valuable in allowing workers to upgrade their skills or move into more relevant industries in response to shifts in labour market demand.

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KAZAKHSTAN’S HOSPITALITY INDUSTRY

Statistics and Indicators

- Kazakhstan’s hospitality industry was negatively affected by the fall in demand as a result of economic downturn and by the recent depreciation in value of the tenge. This led the country’s hotels to focus on increasing efficiency, including improving staff training;
- Women predominate in the hospitality industry but tend to be paid less than men;
- Working conditions are poorer in national hotels and restaurants located outside of major cities;

The hospitality sector in Kazakhstan has expanded rapidly in the last five years, with nearly 52,000 hotel rooms available across the country in 2015. As of April 1, 2016, there are 4,721 registered enterprises working in the accommodation and catering services, 4,414 of which are privately owned and 280 owned by foreign companies. Accommodation and catering services accounted for 1% of total GDP in 2015 (406 billion out of 40,761 billion tenge). The hospitality sector has experienced negative wage growth in the period 2010-2013. In the last quarter of 2015, the average nominal wage in the accommodation and catering services industry was 124,179 tenge/month (approx. GBP 250), lower than the average wage of 136,094 tenge/month (approx. GBP 270) across all sectors of the economy. However, in the last quarter of 2015 real incomes in accommodation and catering were 1.1% higher than in the period July-September 2015.

The two leading cities in the hospitality industry are Almaty and Astana. The former currently attracts more visitors, however, the capital Astana is growing as a travel destination and already accommodates seven international hotel chains. Most clients of the country’s hotel industry are business travellers, around half visiting from abroad. Large four- and five-star hotels and cheaper, uncategorised establishments accommodate most guests, however, there are relatively few quality three-star hotels.

The recent economic downturn as a result of falling oil prices has caused a decrease in the number of guests – it is estimated that Kazakhstan’s five star hotels currently have an excess of more than 1,000 rooms. This led to a significant lowering of prices charged...
by hotels around the country, as well as the freezing and closures of several planned projects. At the same time, the recent depreciation in value of the tenge has considerably increased the costs faced by national hotels, which have been worse hit than international hotel chains. As such, few new hotels are likely to open in the next 3-5 years. National hotels are currently aiming to lower costs and increase staff efficiency, which requires investment in new hotel technology, equipment and training. The Kazakhstan Association of Hotels and Restaurants (Казахстанская Ассоциация Гостиниц и Ресторанов), for instance, has recently opened a training centre, Housekeeping School in Almaty, which will train professionals in the hospitality industry. The centre accepts individual applicants, as well as applicants referred by firms.

On the bright side, however, an influx of visitors is expected in connection with Expo 2017, which will take place in Astana from June 10 to September 10, 2017. The new visa regime launched in 2015 allowed visitors to stay for up to 30 days. The Ritz-Carlton is expected to open in Astana. Yet, although the hotel industry in large cities will likely recover, the outlook for rural areas and smaller cities is worse. As the Kazakhstan Association of Hotels and Restaurants reports, hospitality standards in rural areas tend to lag behind and hotels are characterised by technological backwardness, badly trained personnel, lack of comfort and limited provision of services.

A study of Almaty hotels and restaurants conducted by the Association in 2015 showed that at least 90% of businesses surveyed provided some short-term training for their employees, 30% offered packages including free lunch, transportation, and discounts on hotel services, 60% only paid for employees’ lunch, while 10% offered their staff lunch at half-price. Notably, only a quarter of the hotels and restaurants surveyed confirmed that employees were paid for overtime work, whilst 75% chose not to respond.

Women predominate in Kazakhstan’s hospitality sector, comprising 75% of the workforce. Nonetheless, in 2013, women employed in accommodation and catering services earned on average 79,447 tenge per month, whereas men’s average income in the industry was around 30% higher at 116,998 tenge per month.

No data is available on the incidence of prostitution on hotel premises; however, it is widely known that various hotels have traditionally been used to facilitate prostitution. Notably, in December 2015, a large number of Almaty hotels announced that they will no longer allow hotel grounds to be used by sex workers and their clients. The move is, reportedly, a response to improved policing of hotel premises, which resulted in Almaty establishments being fined a total of 16 million tenge since the start of 2015.

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**TESTIMONIES FROM KUMBEL STUDENTS**

**Anastasya** received her certificate from Kumbel Training Center on June 2014. She is currently working at the Ritz Carlton Hotel in Almaty.

“One of the unforgettable lessons I’ve learned in Kumbel Training Center is that, even though many people at work will tell you many negative things about working in the hospitality industry, one shouldn’t listen to them, because you have your own way of life. I’ve experience that very same thing at my work in a hotel, since many of my colleagues tell me that working here doesn’t make sense, that I will never achieve anything. This somehow motivates me, because the fact that they haven’t achieved anything doesn’t mean that the same will happen with me. I have my own life goals and I strive for them, I work in the hospitality industry because I like my profession.”

**Fatima** has also recently graduated from Kumbel Training Center:

“At first, my Mom didn’t give me permission to apply for technical school and study. She wanted me to get married, thinking that it will solve everything in my life. But I’m not that kind of person. I applied to Kumbel and my mum thought it was nonsense, but thanks to what I’ve learned here, I’ve been able to find a job. I earn my own salary, buy my own cell phone, got my driver’s license, and buy proper clothes. And when I brought some money home, I felt that my Mom felt proud of me for the first time. At Kumbel I’ve learned many things. There is one training I’ll never forget. Our trainer explained that he helped people identify their life goals and to ask oneself: who am I and what am I here for? After that I began to ask myself: what is my goal and what should I do?”
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