

State-Run Program of Rural Territories Development

Development of rural areas

Solutions to the acute problems of rural territories were defined as priorities in the strategic course taken by the Kazakhstan Government for 2003-2005.

Presidential Decree as of July 10, 2003 approved the State-run Program of Rural Territories Development for 2004-2010.

The Program was elaborated by the Ministry of Agriculture in partnership with regional governors' offices and related Ministries and governmental agencies.

Against the background of overall economic growth, disproportions in the income levels of urban and rural population have been growing; regional income differences have also become considerable. 43% of the population of the country lives in rural areas, third of it has income below subsistence level. Further inattendant to this condition would intensify income differentiation, would have a negative impact on social-political atmosphere of the society, and would be reflected on the indicators of human development and investment image of the country.

Taking into consideration development of agro-production sector and growth of revenues coming from agriculture, current excess of rural population is one of the reasons behind hindered growth of the population's living standards, and it has become a serious issue in planning of sustainable development of the country.

Problem is furthermore intensified by irrational schemes of settling, preserved from the times of planned economy; as a result of that, investment of funds directed at development of the social infrastructure of rural areas remains ineffective in the course of investment programs implementation, while migration processes still have spontaneous and unmanageable character.

The major objective of the State program of development of rural territories is to ensure adequate life support to rural territories, based on optimization of rural population's spatial distribution.

To hit the targets set by the Program, responsible agencies are supposed to take the following steps:

- analyze the current situation/define major indicators of socio-economic development through certification of rural settlements;
- work out primary measures to encourage economic activities, including investments into construction and rehabilitation of engineering infrastructure;
- fine-tune monitoring of socio-economic development of rural settlements and of ecological safety of arable lands, enhance the land resources appraisal system;
- work out and implement programs to stimulate migration of rural population;
- work out a model of effective rural population's spatial distribution and take measures to implement the model.

The scale and novelty of the issues attended to within the Program, the need for coordination of the planned measures with capacities of the central and local budgets call forth for two-staged implementation of the Program.

First stage (2004-2006) provides for taking of the first three steps. National standards of social security of inhabitants and standards of sufficiency of engineering facilities in rural areas must be worked out and approved in order to establish a balanced model of optimum - in terms of revenues and value of services - rural population's spatial distribution. It is also important to design a package of measures to optimize migration flows and regularize support to rural migrants; other necessary steps might be revision of current legal framework and working out of additionally required regulation acts.

The second stage (2007-2010) provides for evaluation of potential capacity of every rural settlement; implementation of measures is expected to optimize rural population's spatial distribution, ensure high living standards of rural population, and lay solid foundation for sustainable development of rural territories.

Elaboration of the Program was called forth by the need for measures that could ensure effective development of rural territories, and the need for optimum schemes of spatial distribution of rural population with a view of concentrating resources in economically viable regions, where satisfactory income level could be maintained.

Thus, one of the main targets of the Program is elaboration of an effective model of spatial distribution of rural population and its further implementation.

Regulation of migration flows is a core component of the Program of Rural Territories Development.

Forming of mass migration flows of rural population will be defined by stages of the Program implementation.

At the first stage, population of 8 rural settlements located in unfavorable environmental settings is going to get moved; as well as population of a number of rural settlements classified among areas of poor economic potential. Plans are afoot to facilitate moving of population from 125 settlements – which makes the total of 6674 people – 3 of the settlements are located in areas of substantial environmental problems, their population makes up 642 people; the rest 122 settlements, wherein population mounted to 6032, are located in areas of poor economic potential. Oblast akims (regional governors) plan to facilitate people's moving to more favorable places in Kzylorda, Western Kazakhstani and Karaganda oblasts.

Greater migration flows are expected to take place at the second stage, within the framework of programs to optimize spatial distribution of rural population.

An important point is that the Program will contribute to adaptation of rural population to liberal market reforms.

The program is bound to boost economic growth in the agrarian sector and facilitate jobs creation in rural settlements of medium and high potential for development.

The Program provides for evaluation of agricultural organizations' demand for manpower for the following several years.

Within the first three years (2004-2006), allocations from the central budget for the program implementation will total KZT 67,5 billion; besides, local budgets and other sources will be involved (direct investments, grants and funds of financial institutions).

As a result of the Program implementation, income level in rural territories is bound to rise through upsurge of small business initiatives of rural population and widened scope of activities; internal migration will be encouraged and regulated.

By late 2006, the optimum model of spatial distribution with consideration of climate zones and location of factors of production will have been finalized; the model is to be fully adopted by late 2010.