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APPROACHES TO BUILDING A PROACTIVE TARGETED SOCIAL ASSISTANCE SYSTEM IN THE REPUBLIC OF KAZAKHSTAN

Currently, comprehensive approaches aimed at developing modern forms of social protection, reactive and proactive measures of state social policy are based on the provisions of the concept of adaptive social assistance (ASA). An adaptive approach to social protection requires that all developed mechanisms of SCA be based on a well-developed legal and institutional framework. This should ensure both programme stability and recognition of beneficiaries by rights holders. At the same time, the authors understand the proactive mechanism of targeted social assistance as preventing the deterioration of the social and economic situation of vulnerable households and supporting their integration into society.

On the basis of in-depth interviews and questionnaire survey of experts (professionals employed in the system of social protection of the population of the country), as well as questionnaire surveys of recipients of targeted social assistance, a number of scientific results have been obtained, namely: in relation to the current system of targeted social assistance in Kazakhstan, a portrait of a TSA recipient has been drawn up; the features of the TSA system affecting the degree of targeting of assistance have been determined; the features and problems of the current system of conditional cash transfers in assessing its ability to solve the problems have been identified; and the problems of the system of conditional cash transfers have been identified.

The authors propose the use of such a system of providing targeted social assistance, the elements of which are four blocks: 1. Early identification of the circle of persons at risk. 2. Cost-oriented system of TSA. 3. Social integration. 4. Prevention.

The modern market economy implies the formation of such a model of social protection of the population, which would not only meet the minimum needs of socially vulnerable groups of the population, but also ensure the minimum necessary level of their human development to interrupt «self-reproducing» poverty. In this context, the state providing public goods within the social protection system needs to strike a balance between meeting the needs of the population in social assistance, including targeted social assistance (TSA), and the available resources of the state budget based on the principles of maximising economic and social efficiency.

A proactive approach to the organisation and functioning of the social protection system, widely used in countries with developed socially oriented economies, makes it possible to maintain this balance on the basis of identifying the required and prospective amounts of TSA, families in real need of support, facts of dependency, and corresponding adjustment of the institutional content of the targeted social assistance mechanism in terms of methodology and practice of making changes in the calculation of

social benefits, the procedure for identifying those in need, and the definition and implementation of the type of social assistance, including the type of social benefits, the type of social assistance, and the type of social assistance to be provided.

Thus, the purpose of this study is to improve the mechanism of targeted social assistance to socially vulnerable segments of the population in the Republic of Kazakhstan on the basis of a proactive approach.

Research on the formation of adaptive social protection has started relatively recently, in 2008, M. Davis, B. Gunter and others in their work «Adaptive Social Protection: Synergies for Poverty Reduction» raise the issues of disaster risk reduction through the development of an adaptive social protection structure [1]. This line of research is related to the aggravation of global climate change problems. In this case, adaptability is aimed at increasing the level of coordination and improving the sustainability of social policy, reducing vulnerability, primarily of the rural population, associated with extreme changes in climatic conditions of residence, agricultural activities, etc.

This concept was further developed in the initiatives of the UN General Assembly, in particular the Millennium Development Goals, the Sustainable Development Goals containing 17 global interrelated goals (in particular, Goal 1: «Eradicate poverty», Goal 2: «Eradicate hunger», Goal 3: «Good health and well-being», Goal 8: «Decent work and economic growth», Goal 10: «Reduce inequalities») and 169 relevant targets for sustainable development [2].

This concept defines the priorities of social policy against the background of growing problems of food security, poverty alleviation, rising unemployment and the need to develop human capital, productive employment, decent work and much more. In this regard, the benefits of formation and development of adaptive capacity of social protection will allow to justify and identify the criteria of proactive and reactive components of the mechanism of targeted social assistance.

Adaptive social protection is aimed at increasing the resilience of vulnerable segments of the population and households through monetary and in-kind (non-monetary) transfers. Resilience is understood as the readiness and development of adaptive potential of households for the long-term period to various variants of negative situations and circumstances. Adaptive social protection systems consist of a wide range of interventions aimed at reducing poverty, inequality and vulnerability. As follows from the theoretical review of modern concepts of targeted social assistance, adaptive mechanism of social policy, the idea of the project is to expand the current mechanism of TSA through proactive components. In other words, it is supposed to shift the emphasis of the state social policy oriented on TSA beneficiaries to the policy that takes into account the interests and rights of TSA beneficiaries.

Vulnerable people's social protection enhances the freedom of action, both economic and social. At the same time, whether they are the intended beneficiaries of the TSA or not, adaptive TSA should take into account, first of all, their vulnerability. This means that the mechanism should give the potential beneficiary the freedom to choose certain measures aimed at minimising potential adverse risks or consequences and optimising positive effects on living standards [3-5].

Of course, an adaptive approach to social protection requires that all TSA mechanisms developed be based on a well-developed legal and institutional framework. This should ensure both programme stability and recognition of beneficiaries by rights holders. In Table 1, we summarise the current forms of reactive and proactive TSA that, in various combinations, can be applied in developed and developing countries to form national models of social assistance mechanisms.

Table 1 – Forms of reactive and proactive TSA

Types of models	Functions (targeting)	Forms of social assistance
Paternalistic model of social protection	Protective (high targeting)	Targeted cash transfers
	Protective (high targeting)	Food programs (food baskets, vouchers, coupons for the purchase of food, school meals)
	Protective (medium targeting)	Organization of catering and accommodation services
	Preventive, stimulating (high targeting)	Free health care, education, social and household services

Productive model of social protection	Preventive (high targeting)	Health insurance programs,
	Stimulating	Social adaptation programs
	Transformative	Sports programs for people with disabilities
Contractual model of social protection	Stimulating	Ensuring minimum employment standards
	Transformative (high targeting)	Programs of work activity, professional growth, community service
	Transformative (high targeting)	Microcredit programs
Note – compiled by the authors based on sources [6-11]		

The proactive mechanism of targeted social assistance, therefore, is to prevent the deterioration of the social and economic situation of households in vulnerable situations and to support their integration into society. It includes measures and actions aimed at preventing social problems before they arise or worsen, as well as at actively supporting beneficiaries in achieving self-sufficiency and improving their living conditions.

In order to conduct the research, we interviewed over 195 experts from 17 oblasts and three cities of republican significance. The number of questionnaires sent by experts living in urban areas is 80, the other 118 questionnaires are from rural areas. Despite the fact that the system of targeted social assistance is more developed in urban areas, the results of the survey showed that the problems faced by TSA recipients in both urban and rural areas are the same.

In addition, a survey of recipients of targeted social assistance was conducted. The number of respondents was 426 people mainly from Astana city, Akmola, Kostanay and Zhambyl regions. The results of the survey of recipients of targeted social assistance confirmed the data obtained in the course of analysing the questionnaires of specialists.

A portrait of a TSA recipient has been compiled in relation to the system of targeted social assistance operating in Kazakhstan. A typical TSA recipient is characterised by the following qualities. Reason for applying for TSA: a single parent is unable to work and/or the household has a low level of income. Financial situation of the household: difficult and average (one member of the household has a medium or low wage job). Family composition of applicants: large or single-parent families. Disability of family members: most often one child or one parent. There are usually no restrictions on labour activity among adult members of the household. Availability of housing: no housing of their own (families live with relatives or rent housing). Education level of adult household members: secondary or secondary specialised education in urban areas and often without education in rural areas. Nature of occupation of able-bodied family member: current but low-paid or seasonal work. Labour activity at the time of applying for assistance: wage earners in urban areas and unemployed in rural areas. The average age group of adult TSA recipients is 25-45 years old.

We characterised the degree of aid targeting by the following features:

- Not all people in need are included in the TSA system, and there are recipients in the system who are not eligible for TSA;
- «The Digital Family Portrait is well established and working effectively, but the data on TSA recipients is not always up to date;
- 50-70 per cent of applicants are approved for TSA;
- high number of TSA refusals due to the fact that household income for each of its members exceeds the poverty line by only 1-5 thousand tenge;
- The current methodology for determining eligibility to enter the TSA system allows for a reliable determination of eligibility and the amount of assistance, but does not fully take into account the needs of the modern family;
- monitoring periodically identifies illegally assigned (received) aid.

In assessing the ability of the current system of conditional cash transfers to solve the problem of poverty in Kazakhstan, the following features and problems have been identified:

- The current TSA system allows the poor to meet only basic needs and find employment;
- The amount of TSA paid is generally sufficient to address poverty;
- almost half of TSA recipients do not leave the system for a long time (i.e. poverty is not addressed);
- the proportion of TSA recipients who leave the system and do not return to it for at least a year does not exceed 20 per cent;

- the main factor contributing to the TSA recipient's exit from the system is self-employment in his/her speciality or an increase in income for another reason;
- experts consider it necessary to provide for the possibility of providing a combined type of assistance (monetary + in-kind).

Conclusions. On the basis of the survey data and conclusions based on the results of their processing, the authors have developed a scheme of proactive mechanism of targeted social assistance. Schematically, the proposed proactive mechanism of TSA consists of four blocks (Figure 1).

Block One: Early identification of those at risk. This block of the proactive mechanism aims to diagnose and identify households at risk before they face serious problems. This block can be extended not only by economic indicators of living standards, but also by the circumstances of unforeseen emergencies (floods, man-made disasters, etc.).

Within this block it is necessary to improve the TSA system in the following directions:

- Artificial Intelligence and Big Data technologies to deepen the application of the Digital Family Map;
- Crowdsourcing the nonprofit sector.

Application of big data technologies and analytical tools to process and analyse information on demographic and social indicators allows to identify patterns and predict crisis situations. Development of applications and platforms to collect feedback from the population, provide information on available services and resources. In addition, the database for Labour Mobility Centres and Career Centres should be expanded, bringing together information from various state and non-state organisations, including health, education, social services and law enforcement agencies.

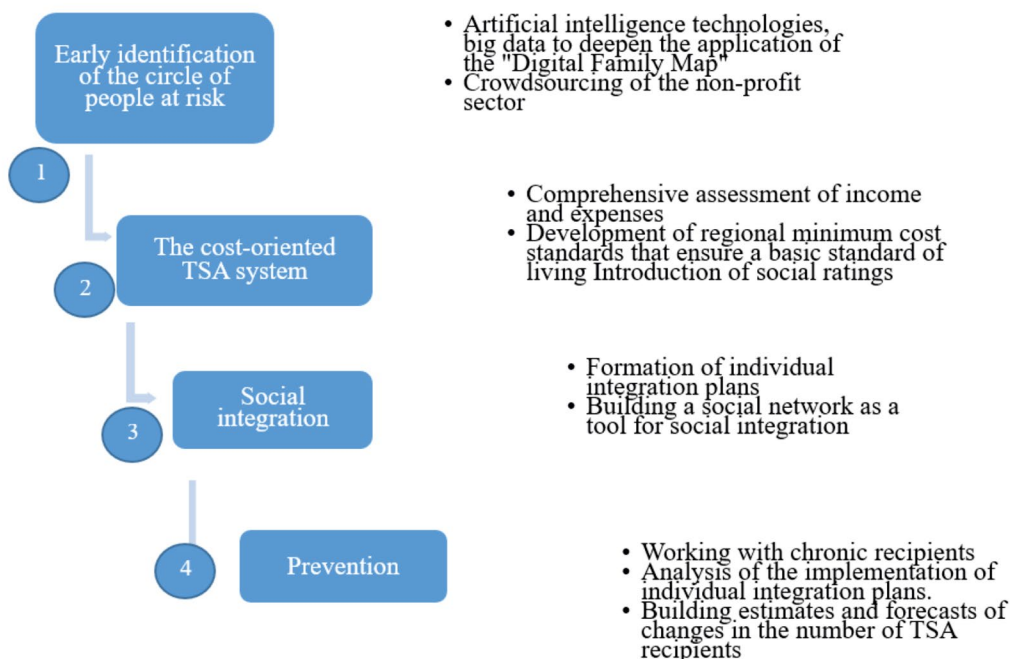


Figure 1 - Proactive mechanism of targeted social assistance
 Note: compiled by the authors

Block Two: Expenditure-based TSA system. The expenditure-based TSA targeting model aims to improve the accuracy of targeting and fairness of cash assistance distribution, taking into account the real financial needs of families.

First of all, it eliminates the shortcomings of the existing system. In particular, TSA beneficiaries who are individual entrepreneurs may hide real income in the shadow sector of the economy, in which case the legislation sets a threshold of 25 times the MRP (92,500 tenge), which is slightly higher than the minimum wage. Expenditure-orientation eliminates this problem, as expenditures are easily traceable and difficult to conceal.

In addition, the current system does not take into account the inequality of expenditures of TSA recipients. In this case, households with equally low incomes have different expenditure patterns. For example, a family that does not have its own housing has to pay rent. The results of the conducted surveys

and observations showed that a significant part of expenditures goes to pay for rent, as beneficiaries do not have their own housing. The same applies to medical expenses, education expenses, etc.

Thus, the assessment of household expenditures makes it possible to determine more accurately the financial situation of the family, taking into account their real needs and circumstances, and contributes to the equitable distribution of TSA resources. However, the efficiency of this system largely depends on the accuracy of beneficiary selection.

One of the key methods of targeting the needy is a comprehensive assessment of household income and expenditures. This approach is based on the concept of the life cycle of income by F. Modigliani and R. Bloomberg, according to which family expenditures may vary depending on the life stage, despite the invariability of income [12].

Comprehensive income and expenditure assessment implies a separate assessment of the total income of households claiming TSA. The assessment procedures are applied in the existing system, by coordinating the percentage of the regional subsistence minimum it is possible to increase the coverage of those in need. The main categories of expenditures, households applying for targeted social assistance should be classified as follows:

- rent or mortgage costs, utility bills (water, electricity, gas, heating), home repairs and maintenance;
- expenditure on the minimum food basket;
- the costs of medical services and medicines;
- costs for kindergartens, educational materials, school uniforms, etc;
- public transport costs;
- the cost of buying clothes, shoes and accessories for the whole family;
- other expenses (communication services (internet, telephone), entertainment and leisure).

Detailed categorisation of basic expenditures allows a more accurate assessment of household needs and ensures equitable distribution of targeted social assistance.

Verification of data through banks, utilities, medical centres, pharmacies, educational structures, etc. should be applied as verification procedures.

The next step after a comprehensive assessment of income and expenditures is the development of regional minimum expenditure standards to ensure a basic standard of living. Regional minimum expenditure standards are a set of indicators that define the minimum financial outlays required to ensure a basic standard of living in different regions. These standards take into account differences in the cost of living, climatic and economic conditions, and the social and environmental characteristics of the regions. The application of regional minimum expenditure standards includes determining the level of need of the population and developing social assistance programmes, adjusting benefits and other forms of support to regional differences, and designing economic development strategies. Continuous monitoring of changes in the cost of living and adjustment of standards allows to assess the effectiveness of social assistance programmes and economic policies, ensuring a more equitable and accurate allocation of resources.

Third block: Social integration. Social inclusion aims at the inclusion of TSA beneficiaries in the economic, social and cultural life of the community. This is achieved through measures that improve their well-being and increase their level of participation in the community.

Economic integration implies support in job search, training and skills development, and participation in temporary employment programmes.

Cultural integration is aimed at active participation of TSA beneficiaries in the cultural life of the society. This process should reflect activities on organising cultural events, festivals and holidays, ensuring equal access to cultural institutions and resources, classes in fine arts, music, etc. The process of cultural integration is aimed at the active participation of TSA beneficiaries in the cultural life of the society.

Educational integration aims at removing barriers to learning and creating conditions for full educational and professional development, ensuring equal opportunities for all TSA beneficiaries. Adult education programmes aimed at professional development and vocational training help TSA beneficiaries to improve their skills and increase their competitiveness in the labour market.

As foreign experience shows, all integration measures should be fixed in the so-called individual integration plan, which also prescribes certain obligations of the recipient.

This plan is a contract between the TSA recipient and an authorised public authority, e.g. the Labour Mobility Centre, which details the responsibilities and rights of both parties and includes specific steps and activities to be undertaken by the recipient to improve his/her well-being and exit from the TSA

system. This includes employment issues, children's school performance, cooperation with various involved bodies (medical, educational institutions, non-profit organisations).

The plan includes specific timeframes for each of the measures to be implemented and the objectives to be achieved. This helps structure the process and makes it more manageable. The plan is regularly reviewed and updated according to the recipient's progress and changes in their situation. This allows the measures and objectives to be adjusted to keep them relevant and effective. Failure to fulfil the measures threatens to reduce the amount of assistance.

Fourth block: Prevention. The tasks of this block are a logical continuation of the third block and are closely related to the tasks of the first block, aimed at early diagnosis of households at risk.

The primary goal of this block is to have recipients exit the TSA system in a timely manner. In the case of chronic or dependent TSA recipients, the reduction or termination of TSA payments should be envisaged. Social workers should regularly assess the progress of each TSA recipient and make adjustments to individual integration plans.

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