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## MONOTOWNS OF KAZAKHSTAN: DEVELOPMENT CHALLENGES AND OPPORTUNITIES

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By 2050 the country aims to join the 30 countries designated 'developed'

**Nur Sultan city**



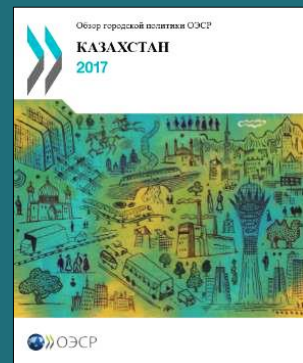
Source: <https://travelmassive.com/chapters/astana>

**Almaty city**



Source: [https://www.lada.kz/another\\_news/77958-22-marta-almaty-palnostyu-zakroyut.html](https://www.lada.kz/another_news/77958-22-marta-almaty-palnostyu-zakroyut.html)

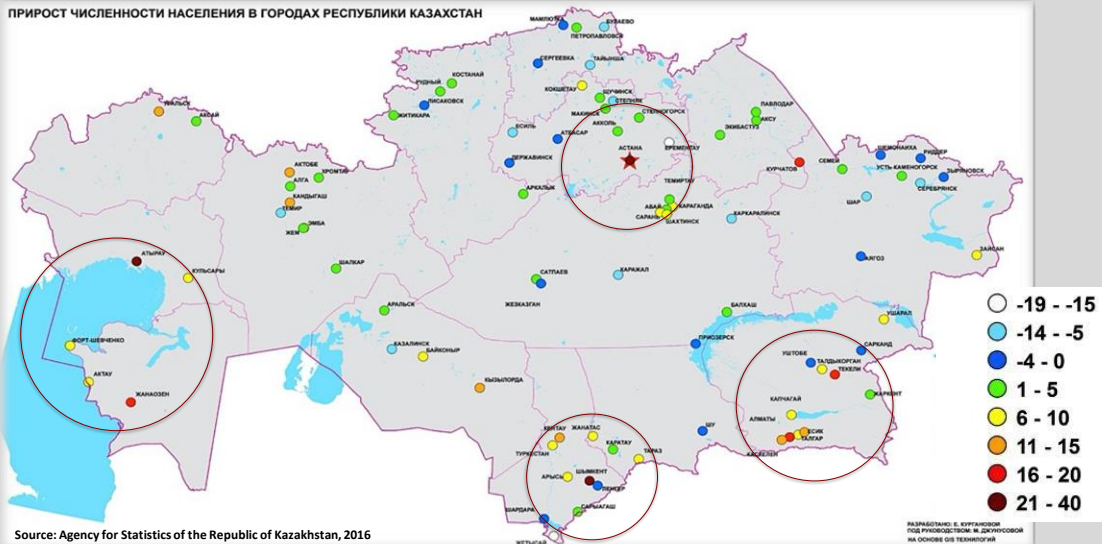
Plan to increase  
the share of its  
urban population  
**to 70%**



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## Growth rate of urban areas of Kazakhstan in %, 2009-2014



In 2018 15% out of 58% of the country's urban population lived in industrial towns defined by the government as 'monotowns' for their dependence on a single industry, which in Kazakhstan's case is primarily mining.

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## The transition of monotowns from the Soviet legacy to a market economy



Source: <https://fergana.ru/news/1105371/>



Source: <http://metalmininginfo.kz/archives/2542>

During Soviet times towns were:

- **closed to visitors** and developed in isolation from surrounding regions;
- **supplemented with dwellers** from outside as a result of Soviet forced resettlement policy;
- **called monotowns** because of their economic dependence on the operation of a single industry;

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## The transition of monotowns from the Soviet legacy to a market economy



Source: <https://tengrinews.kz/fotoarchive/ne-strashno-zivut-lyudi-nepodaleku-semipalatinskogo-polligona-1199/>

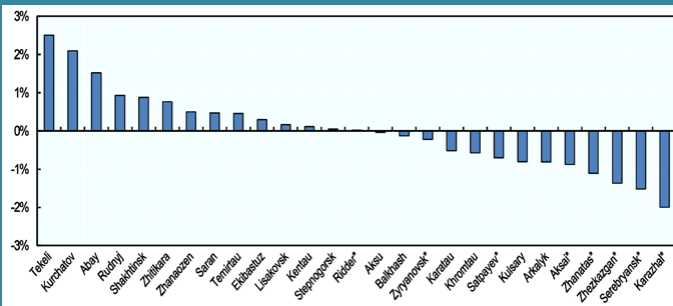
- The **dependence on a single mining industry** made them vulnerable to industry decline when the country transitioned to a market-oriented economy.
- The privatisation of the municipal infrastructure of mining towns has negatively impacted the maintenance of municipal utility networks and led to **fast degradation of housing**.
- The decline of local industries and the **deterioration of the living conditions** in the late 1990s led to active resident outflows from mining towns.

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## Development problems of monotowns

### Yearly net migration, 2010-2015: Share of resident population



Source: OECD (2017)

In 2018, the average monthly salary in monotowns amounted to **KZT 159.7 thousand (USD 490)**, which is slightly below the national average of **KZT 162.3 thousand (USD 506)**.

In Saran and Shakhtinsk was below **USD 300**.

In Aksai was **KZT 448.8 thousand (USD 1,402)** and in Zhanozen **KZT 435.4 thousand (USD 1,361)**.

- **Outmigration of young people and qualified specialists**
- **The self-employment rate is higher than in all other urban areas**
- **Unreadiness of towns to accept newcomers**

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## From industrial policy to monotown policy



Source: <http://expertonline.kz/a1372/>

27 monotowns with at least one or a few enterprises belonging to the same industry being responsible for employment of 20% of the population and overall industrial output

Temirtau, Rudny, Ridder, Aksu, and Ekibastuz were identified as having high economic potential.

Only Zhanatas and Arkalyk were categorised as having low economic potential.

- Strategy of Industrial and Innovative Development 2015 in 2003
- Fast Industrial and Innovative Development 2010-2014 in 2010
- Industrialisation Map

- Monotown policy
- Regional Development Program 2020

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## Delegation of planning to town authorities

- (i) increasing the efficiency of the main operating industry
- (ii) supporting economic diversification and small and medium entrepreneurship (SME)
- (iii) stimulating labour mobility
- (iv) developing social and engineering infrastructure.

Специализация моногородов				
	Риддер	Зыряновск	Курчатов	Серебрянск
	1786 год	1791 год	1949 год	1962 год
	58,0 тыс. чел	37,7 тыс. чел	11,8 тыс. чел	9,1 тыс. чел
	горнодобывающая промышленность	горнодобывающая промышленность	атомная энергетика	химическая промышленность, энергетика
	ТОО «Казцинк»	ТОО «Казцинк»	РГП «НЯЦ РК»	ТОО «СЗНП»
	9,2 тыс. чел (28% от ЗАН)	1,8 тыс. чел (8% от ЗАН)	1,4 тыс. чел (20% от ЗАН)	157 человек (3% от ЗАН)

Source: <https://www.slideserve.com/rhona-mccall/7025005>

- What if they are not ready to plan because of current dependency from upper level decisionmakers?
- How to plan without the budget?
- How to plan without expert knowledge?

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## Monotowns in regional development policy



Source: <https://curbyork.files.wordpress.com/2015/01/asdg.png>

- What is the role of towns in the world of large cities?
- Spatial centralisation or decentralisation?
- Is there any synergy between policy actions included in the body of the single program?

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## Success and failure of industry-biased investment



Source: [https://www.youtube.com/watch?v=55GZ\\_PobPi8](https://www.youtube.com/watch?v=55GZ_PobPi8)

- Who propose and select investment projects?
- What about innovation & human capital?

- What if the industry does not want to cooperate with other stakeholders?

### Диверсификация экономики и развитие бизнеса



**Якорные проекты**

Запланировано реализовать 6 проектов на сумму 19,1 млрд. тенге с созданием 650 рабочих мест



**Поисковые работы**

Зыряновск – 3 участка на сумму 1,7 млрд. тенге (за 2014-2018 гг) в том числе в 2014 году – 314,0 млн. тенге

Риддер – 2 участка в 2014 году на 3,2 млрд. тенге



**Господдержка бизнеса**

В 2013 году – 439,5 млн. тенге на 87 проектов.  
В 2014 году – 520,7 млн. тенге, на 1.08.2014 года одобрено:  
на гранты – 14 проектов на 34 млн. тенге  
на кредиты – 69 проектов на 237,7 млн. тенге  
на субсидирование – 20 проектов на 7,4 млн. тенге



**Партнерские программы**

Риддер – ТОО «Казцинк» – 92 контракта на 4,5 млрд. тенге, 3 долгосрочных соглашения на 1,1 млрд. тенге  
Зыряновск – ТОО «Казцинк» – 25 контрактов на 13,4 млрд. тенге  
Серебрянск – ТОО «СЗНП» с ТОО «Казцинк» на 183,8 млн. тенге

Source: <https://www.slideserve.com/rhona-mccall/7025005>

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## Local implementation challenges of national instructions

### Индикаторы программы

#### Увеличение объема промышленного производства моногородов не менее чем на 20 %, млн. тенге

Моногород	На 1.08.2014 года	На 1.08.2013 года	ИФО / темп роста
Риддер	51 378,0	45 901,0	88,4%
Курчатов	1 322,3	1 169,4	105,4%
Зыряновск	8021,0	6724,0	119,3%
Серебрянск	1304,2	981,2	132%

#### Увеличение количества активно действующих малых предприятий в моногородах в 2 раза

Моногород	На 1.08.2014 года	На 1.08.2013 года	ИФО / темп роста
Риддер	183	185	98,9%
Курчатов	34	33	103,0%
Зыряновск	123	120	102,5%
Серебрянск	20	19	105,2%

#### Снижение уровня безработицы в моногородах до уровня не более 5,5%

Моногород	На 1.08.2014 года	На 1.08.2013 года	ИФО / темп роста
Риддер	4,8%	5,0%	-0,2
Курчатов	4,4%	4,4%	0
Зыряновск	5,4%	5,4%	0
Серебрянск	5,5%	5,8%	-0,3

Source: <https://www.slideserve.com/rhona-mccall/7025005>

- What about environmental indicators?
- What about business environment?
- Don't we really know about people's satisfaction with quality of life?
- Are we doing it for people or to gain the planned numbers?

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## Absence of public-private dialogue

### Развитие инфраструктуры



#### Жилищное строительство

Запланирован ввод **трех 60-квартирных** домов в Риддер  
За 2013-2014 годы выделено **1,0 млрд. тенге**



#### Инженерно-коммуникационная и транспортная инфраструктура

**В 2013 году – 9 БИП** по строительству и реконструкции объектов ЖКХ и транспорта на **803,1 млн. тенге**  
**В 2014 году – 6 БИП** на **1995,6 млн. тенге**



#### Корректировка генеральных планов

Генплан Курчатова откорректирован, на корректировку генплана Зыряновска предусмотрено **25 млн. тенге** из ОБ, г.Серебрянск – **10 млн. тенге** из МБ (г.Риддер – не требуется)



#### Текущий ремонт и благоустройство

На текущее обустройство выделено **459,6 млн. тенге**, ведутся работы по ремонту дорог, объектов ЖКХ, благоустройству и т.д.

Source: <https://www.slideserve.com/rhona-mccall/7025005>

- Why public-private partnership magic power does not work in towns?
- How to deal with the centralised system of Public Procurement?
- Why to have new infrastructure if there is no money or capacity to maintain it?

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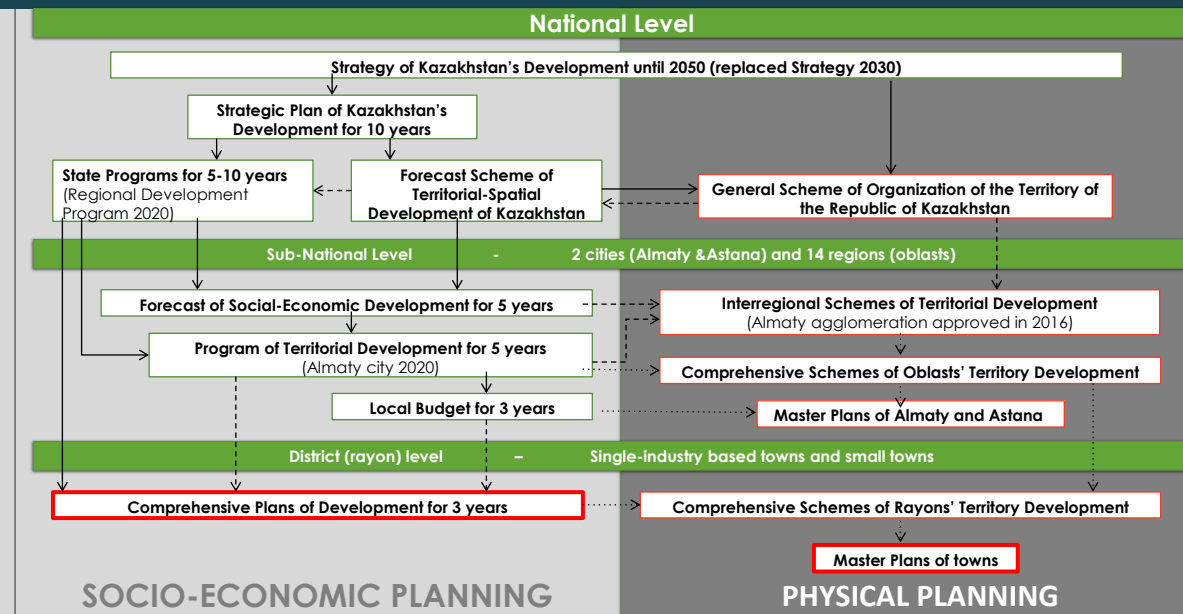
## Subsidised development constrained by centralised decision-making



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## Better access to local resources and funding for responsible governance of town development



Source: Developed by Junussova based on the IMPP: Planning Practice in Kazakhstan, IsoCarp, 2015

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## Strengthening the capabilities of town authorities to mobilise locational advantages

**TEKELI**

own for

co-friendly,

knowledge-based,

conomically sustainable,

ocal community based,

nnovative development



**Tekeli 65 years**  
September 2017  
Interactive Conference

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## A national association of towns



**We are the national voice for  
Canada's local governments**

Source: <https://fcm.ca/en>

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**Welcome to Tekeli**  
town if you want to  
have a rest from noisy  
cities!

**THANK YOU FOR  
YOUR ATTENTION!**

**TIME FOR  
QUESTIONS &  
DISCUSSION!**

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