

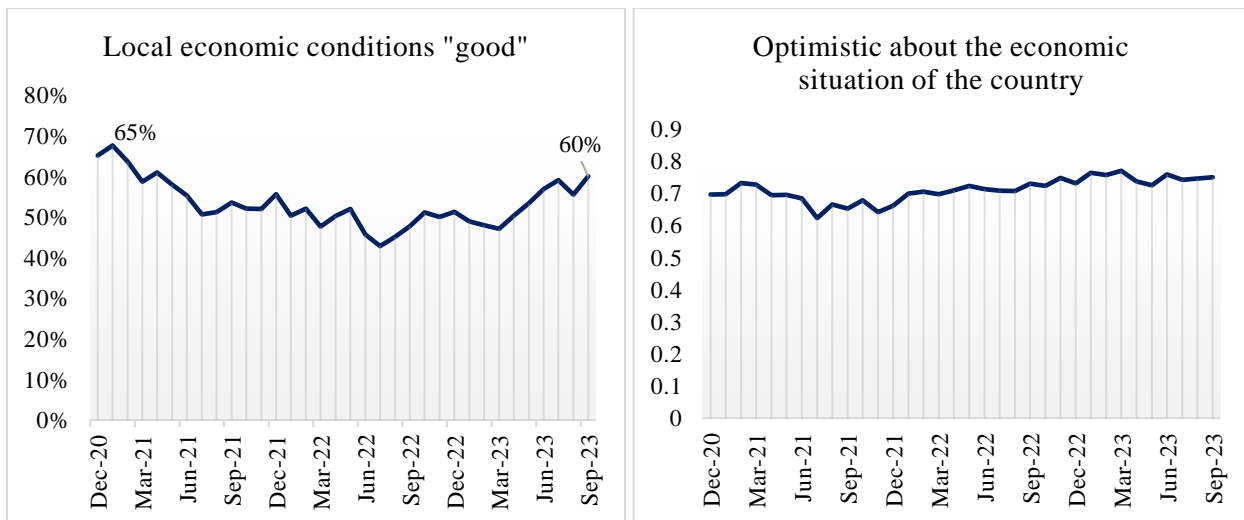
Listening to Kazakhstan

Update on the Social and Economic Wellbeing for September 2023

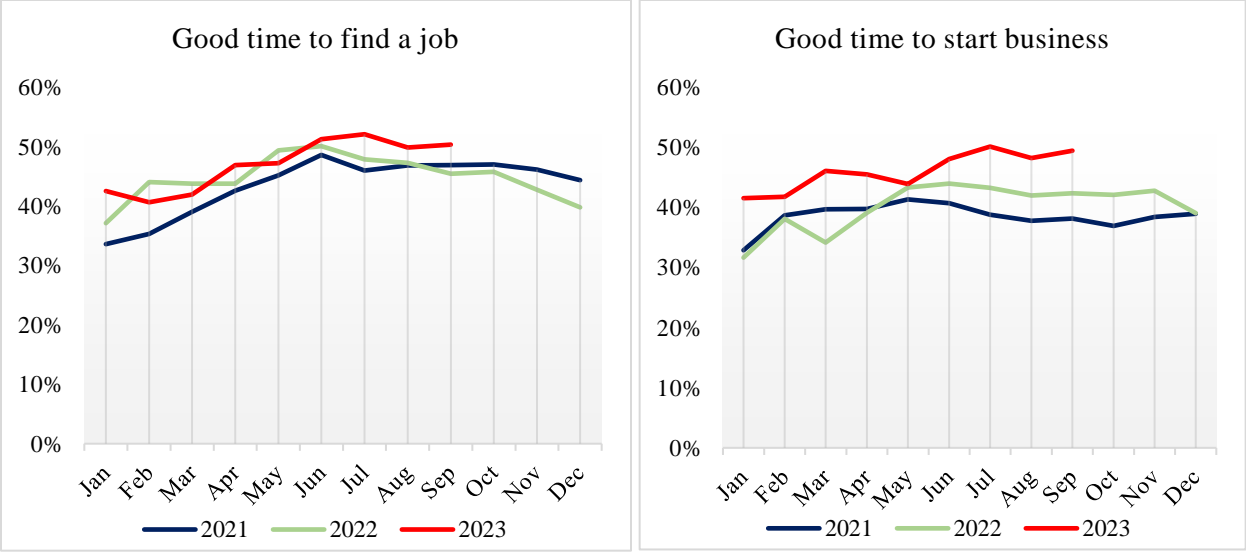
Kazakhstan's economy grew by 5% in real terms in the second quarter of 2023 despite heightened risks – from the ongoing Russia invasion of Ukraine, elevated price levels and tighter global financial conditions. The annual inflation rate has been steadily declining, but it is still high at 11.8% in September, which was the main concern among respondents in the Listening to Kazakhstan Survey. Optimism about economic outlook has increased, and public assessments of the economic conditions have improved in the second half of 2023. Respondents' confidence in labor market has reached its highest levels, with more people reporting that it was a good time to find a job and start a business in September 2023. Meanwhile, concerns about subjective household wellbeing remained relatively high over the year. Although food insecurity has declined significantly compared to a year ago, the share of households self-identifying as poor was still high at 23 percent. While the share of households reporting a decline in their financial wellbeing compared to the previous month was relatively low (12 percent in September), it increased compared to May 2023 (7 percent). Support on ongoing political, social, and economic reforms increased from 59 percent in April 2023 to 66 percent in September. Concerns about wealth concentration and income inequality have persisted throughout the survey, with a high share of respondents consistently expressing worries about these issues.

Economic conditions

The public assessments of the economic conditions have improved in the second half of 2023. Around 60 percent of respondents indicated favorable local economic conditions in their local areas in September 2023, marking the highest level since April 2021. Moreover, about three-quarters of respondents expressed optimism regarding the country's long-term economic trends. The improvement in the economic outlook was particularly higher among individuals with secondary school education or lower, those under 45 years old and respondents from high-income households.



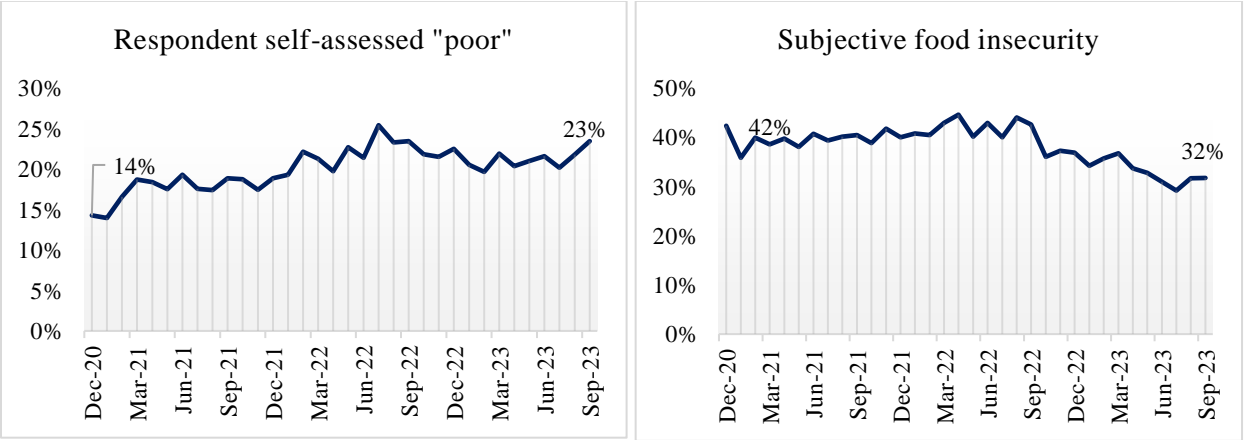
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Respondents' confidence in the labor market increased. In the third quarter of 2023, the percentage of respondents stating it was a good time to find a job reached its highest level since the start of the survey. Similarly, the share of respondents considering it a good time to start a business was significantly higher compared to the levels recorded in 2021 and 2022. The improved labor market outlook was notably stressed among high-income households, highly educated individuals, residents in big cities and younger respondents.

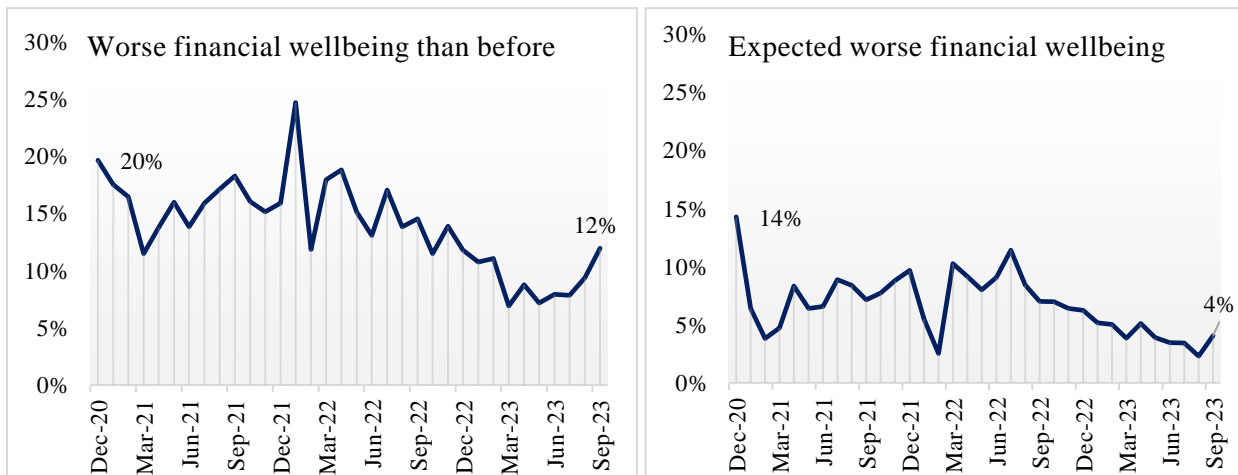
Household Wellbeing

Despite perceived improvements in the country's economic conditions, concerns about subjective household wellbeing remained relatively high throughout the year. It is possible that improvements in economic conditions may affect people's perceptions of household wellbeing, but with a delay. About 23 percent of respondents said that their household was poor, a level that has remained relatively stable over the past year. Subjective poverty was more prevalent among rural households (25 percent), middle income households (28 percent), respondents aged 45-64 (30 percent), and those with lower levels of education (29 percent). On the other hand, subjective food insecurity showed a significant decline from 44 percent in August 2022 to 32 percent in September 2023. Subjective food insecurity has fallen among elderly households, less educated respondents, and low-income households since the last year.



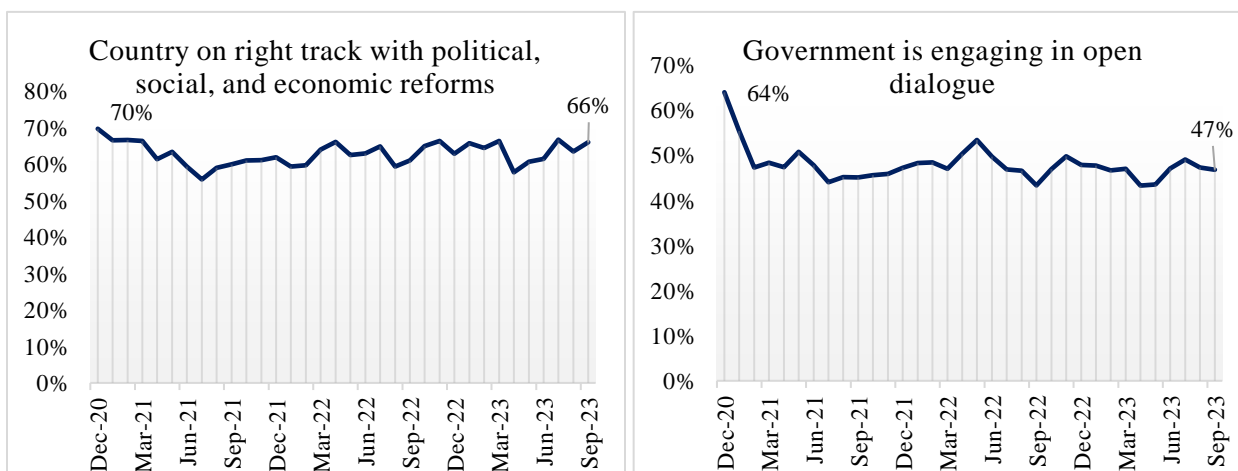
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Among other economic factors, financial wellbeing is closely related to subjective poverty. The self-assessed poverty rate was significantly higher among households reporting a decline in their financial wellbeing compared to the previous month (40 percent) than those with similar or better financial wellbeing (22 percent). Although the share of households reporting a decline in their financial wellbeing compared to the previous month was relatively low (12 percent in September), it increased compared to May 2023 (7 percent). Additionally, households expressed optimism about their future wellbeing, with only 4 percent stating that their household’s financial situation is expected to worsen in the next month. Elderly respondents, rural households, and male respondents showed higher levels of deteriorating financial wellbeing.



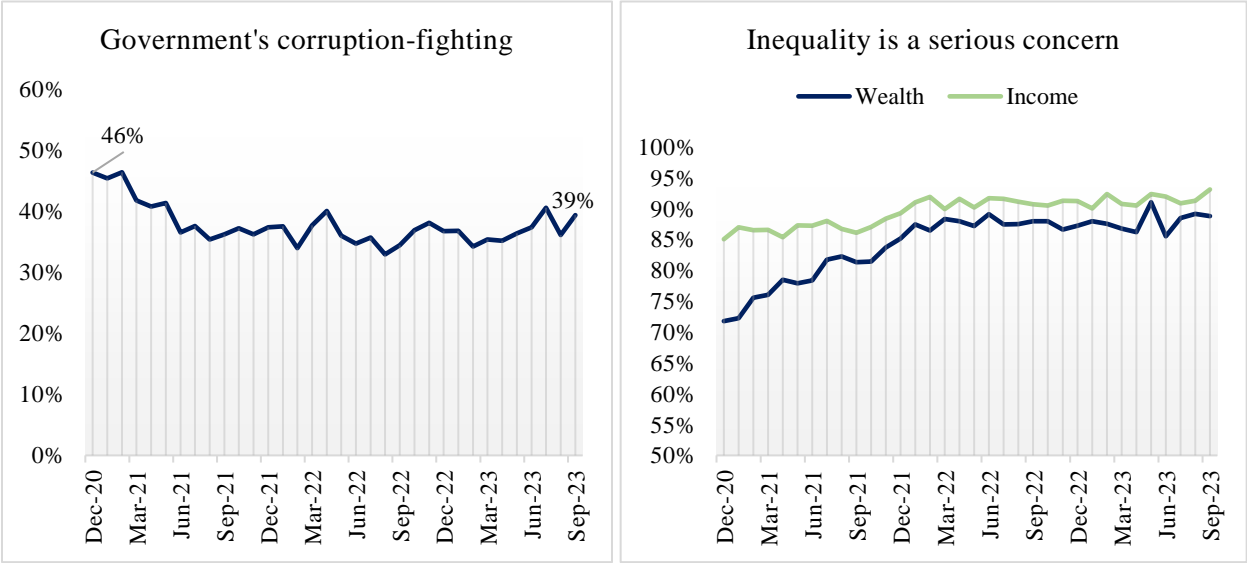
Government policies

Support for ongoing political, social, and economic reforms increased from 59 percent in April 2023 to 66 percent in September. This rise was primarily led by young respondents (79 percent), rural area residents (74 percent) and high-income households (69 percent). Although the perception of the government’s openness in dialogue with citizens slightly improved to 47 percent in September 2023 from its lowest point of 43 percent in April 2023, it remained below the 50 percent threshold.



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Concerns about wealth concentration and income inequality have persisted throughout the survey, with a high share of respondents consistently expressing worries about these issues. Furthermore, concerns about inequality have risen over time, and reached their highest levels in the third quarter of 2023. Around 93 percent of respondents considered income inequality was a serious concern, while about 89 percent cited wealth inequality as a serious challenge in September 2023, up by nearly 17 percentage points compared to the start of the survey. There was a slight increase in respondents' trust in combating corruption in the third quarter compared to the first months of 2023.



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