

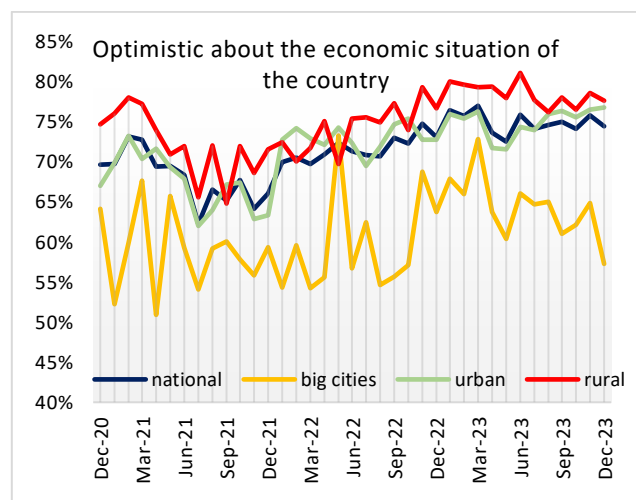
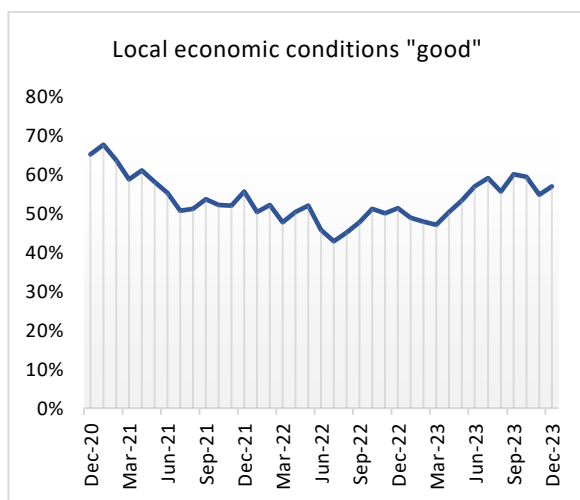
Listening to Kazakhstan

Update on the Social and Economic Wellbeing for December 2023

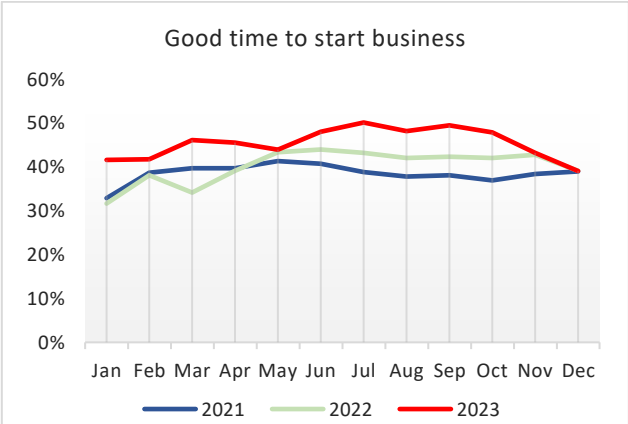
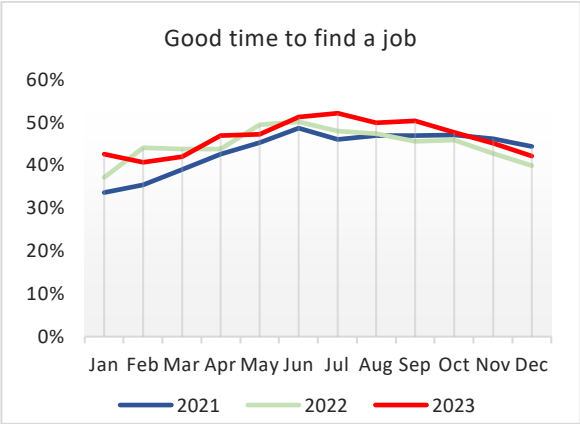
Kazakhstan's economy grew by 4.9 percent in real terms in 2023 despite heightened risks – from the ongoing Russian invasion of Ukraine, elevated price levels and tighter global financial conditions. The annual inflation rate has been steadily declining from 21.3 percent in February 2023 to 9.8 percent at the end of the year, but it was still among the main concerns among respondents in the Listening to Kazakhstan Survey. Nevertheless, around three-quarters of respondents expressed optimism regarding the country's long-term economic trends, and this share remained largely stable during 2023. Support for the government's reforms remained at 67 percent. The public's perception of local economic conditions improved significantly in the first half of the year and remained at high levels in the second half of 2023. While a higher share of respondents in 2023 believed it was a good time to start a business compared to 2021 and 2022, this opinion weakened in the final quarter. However, citizens also registered several concerns. Approximately 22 percent of respondents perceived their households as poor. A quarter of households indicated they would not be able to cover hypothetical emergency expenses, including a significantly higher share among low-income households. Concerns about income and wealth inequality (expressed by 92 and 86 percent of respondents respectively) still need to be addressed to further improve perceptions of well-being of the population.

Economic conditions

In 2023, perceptions of local economic conditions showed noticeable improvement, particularly in the first half of the year. By December 2023, around 57 percent of households reported positive economic conditions in their localities, a figure similar to what was seen in September but markedly higher than in the same period of the previous year. Improvement in local economic outlook was particularly higher among individuals above 65 years of age and respondents from high-income households. Furthermore, around three-quarters of respondents expressed optimism regarding the country's long-term economic trends, and this share remained largely stable during 2023. The optimism was especially strong among younger adults aged 18-24 and high-income families, with 83 percent and 79 percent, respectively, expressing a positive economic outlook. Nonetheless, respondents from major cities like Astana and Almaty consistently displayed a less positive economic outlook than residents of other areas.

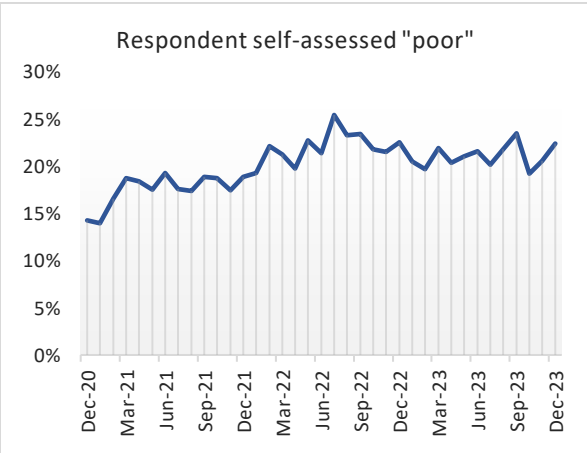
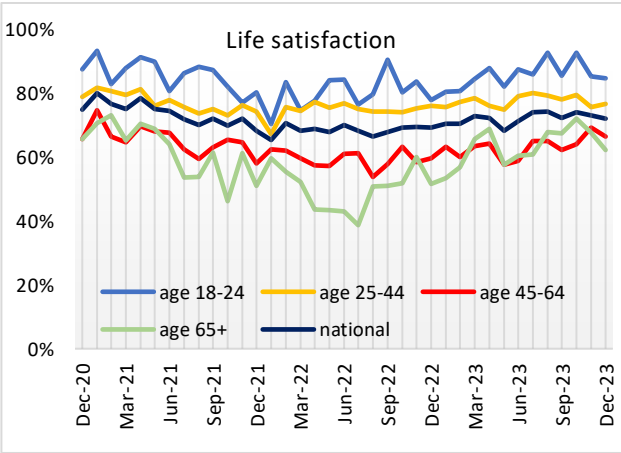


Respondents' confidence in the labor market declined in the last quarter of 2023. The percentage of respondents stating it was a good time to find a job dropped from 50 percent in September to 42 percent in December. While the share of respondents in 2023 who believed that it was a good time to start a business was significantly higher than it was in 2021 and 2022, it declined from 49 percent in September to 39 percent in December 2023. Notably, this decline in optimism regarding job prospects and entrepreneurship was more significant among residents of big cities and urban areas, as well as those in the bottom 40 percent of the income distribution.

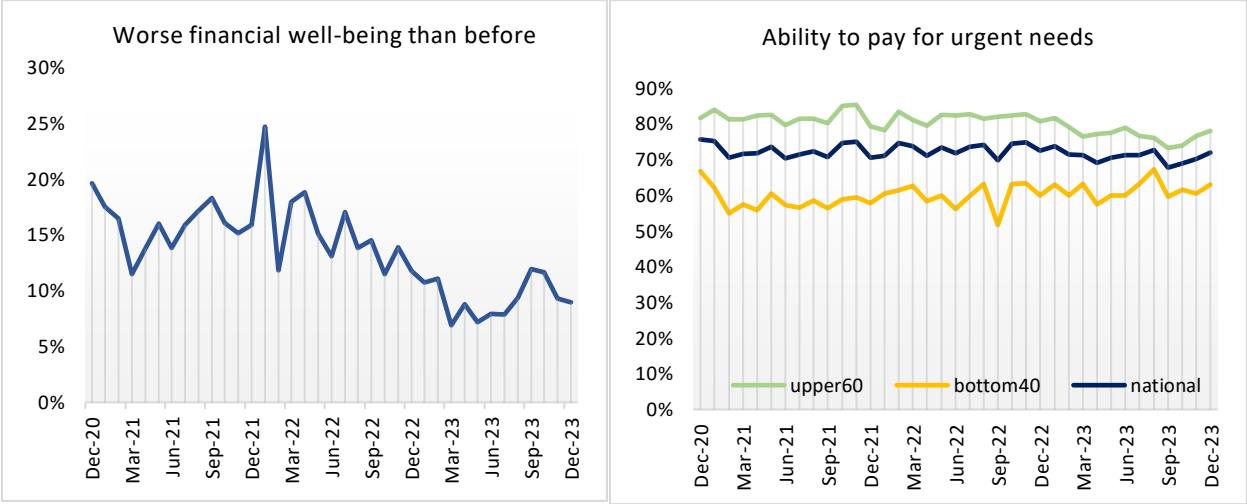


Household Wellbeing

Average levels of life satisfaction have consistently remained around 70 percent since the beginning of the survey. While these levels do not vary significantly across different demographic characteristics, a notable disparity exists among age cohorts. The youngest respondents consistently reported the highest levels of life satisfaction, in stark contrast to older respondents who tend to report significantly lower satisfaction levels. Additionally, a considerable share of respondents expressed concerns about their household's subjective well-being. Approximately 22 percent of respondents classified their households as poor, a figure that has remained relatively unchanged over the past 12 months. Subjective poverty was more prevalent among rural households (27 percent), respondents aged 45-64 (27 percent), and those with lower levels of education (25 percent). Additionally, the incidence of subjective poverty was found to be higher among households that reported unfavorable local economic conditions (30 percent) compared to those that reported favorable local economic conditions (12 percent).



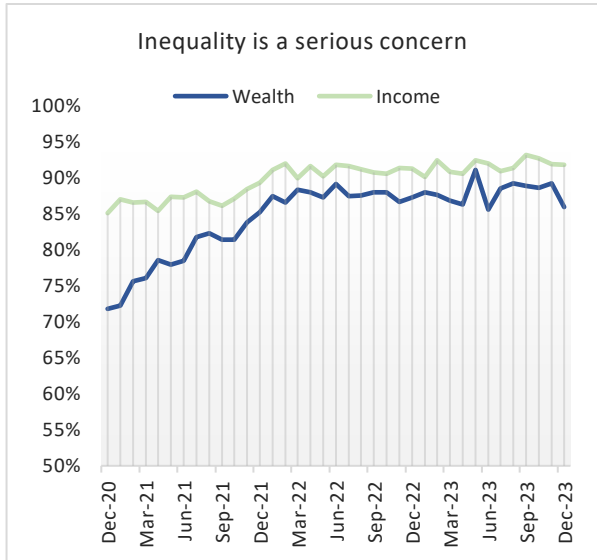
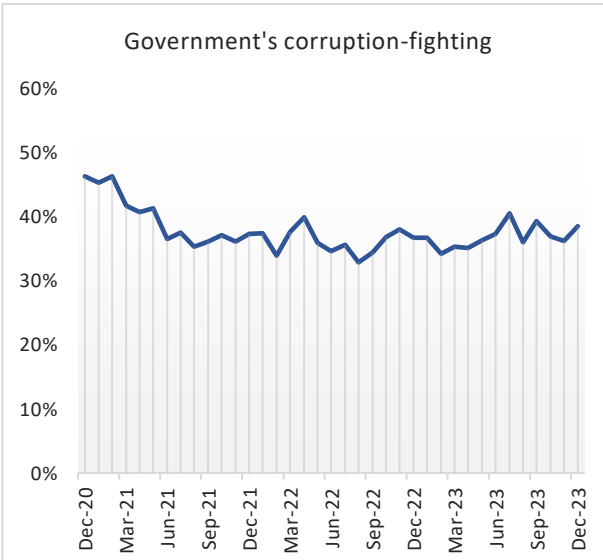
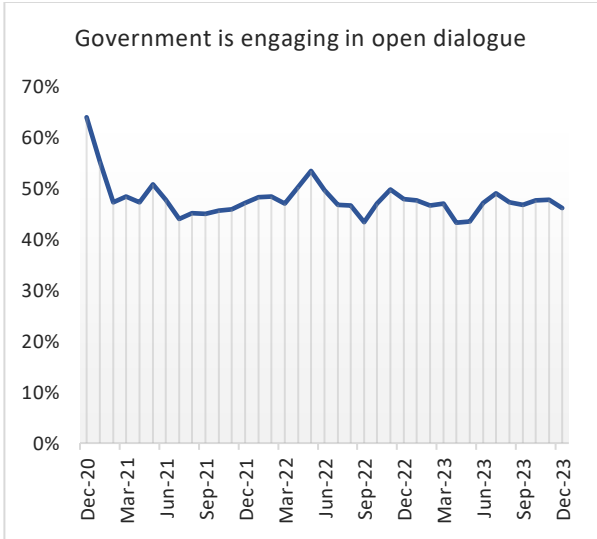
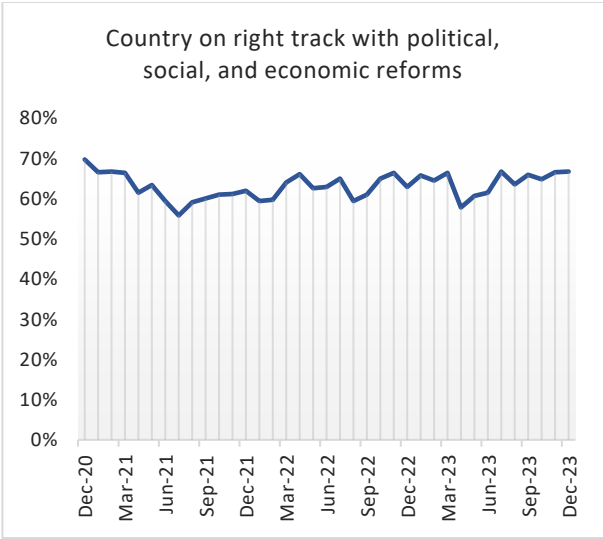
The share of households reporting a decline in their financial wellbeing compared to the previous month declined slightly to 9 percent in December 2023 from 12 percent in September 2023. Financial well-being plays a critical role in perceived poverty. In December 2023, households that reported a downturn in their financial situation from the previous month had a significantly higher self-assessed poverty rate (43 percent) compared to those whose financial well-being was stable or improved (18 percent). Moreover, about three-quarters of households indicated their household could pay an emergency expense of 4,500 tenge, using cash, savings, or other resources they have on-hand. The capacity to meet such urgent expenses was significantly lower for households in the lowest 40 percent of the income distribution, with only 63 percent expressing this ability in December 2023.



Government policies

Support for ongoing political, social, and economic reforms increased from 63 percent in December 2022 to 67 percent in December 2023. There is higher support among young respondents (75 percent), the elderly population (75 percent), high-income households (74 percent), and rural area residents (73 percent). The perception of government’s openness in dialogue with citizens also slightly improved to 46 percent in December 2023 from its lowest point of 43 percent in April 2023.

Concerns about wealth concentration and income inequality have persisted throughout the survey, with a high share of respondents consistently expressing worries about these issues. Concerns about inequality significantly increased during 2021 and remained high throughout 2022 and 2023. Ninety-two percent and 86 percent of respondents considered income inequality and wealth inequality, respectively, as a serious concern in December 2023 – an increase by nearly 7 and 14 percentage points compared to the start of the survey. Respondents’ perception in government’s efforts in combating corruption remained constant around 38 percent in the second semester of 2023. Households that perceive the government as being on the right track with reforms have a significantly higher rate of confidence in the government’s efforts in combating corruption, with 53 percent sharing this view. In contrast, only 10 percent of households who disagree with the government's reform efforts hold this perception.



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