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**SOCIO-ECONOMIC INDICATORS OF LIVING STANDARDS  
IN THE REPUBLIC OF KAZAKHSTAN**

**Abstract.** The article analyzes the main components of the population's living standards in the Republic of Kazakhstan in terms of such indicators as the income level of the population and their purchasing ability, the average monthly wage, the average size of the accrued pensions, and the subsistence minimum. The analysis included separate regions of the country and Kazakhstan as a whole. Indicators that reduce the quality of life of Kazakhstanis are revealed.

Based on the conducted studies, it was concluded that the quality of life of the population is an integral characteristic that gives an idea of the life activity of a person and society, therefore the improvement of the quality of life is the main task and criteria of the activity of the authorities.

**Keywords:** standard of living, quality of life, quality of life components.

**Introduction.** Economy of Kazakhstan is at the important stage of development, including the formation of a socio-economic model aimed at overcoming the consequences of the financial crisis and capable of adapting to the realities of modern processes occurring in the entire global economy, which is characterized by the intensification of globalization and convergence.

In modern conditions in the RK, one of the priority areas of socio-economic policy is to improve the living standard of the population.

Living standard and comprehensive human development - these categories constitute a meaningful characteristic of modern approaches to the problems of economic growth and development of society.

In the practice of analyzing the standard of living and its statistical accounting, the cost integral indicator of living is used. The term "cost of living" is used to refer to the value of consumer goods corresponding to a certain level of satisfaction of needs. According to this interpretation, changes in the cost of living are determined by the dynamics of consumer prices, structural changes in consumption associated with the growth of income and needs, the state of the market situation (the ratio of effective demand and supply of goods), as well as other factors.

With this understanding, the cost of living is most consistent with the content of the category of living standards, takes into account the conditions of life and work [1]. "Cost of living" is considered in the form of consumer budgets of the population (actual, normative and forecast) and is proposed as a cost tool for the study of the standard of living system. The definition of the standard of living is a rather complex process, on the one hand, depending on the evaluation of the composition and magnitude of the needs of society, and on the other hand - capacity of the country's economy is limited to meet them. In international comparisons, the living standard can be characterized by a number of summary and partial indicators: gross national income; real incomes of the population; average and minimum wages of employees and the level of pensions, their ratio to the subsistence minimum; the level of consumption of basic material goods by the population; housing per capita; differentiation of income and consumption; length of life; level of education, etc [2].

**Results of the research.** In the world practice, the value of gross national income (GNI) per capita, calculated at the purchasing power parity of currencies. It is used as the integral indicator of the resource supply of the living standard. In February 2016, an average of 70.1 thousand tenge of income was accounted per resident of the country. It is 14% more than a year earlier [3].

The Constitution of the Republic of Kazakhstan declares that the state is democratic, secular, legal, social and the highest values of which are a person, his life, rights and freedoms. On the basis of this, the main task of the state's social policy and the main criterion of its effectiveness is a steady improvement in the people's quality of life. In the Strategy "Kazakhstan-2050": a new political course of the state "and in all messages of the President of the Republic of Kazakhstan to the people, from 1997 to 2017, it was noted that the issues of social well-being, prosperity, welfare improvement remain on the foreground of the state policy and issues of social support of the population [4]. The welfare of a society largely depends on the properly chosen social policy of the state, which in turn depends on whether it has enough information and how the information fully shows the problems in modern society. From solving the problems of the level and quality of life largely depends the direction and speed of further changes in the country and, ultimately, political, and, consequently, economic stability in society. The solution of these problems requires a certain policy worked out by the state, the central point of which would be a person, his well-being, physical and social health. That is why all the transformations, which, some way or another can lead to a change in the standard of living, arouse great of interest to a wide variety of people [5]. The Kazakhstan policy on forced industrial-innovative development also imposes new high demands on the model of social development. There is an even greater shift in the state strategy towards social priorities. Kazakhstan positions itself as a socially-oriented state, which still has a significant burden on the state budget for social welfare spending. The share of spending on social welfare is 1/5 of the cost of the state budget, while the sector together with health creates less than 2% of GDP. The main priorities of the state policy of our republic, in accordance with the President's instructions, were and continue to be the development of human capital and the improvement of the living standard. The Government's programs for this purpose are aimed primarily at maintaining employment and raising incomes, and social protection for the most vulnerable groups of the population. Even in the conditions of the outbreak of the global financial crisis, the state has not refused to provide social support to its citizens. Thanks to the financial "cushion" in the form of the National Fund, the state managed to keep all social programs intact, and even increase funding for some of them. According to the report of the Global Competitiveness Index of the World Economic Forum (GCI WEF) for 2015-2016, Kazakhstan ranked 42nd in the ranking among 140 countries, rising to 8 places in comparison with the rating results of the previous year.

**Discussion of the results.** According to the Human Development Index in 2016, the republic was included in the group of countries with a high level of development, ranking 56 out of 188 countries. According to the International Labor Organization, in the rating of average wages, Kazakhstan's wage was at € 339 per person and held a modest 61 place out of 71 countries in which studies were conducted. Consolation is that oil-rich Argentina and Azerbaijan were even lower, at 62 and 63 places correspondingly [6].

The urban population of Kazakhstan is 54%, it lives in 87 cities, the largest of which are:

- Almaty (1,705 thousand people);
- Shymkent (886 thousand people);
- Astana (873 thousand people);
- Karaganda (498 thousand people).

If you take the convenience of life and prospects for development, then the leader can be Astana – a unique city, a former Tselinograd, and as the capital, built almost from scratch.

If we take business opportunities, Almaty is beyond competition. On other parameters, the Kazakhstani argue among themselves and enthusiastically create various ratings.

The positive trend is related to the state's actions in the investment area. Roads, schools, kindergartens are being actively constructed, with the support of the authorities, new production enterprises and job places are created. In the country, the average duration of life has reached 69 years, the welfare of the population has increased, which have spent more to purchase durable goods. Other indicators of the quality of life and demographic indicators have improved on which depends on the country's sustainable development and its competitiveness on the external arena. At the same time, the main causes of death are

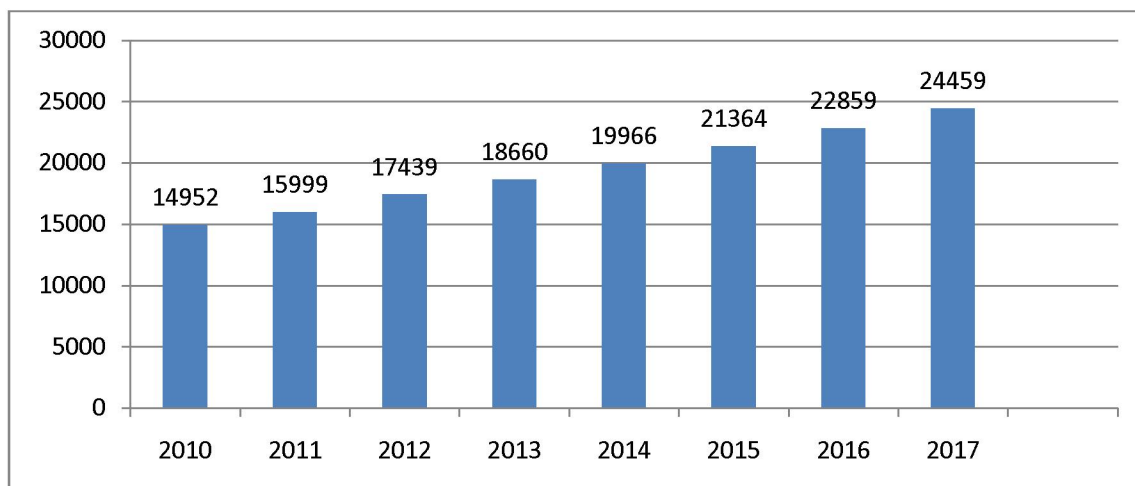


Figure 1 – Dynamics of minimum wage growth in the RK for 2010-2017

cardiovascular diseases, accidents, injuries, murders, neoplasm. At the same time, Kazakhstan has a lot of problems, the solution of which will increase the qualitative indicators of the population's existence. For example, one of the significant reasons for the lag in the quality of life in villages from the city is the lack of quality drinking water. In terms of water availability per capita, Kazakhstan ranks last in the CIS.

Another important indicator of the formation of a new quality of human potential is the education level. In this direction of development, Kazakhstan has reached a high level of development. At present, the educational level of Kazakhstanis is 99.7%. These achievements are largely due to the fact that the state budget expenditures on education are quite high. At present, the main task of the education system is to raise the quality of education. One of the methods for solving this problem is the transition to world standards, including 12-class training system.

The entire residential stock of the country at the beginning of 2017 amounted to 283.9 million square meters. 167.3 million square meters, or 58.9% of it settled in cities and other urban settlements, and 116.6 million square meters (41.1%) – in rural settlements. Almost the entire (96.3%) housing stock is now privately owned by the country's population and only 3.7% (10.3 million square meters remained in the state.

Despite the significant growth in the volume of construction of new residential buildings over the past 6-7 years, the provision of housing for the country's population continues to be a rather acute problem.

In 2016 real incomes of the population of the Republic of Kazakhstan decreased by 4.5%, this is the most significant drop in the standard of living over the last 16 years. The previous anti-record was recorded in 2009, when the level of real income for the year decreased by 3.1%. The decrease in the purchasing power of wages of Kazakhstanis continued for almost the whole year, only in December the level of real incomes grew by 2.4%, however, this temporary increase did not affect the final annual indicator [7].

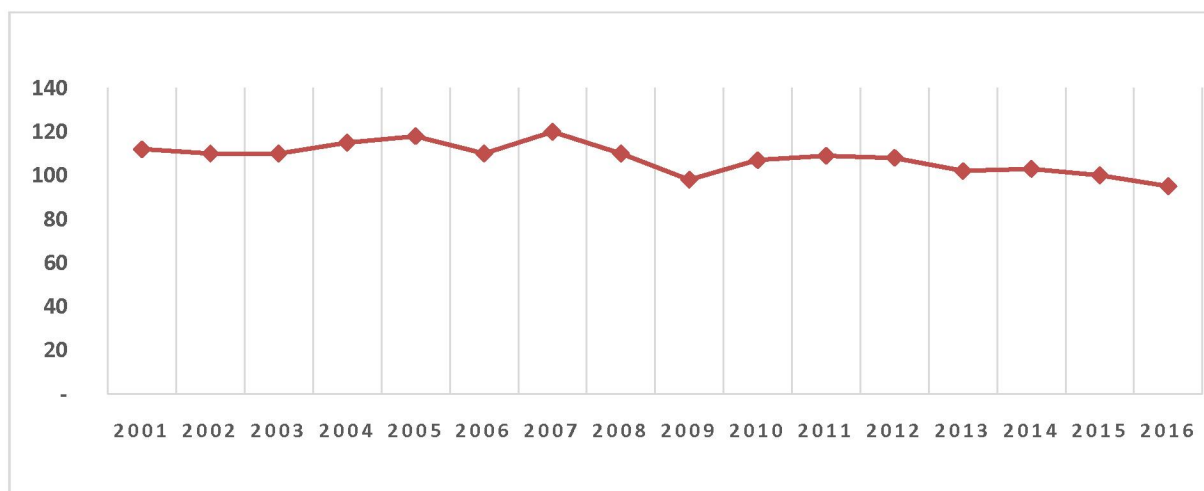


Figure 2 – The index of real money income (% of the year) [9]

The cost of living rise in the country is first felt by the most unprotected group of the population.

During 2011–2015, the number of people with incomes below the subsistence level fell sharply in Kazakhstan – during this period the number decreased more than 2 times. However, in 2016 this process hasn't only stopped, but there was a reverse trend - according to the results of the 3rd quarter the number of such Kazakhstanis was 452 thousand people or 6 thousand more than it was a year ago.

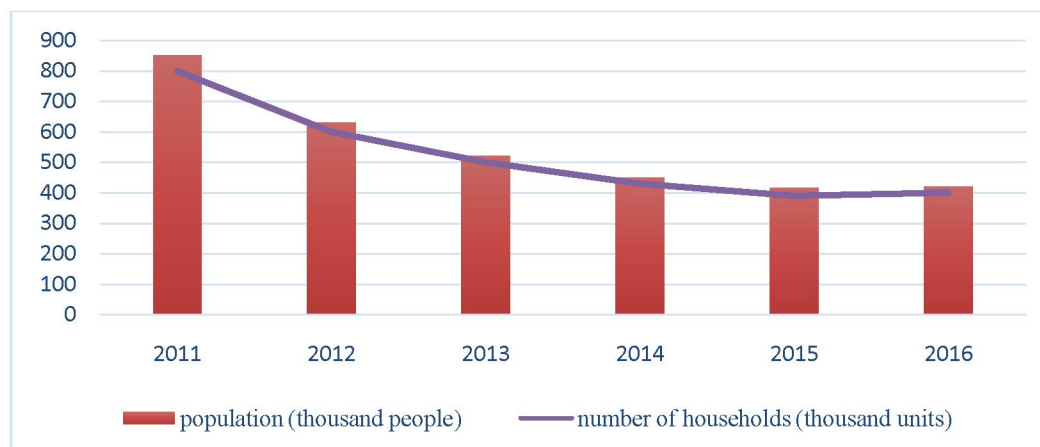


Figure 3 – Population with incomes below subsistence level [8]

The number of 10% of the poorest people in the year grew faster than the 10% of the best-off. Compared with the level at the end of the 3rd quarter of 2015, the number of low-income people in Kazakhstan increased by almost 27 thousand people, while the number of wealthy citizens of Kazakhstan increased by 18.3 thousand people.

It is a reminder that a year earlier, the growth of the number of wealthy Kazakhstanis was 31 thousand people against the growth of 24 thousand people, the number of 10% of the poorest residents of the country.

10% of the most well-off citizens of the Republic of Kazakhstan have 23.6% of all income of the population. At the same time, the level of inequality in the Republic of Kazakhstan is still low (0.281), although compared to 2013, its rate has increased. Below are the data on the share of the population of the Republic of Kazakhstan, which has incomes below the value of the food basket.

According to the Statistics Agency of the Republic of Kazakhstan in 2001, the share of citizens with incomes below the subsistence minimum was 16.1%. This figure was already 0.1% in 2016. In Kazakhstan, the real level of food security of the population is not calculated, and the most important socio-economic indicator is unknown. There is only such indicator, as the share of the population, having incomes below the cost of a food basket. But it has absolutely no practical value, since the value of the food basket is artificially understated.

So, at present 0.2% of the population has incomes below the food basket, which is 12 thousand 442 tenge. And this indicator creates a picture of well-being, not reflecting the true situation. An order of magnitude more people who cannot afford high-quality foods.

One of the main factors affecting the quality of life is the opportunity to engage in adequately paid work. Therefore, it is not surprising the attention is paid by the country's leadership to the present issue. Economic growth and government measures have led to the fact that the level of employment in the Republic has a long-term and stable growth trend, so this indicator increased from 89.6% in 2001 to 94.6% in 2011. In November 2017, the inflation rate in Kazakhstan was 0.90%, which is 0.30 less than in October 2017 and 0.30 less than in November 2016. At the same time, inflation was 6.48% since early 2017 and in annual terms - 7.43%.

Meanwhile, the Employment Program at the first stage of its implementation for this indicator set the bar at the level of 5.5%, i.e. it can be argued that this "weight is taken".

Today in Kazakhstan, those who work are forced to tighten their belts more and tighter as utilities costs, food prices have significantly increased, and wages have also reduced, due to uncontrolled and unbeatable inflation. Almost half of their monthly income of Kazakhstanis spends on food. For compa-



reason: in 2009 during a downturn, it took less - 36% of the salary. Since 2015, based on the data of the study, 23% of Kazakhstanis spend two-thirds of the earned income to buy food, 20% - slightly less than half and 10% - all the income. The fact that most of the salary goes to food products is indicative of low incomes of the poorest layers of the population. In fact, the share of expenditures in the family budget for food is a measure of poverty. This indicator, unlike official statistics, cannot be deceived: it is the most universal and final indicator of the poverty level. Here, at once, inflation, and prices for products, and the level of wages. Therefore, it is not surprising that this share has increased due to the crisis. If citizens who spend half their earnings on food in the country more than 50%, we can say that the country is poor. Meanwhile, in developed countries, families spend about 20-25% of their monthly income on food. In some countries, the figures are even better: in England, for example, for food is spent 11% of the income of the population, in France - 14%.

The increase in wages, as reported in 2016, did not compensate inflation, which led to a decrease in real disposable incomes of the population. Debts to wages remain, and the main reason of it - the lack of enterprises' own funds - is connected with the crisis phenomena in the economy and cannot be eliminated without serious state interference. In addition, the increase in wages, firstly, is unequal distributed across the regions of Kazakhstan, which leads to a deepening of the socio-economic differentiation of the regions. Secondly, the increase in wages is carried out on the basis of its current level, without reviewing the principles of calculating wages, for example, in budget sectors. Thirdly, there are no well-founded calculations of a good level of wages, taking into account the social significance of activities, the vocational qualifications of workers and the level of socially-conditioned needs.

All this significantly reduces the effect of government measures to raise wages.

The present level of the lowest real wage in the country and the critically high level of its differentiation have caused numerous problems. The share of the population having the income less than the subsistence minimum is 25% [8].

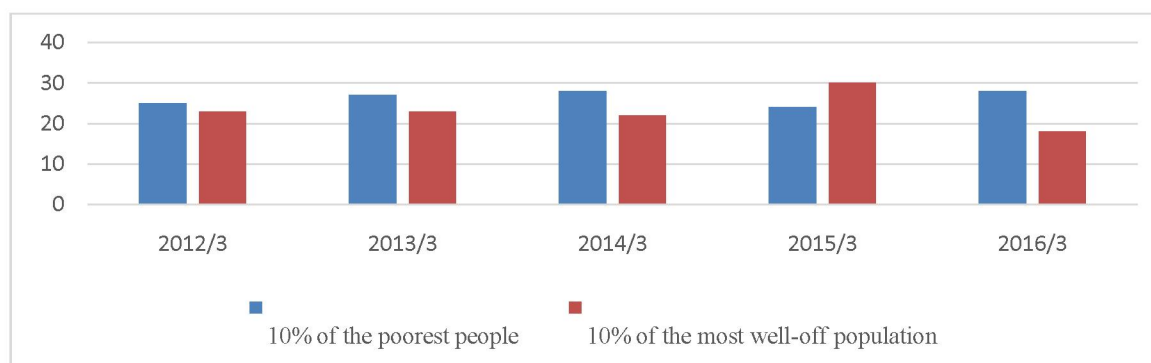


Figure 4 – Annual increase in the number of the least well-off population (thousand people) [9]

The largest number of poor people lives in the south of Kazakhstan: the South Kazakhstan Oblast (289.6 thousand people at the end of the third quarter of 2016), the Almaty region (201 thousand people) and Almaty (175 thousand people).

During the year, the number of the low-income population grew most intensively in Almaty (+4.7 thousand people), Astana (+4.3 thousand people) and South Kazakhstan oblast (+3 thousand people). On average, in European countries, the middle class is about 60% of the total population. In Kazakhstan, this number, according to the Expert Consult, is about 10%.

As a result of 2017, the subsistence minimum in the Republic of Kazakhstan was 23.8 thousand tenge - for 10% more than a year earlier. For comparison, the inflation rate for the relevant period is only 7.4%.

The highest indicators are in the capital and the oil regions (there are often the highest wages in the RK, and, often, the highest level of prices for goods and services).

Mangistau region is leading - 28.7 thousand tenge, + 8.8% against the previous year, then Astana - 27.5 thousand tenge, + 9.7% per year, followed by Almaty - 26.5 thousand tenge, +9, 6% for the year, and Atyrau region - 24.5 thousand tenge, + 9.9% per year.

The health status of the population as an indicator of the social well-being of society depends not only on the level and resources of the health care system and social security in the country, but also on a number of other factors - maintaining a healthy lifestyle, protecting the environment and living people, etc. Incidence level of the population with active tuberculosis has decreased from 95.3 to 86.6 per 100 000 population in 2016.

In 2017, Kazakhstan ranks 16th place in terms of inflation in the world. Inflation in Kazakhstan, as in many countries, is calculated on the basis of the consumer price index for goods and services. At the same time, consumer prices refer to the final price paid by the buyer of goods or services and which includes taxes and fees.

For seven months of this year prices for food products (July 2017 by December 2016) increased by 4.6%, non-food - by 3.5%, paid services - by 3.3%.

The level of prices in Kazakhstan on basic goods and services for 2016-2017

	In %, increase +, decrease -				
	July 2017. by				January-July 2017 by January-July 2016
	June 2017	December 2016	July 2016	December 2015	
Goods and services	0,1	3,8	7,1	12,6	7,6
Foodproducts	-0,5	4,6	8,6	14,7	9,4
Nonfoodproducts	0,4	3,5	7,7	13,2	8,2
Paid services for the population	0,5	3,3	4,7	9,6	4,8

From the beginning of this year (July 2017 to December 2017), the increase in prices was noted for potatoes by 47.4%, lamb -by 11.5%, beef - by 10%, fresh vegetables - by 9.1%, fresh fruits, milk canned - by 7%, horse meat - by 6.2%, butter - by 5.8%, cheese rennet - by 5.3%, confectionery products - by 4.9%. The decrease in prices was fixed for cucumbers by 69.3%, tomatoes by 45%, eggs by 29.2%, buckwheat by 16.4%, sunflower oil by 9.7%, sweet pepper by 6.3%.

The increase in prices for cars, glass and ceramic products amounted to 5.3%, textiles - 3.8%, newspapers, books and stationery - 3.6%, household appliances - 3.2%, personal goods - 3, 1%, pharmaceutical products, construction materials - 3% each. Bottled gas went up by 7.7%, diesel fuel - by 7.4%, gasoline - by 5.1%.

The level of prices for sanatorium services rose up by 9.4%, legal services by 7%, personal transport insurance - by 6.8%, health services, trips for excursions and rest - 4.9%, recreation, entertainment and culture - by 2.8%, nutrition - by 2.6%. Payment in city bus increased by 4.2%, intercity bus - by 4.4%, air passenger transport - by 16.9%, and railway services - by 0.3%.

In the sphere of housing and communal public services, tariffs for sewerage increased by 9.6%, central heating by 7.3%, cold water by 5.7%, gas transported through distribution networks by 4.8%, hot water, electricity - by 3.8%, housing maintenance - by 3.5% [10].

Conclusions. Thus, an analysis of the main components of the living standard in the Republic of Kazakhstan made it possible to conclude that the most urgent task in the area of optimizing the population's living standard of the Republic of Kazakhstan is to struggle with poverty.

Under decreasing in the part of the population with incomes below the subsistence level, the number of "rich" is increasing. The problem is expressed in the low purchasing power of wages and pensions, the growth of money income of the population of the region mainly due to social payments, a high level of social and economic inequality.

On the basis of the conducted researches, it is possible to draw a conclusion that the quality of life of the population is an integral characteristic that gives an idea of the life activity of a person and society, therefore improving the quality of life is the main task and criterion of the activity of government bodies.

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### **ҚАЗАҚСТАН РЕСПУБЛИКАСЫ ХАЛЫҚТЫҢ ӨМІР САПАСЫНЫҢ ӘЛЕУМЕТТІК-ЭКОНОМИКАЛЫҚ КӨРСЕТКІШТЕРІ**

**Аннотация.** Мақалада ҚР халқының өмір сүру сапасының негізгі құраушы компоненттері, сатып алу қабілеттілігі, орташа еңбекақы, зейнетақының орташа мөлшері мен өмір сүру минимумының мөлшері талданған. Талдауда елдің жекелеген аумақтары да, тұтас Қазақстан көлемі де қамтылған. Қазақстандықтардың өмір сапасын төмендететін көрсеткіштер анықталған.

Жүргізілген зерттеулер негізінде Қазақстан халқының өмір сапасы адам мен қоғамның өмір сүру іс-әрекетін көрсететін интегралды сипатқа ие екендігін, сондықтан, өмір сүру сапасын арттыру билік органдарының қызмет етуінің негізгі критерийлері мен негізгі мақсаты болып табылатындығы туралы қорытынды жасауға болады.

**Түйін сөздер:** өмір деңгейі, өмір сапасы, өмір сапасының компоненттері.

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### **СОЦИАЛЬНО-ЭКОНОМИЧЕСКИЕ ПОКАЗАТЕЛИ КАЧЕСТВА ЖИЗНИ НАСЕЛЕНИЯ РЕСПУБЛИКИ КАЗАХСТАНА**

**Аннотация.** В статье анализируются основные компоненты качества жизни населения РК по таким показателям, как уровень доходов населения и их покупательная способность, среднемесячная заработная плата, средний размер начисленных пенсий, величина прожиточного минимума. В анализ были включены отдельные регионы страны и Казахстан в целом. Выявлены показатели, снижающие качество жизни казахстанцев.

На основании проведенных исследований был сделан вывод о том, что качество жизни населения выступает интегральной характеристикой, дающей представление о жизнедеятельности человека и общества, поэтому повышение качества жизни является главной задачей и критерием деятельности органов власти.

**Ключевые слова:** уровень жизни, качество жизни, компоненты качества жизни.

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