# The main indicators of income differentiation of population of the Rebulic of Kazakhstan

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## 1. Key points

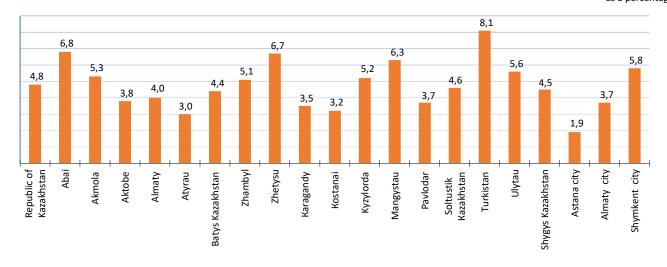
According to the results of a sample survey of households, the share of the population with incomes below the subsistence minimum (poverty level) in the I quarter of 2023 was 4,8%.

The highest level of poverty in the I quarter of 2023 was registered in Turkestan (8.1%) region, and the lowest – in Astana (1.9%).

The share of the population with incomes below the subsistence minimum by region for the I quarter of 2023

as a percentage

Figure 1



## Poverty and inequality indicators for the quarter

According to the results of a sample survey of households, the share of the population with incomes below the subsistence minimum in the Republic of Kazakhstan in the I quarter of 2023 was 4,8%. The values of the indicators of the depth and severity of poverty were 0.7 and 0.2 percent, respectively.

There is still a significant differentiation in the proportion of the population with incomes below the subsistence minimum in urban and rural areas. Thus, in the reporting period, the value of the indicator in rural areas exceeded the value of the indicator in urban areas (3.6%) by 3 percentage points and amounted to 6.6%.

Table 1

## The population with low incomes in the I quarter of 2023

as a percentage

		of the population ne subsistence mir		The proportion of the population with incomes below the cost of the food basket			
	total	urban	rural	total	urban	rural	
Republic of Kazakhstan	4,8	3,6	6,6	0,1	0,1	0,2	
Abai	6,8	6,3	7,6	1,1	1,6	0,4	
Akmola	5,3	5,2	5,5	0,1	0,2		
Aktobe	3,8	2,2	8,3	•••			
Almaty	4,0	2,9	4,2				
Atyrau	3,0	0,9	5,7	•••			
Batys Kazakhstan	4,4	2,5	6,7	•••			
Zhambyl	5,1	3,1	6,7	•••			
Zhetisu	6,7	6,0	7,3	0,9		1,7	
Karagandy	3,5	4,1	1,2				
Kostanai	3,2	0,5	7,5	0,2		0,5	
Kyzylorda	5,2	6,6	4,1				
Mangystau	6,3	2,0	9,9		•••		

Pavlodar	3,7	3,1	5,0			
Soltustik Kazakhstan	4,6	3,2	5,9			
Turkistan	8,1	6,5	8,7	0,3		0,4
Ulytau	5,6	3,8	12,4	1,0		4,8
Shygys Kazakhstan	4,5	2,5	8,6	0,1		0,3
Astana city	1,9	1,9	-			-
Almaty city	3,7	3,7	-			-
Shymkent city	5,8	5,8	-	0,2	0,2	-
Max	8,1	6,6	12,4	1,1	1,6	4,8
Min	1,9	0,5	1,2	0,1	0,1	0,2

The risk of poverty is strongly influenced by the size of the household. Thus, the poverty rate among households consisting of 5 or more persons, according to the results of the I quarter of 2023, amounted to 8.5%, which is almost 2 times higher than the general poverty level.

Figure 2

The share of the population with incomes below the subsistence minimum, depending on the size of the household

in the I quarter of 2023.

as a percentage

1 person 0,1

2 people 0,4

3 people 1,5

4 people 2,8

5 people and more 8,5

For reference: The value of the subsistence minimum on average per capita per month in the Republic of Kazakhstan for the I quarter of 2023 amounted to 45 948 tenge.

## **Spreadsheets:**

The main indicators of income differentiation of population of the Rebulic of Kazakhstan

#### **Dynamic tables:**

- 1. Indicators of poverty and inequality by region
- 2. Standard of living indicators for monitoring the strategic map of key indicators

#### 2. Glossary

A household is an economic entity consisting of one or more individuals living together, combining all or part of their income and property, and jointly consuming goods and services;

Income used for consumption – the income of the population used for consumption includes consumer expenses (without investments in production activities and accumulation) and the cost (in monetary terms) of in-kind products of own production and transfers;

The level of poverty (the proportion of the population with incomes used for consumption below the subsistence minimum) is determined by the ratio of the population with incomes below the VSM to the total population;

The value of the subsistence minimum (VSM) is the minimum monetary income per person, equal in value to the value of the minimum consumer basket, which consists of the cost of the food basket and the cost of non–food goods and services.

The food set in the food basket consists of 43 food items. Previously, the grocery basket consisted of 20 items of products. The composition of the new food minimum is adjusted taking into account the seasonality of a particular product, and its share is 55% of the cost of the subsistence minimum.

The poverty depth coefficient shows the average deviation of the income (consumption) level of people below the subsistence minimum from the subsistence minimum and is expressed by the amount of the total income deficit correlated with the total number of household members.

The poverty severity coefficient shows inequality among the poor – the degree of dispersion of the incomes of the poor from their average value. This is the average of the squares of deviations of the share of income deficits of members of the surveyed households from the established criterion.

Grouping of the population by the size of the average per capita income is the number (or share) of the population ranked and grouped in certain intervals by the size of the average per capita income.

Distribution of total income by different population groups – concentration of income in individual population groups. It is possible to distinguish the concentration of income in quantile and income groups.

Quantile population groups are formed by dividing the entire population into numerically equal parts, regardless of other characteristics. The most commonly used decile and quintile division – 10 and 20 percent groups.

Income groups of the population – are formed by the specified income intervals.

The concentration of income by quantile or specified income groups of the population is defined as the share of the corresponding group in the total amount of income of the population.

Income equivalence scale – correction coefficients that adjust the necessary levels of per capita income in different sized households. They take into account cost savings due to the effect of living together.

Median income is the value of the indicator at the center of the income distribution series.

The Gini coefficient (for 10% of population groups, for 20% of population groups) - makes it possible to numerically assess the degree of inequality. It establishes the degree of deviation of the actual distribution of income among numerically equal (decile, quintile) groups of the population from the line of their uniform distribution.

# 3. Methodological explanations

In the Republic of Kazakhstan, the concept of absolute poverty has been adopted for the official assessment of the level of poverty, which is based on the compliance of the level of income (or consumption) with the established minimum of means of subsistence. The evaluation criterion is the value of the subsistence minimum (hereinafter referred to as the VSM).

The level of poverty (the proportion of the population with incomes used for consumption below the subsistence minimum) is determined by the ratio of the population with incomes below the VSM to the total population as a percentage. The calculation is made taking into account the income equivalence scale with a single coefficient of 0.8 for the second and subsequent members of the household. The indicator is formed quarterly, annually based on the results of a sample survey of 12 thousand households in the republic, regions and type of locality, since 2001.

To monitor the Sustainable Development Goals until 2030, the poverty level indicator is provided by gender at the level of the republic.

The incomes of the population used for consumption have been calculated since 2001 within the framework of the sample household survey program as a fundamental criterion for assessing the level of well-being of the population, calculating indicators of poverty and inequality. The data were obtained based on the results of a sample survey of households by standard of living with the dissemination of the data obtained to the general population.

When calculating the share of the population with incomes below the VSM, the Bureau uses the value of the VSM calculated in accordance with the «Rules for calculating the subsistence minimum and establishing a fixed share of expenditures on non-food goods and services» (Joint Order of the Acting Minister of Health and Social Development of the Republic of Kazakhstan dated July 27, 2015 No. 623 and the Acting Minister of National Economy of the Republic of Kazakhstan dated July 31, 2015 No. 585, registered with the Ministry of Justice of the Republic of Kazakhstan dated August 26, 2015 No. 11944).

Along with the calculation of absolute poverty (the share of the population with incomes used for consumption is lower than the VPM), the Bureau calculates and publishes:

- to monitor the Sustainable Development Goals until 2030, poverty indicators relative to the international line of 1.9; 3.2 and 5.5 USA dollars at purchasing power parity per day by gender in the republic.
- relative poverty using the criterion of 60% of the median value of the average per capita income of the population used for consumption.

## 4. Links to related publications

Collection «Standard of living of the population in Kazakhstan»

Collections «Children of Kazakhstan»

Collections «Women and men of Kazakhstan»

Collections «Kazakhstan today»

# 5. Useful links

**Poverty Guide** 

<u>Draft methodology of subjective poverty</u>

Information and analytical system «Taldau»

Quality report «Main indicators of income differentiation of the population in the Republic of Kazakhstan»

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