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The Social Impact of the COVID-19 on Kazakhstan: An Overview of Standards of Living and Access to Welfare Services

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This report provides an overview of the social impact of the coronavirus pandemic in Kazakhstan. The first section analyzes the situation regarding incomes and expenses of Kazakhstani people, changes in the labor market, as well as the problem of poverty and inequality. The second part of the report examines the issue of access to educational and medical services as well as the provision of state social benefits to people in Kazakhstan.

The analysis is based on statistical data of the Bureau of Statistics of the Republic of Kazakhstan, secondary data, as well as the results of the study on distance learning in Kazakhstan conducted by PaperLab, a research organization, from May to August, 2020 for the Soros Foundation-Kazakhstan.

I. Living Standards of Kazakhstanis During the Pandemic

1. Income and Consumption

One of the main negative consequences of the coronavirus pandemic in Kazakhstan is a decline in the level of public welfare. As a result of the quarantine restrictions imposed by the government, since March 2020, the activities of non-food retail facilities have been suspended across the country, and enterprises have switched to a remote mode of operation. Such sectors of the economy as tourism, service provision, and hospitality industry were affected the most. As the Minister of Labor and Social Protection B. Nurymbetov noted, with the introduction of the nation-wide strict quarantine in late March and early April, more than 4 million people were left without work and income.¹

For the first time in the past 20 years, Kazakhstan's real GDP growth was negative (according to IMF estimates, real GDP fell to -2.7%), and since the beginning of the year, the national currency has depreciated by 15%. The general deterioration of the economic situation in the country led to an increase in prices for consumer goods. The Bureau of National Statistics of the Agency for

¹ Tamara Vaal, "700 tys. Chelovek ostanutsya bez raboty v iuyne iz-za coronavirusa" [700 thousand people will be left without work in June due to coronavirus – Nurymbetov], https://vlast.kz/novosti/40428-700-tys-celovek-ostautsa-bez-raboty-v-iune-iz-za-koronavirusa-nurymbetov.html, accessed December 20, 2020.

Strategic Planning and Reforms of the Republic of Kazakhstan reports that in May 2020, food prices across the country increased by almost 11% compared to the same period last year.²

The impact of the coronavirus crisis on the income level of the population already became noticeable in the second quarter of 2020, when the real income indexes remained at the same level compared to the corresponding period (Table 1). Later, negative dynamics began to appear, as in October the maximum drop of 8.3% in nominal incomes of people over the past 20 years was recorded against the corresponding period of the previous year.³

On the regional level, the largest drop in citizens' incomes was recorded in Nur-Sultan and Shymkent, and in Almaty and West Kazakhstan regions.

	2018	2019	2020, II quarter
Estimation of the nominal cash income of the population, on average per capita per month, in tenge	91 059	103 722	111 041
Assessment of the nominal cash income of the population, in % to the corresponding period	110,5	113,9	107,1
Indexes of real cash income of the population for the II quarter	104,1	108,3	100,3

Table 1. Income indicators ⁴

The results of public opinion polls also show a decline in income of the population during the pandemic. According to the data of the National Bank of the Republic of Kazakhstan, at the beginning of 2020, ½ of citizens estimated the average monthly income of their family being less than 70 thousand tenge. A relative majority of people (44%) reported that they earn from 70 to 150 thousand per month. About 17% of the respondents on average had an income of 150-300 thousand tenge, and only 6% of the respondents reported that they earn more than 300 thousand tenge per month.

² The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, Prices for Food Products in May 2020, https://stat.gov.kz/news/ESTAT360421, accessed December 20, 2020

³ Galymzhan Aitkazin, "V oktyabre padenie srednedushevykh dokhodov naseleniya Kazakhstanta obnovilo istoricheskiy record" [In October, the fall in the average per capita income of the population of Kazakhstan updated a historical record],

https://ratel.kz/outlook/v oktjabre padenie srednedushevyh dohodov naselenija kazahstana obnovilo istoricheski j_rekord, accessed December 20, 2020.

⁴ The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, Monitoring the Living Standards of the Population in the Republic of Kazakhstan, II quarter, 2020. https://stat.gov.kz/official/industry/64/statistic/6, accessed December 20, 2020.

⁵The National Bank of the Republic of Kazakhstan. A poll across Kazakhstan among the adult population (18 years and older) on a representative sample at the republican and regional levels, including all regional centers, as well as Nur-Sultan, Almaty, Shymkent, Semey (with population over 250 thousand people). Each survey involves 1,500 respondents. Survey method: telephone interview. FusionLab

https://bsbnb.nationalbank.kz/?docid=3331&switch=russian, accessed December 20, 2020.

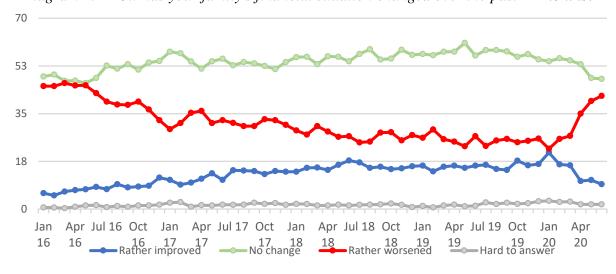
Therefore, even before the pandemic, the incomes of people were quite modest – about 70% of citizens earned less than 150 thousand tenge (about \$360) for a family. After the first quarantine, the share of such households increased to 74%, while the share of families with a higher income level (from 150 thousand tenge and above) decreased from 23% to 17%.

Table 2. Distribution of answers to the question "Name the group that corresponds to the average monthly income of your family for the last month?",%⁶

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
Below 70 000 tenge	24,7	26	25,1	23,7	26,4	30,2
70 001 – 150 000 tenge	44	42,5	45,3	39,8	45,7	44,2
150 001 – 300 000 tenge	16,5	17,3	17,1	20,8	15,8	13,6
More than 300 001 tenge	6,1	5,9	4,3	7,2	5,5	3,6
Find it difficult to answer	9,8	8,7	8,3	8,2	8,5	6,5

Deterioration of the financial situation of Kazakhstani families under such conditions is almost natural. A poll by the National Bank of Kazakhstan showed that with the start of the pandemic, Kazakhstanis began to assess their financial situation as being much worse. So, if in` January only 22% of the respondents believed that their financial situation rather worsened, after five months this figure almost doubled to 42%. Thus, the positive dynamics that have been going on since mid-2016 began to reverse.

Diagram 1. "How has your family's financial situation changed over the past 12 months?" 7



⁶ The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, II quarter, 2020. https://stat.gov.kz/official/industry/64/statistic/6, accessed December 20, 2020. https://statistic/6, accessed December 20, 2020. https:/

The coronavirus crisis in Kazakhstan also made significant adjustments in terms of structure of income and expenses. First of all, the income from labor activity of citizens decreased significantly from 75% in 2018, to 65% in the second quarter of 2020. Incomes of citizens in the form of social transfers, including pensions and state benefits, have proportionally increased – from 21% to 31%.

Due to the rise in prices and decrease in income, the expenditures of citizens on food products have grown significantly. So, in the second quarter of 2020, the share of food products within the structure of consumer spending increased dramatically to 61% (for comparison, the figure was 49% in the second quarter of 2018). Moreover, in rural areas, food expenditures comprised 64% of total household spending. The analysis demonstrates that the expenditures on meat products , fruits, and vegetables have increased significantly.

Lower spending on paid services compensated for higher food expenses. If in 2018 paid services accounted for 23% of total consumer spending, in 2020 the figure dropped to 16%. Kazakhstanis began to spend significantly less on educational and medical services.



Diagram 2. The structure of expenditures of Kazakhstanis in the period from 2018 to 2020,%

In this way, the Covid-19 pandemic and the government's restrictive measures have significantly affected the income and consumer behavior of Kazakhstanis. Having lost the previous levels of income, citizens felt the deterioration of their financial situation and reduced their expenditures on paid educational and medical services. As a result of inflation, expenditures on food products increased significantly – Kazakhstanis began to spend more than 60% of their income on food. Thus, for the first time in many years, a trend for the decline of public welfare indicators in the country has been set.

⁹ Ibid.

⁸ Ibid.

1.2. Employment

Situation in the labor market in Kazakhstan was relatively satisfactory before the pandemic. As of 2019, the share of the labor force in the population was 70%, and the unemployment rate was less than 5%, which amounted for 442,000 people.

Because of the introduction of quarantine restrictions in March 2020, small and medium-sized businesses that are not associated with the production of essential goods and services have been forced to stop their activities. However, despite this, according to the statistics, the unemployment rate in the second quarter of 2020 increased by only 0.2% and amounted to 5%.¹⁰

The absence of a sharp increase in unemployment is is due to a number of reasons. According to the President of the Center for the Development of Labor Resources, D. Argandykov, people who have been unemployed during the quarantine period cannot be registered as unemployed, since they do not meet the requirements for recognizing a citizen as unemployed. 11 In the employment statistics, such citizens are considered as economically inactive.

Also, according to D. Argandykov, the fact that many enterprises decided not to lay off their employees but to reduce the working hours, thereby retaining people in the company's staff, also played a role.

Table 3. Dynamics of labor market indicators in Kazakhstan in 2018-2020

	2018	2019	2020
Work force (thousand people)	9078,9	9204,7	9157,7
Labor force share in population (percent)	70	70,1	69,2
Employed population (thousand people)	8637,5	8762,9	8703,7
Employment rate as a percentage of the labor force	95,1	95,2	95
Unemployed population (thousand people)	441,4	441,8	454
Unemployment rate (percent)	4,9	4,8	5
Youth unemployment rate, percent (aged 15-28)	3,9	3,7	4
Long-term unemployment rate (percent)	2,2	2,1	2,1
Persons outside the labor force (thousand people)	3882,3	3929,5	4082,5
Share of persons outside the labor force as a percentage of the population	30	29,9	30,8

¹⁰ KazInform, "Kak pandemiya povliyala na rynok truda v Kazakhstane" [How the Pandemic Affected the Labor Market in Kazakhstan], https://www.inform.kz/ru/kak-povliyala-pandemiya-na-rynok-truda-vkazahstane a3704373, accessed December 20, 2020.

¹¹ Ibid.

However, one can assume that the 5% unemployment rate does not reflect the real state of affairs in the labor market. Because registration of a person as unemployed is accompanied by a number of administrative barriers, even under conditions of the nationwide quarantine, the indicator remains practically unchanged. For instance, financial analyst A. Beisembayev believes that hidden unemployment in Kazakhstan is ten times higher than what the statistics show:

"We understand that we have a very large "tenevka" (shadow market), a lot of people who receive "serye zarplaty" (shadow wages) and are not registered anywhere. It is as easy to hire such people as it is to fire them. And these people do not go to the labor exchange, they try to survive on pasture, receive some money for their services, do not pay taxes and do not appear anywhere". 12

However, the Committee on Statistics fixes another indicator, which is the number of temporarily unemployed due to the suspension of activities. There were 368,500 such people in Kazakhstan in the second quarter of 2020. Experts of *Tengenomika* channel on Telegram believe that official unemployment statistics combined with temporary unemployment in Kazakhstan demonstrates a more relevant figure on unemployment during the pandemic, which is 822 thousand people or 9.5%. ¹³

Another important issue is the adaptation of informal workers to the conditions of the pandemic. A significant part of labor force in Kazakhstan is represented by those who are involved in labor activities that are not regulated by laws and either do not provide any (or provide only partial) social guarantees given by the state. This group includes mainly self-employed individuals who earn money by offering their own services. According to the official statistics, 1.5 million citizens in Kazakhstan are self-employed.¹⁴ About 450,000 more work in their personal subsidiary property.

These categories of workers are especially vulnerable in the context of the pandemic, since, most often, these are the people involved in the shadow market without formal contracts. The absence of tax or social welfare payments closes access for them to the state social insurance. Moreover, informal employment is accompanied by an unstable income, as well as a high risk of job loss due to its sensitivity of seasonality. It is likely that due to quarantine restrictions across the country, those employed in the informal sector received even fewer earning opportunities.

Research has shown that informal employment in Kazakhstan is more common among young people from 18 to 24 years old, as well as among the age group that is older than 50.15 The first

¹² Mariya Levina, "Pandemiya bezrabotitsy: Crisis na rynke truda mozhet okazatsya zatazhnym" [Unemployment Pandemic: The Labor Market Crisis May be Protracted], https://vlast.kz/jekonomika/40604-pandemia-bezraboticy.html, accessed December 20, 2020.

¹³ https://web.telegram.org/#/im?p=@tengenomika, accessed on August 12, 2020.

¹⁴ The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, Digest "The Number of Informally Employed Population in the Republic of Kazakhstan", https://stat.gov.kz/official/industry/25/statistic/5, accessed December 20, 2020.

¹⁵ Serik Beissembayev, Daniyar Moldakanov, and Sabina Insebayeva, 2017, "Ni k selu, ni k gorodu: problema neformalnoi zanyatosti molodezhi v monogorodakh Kazakhstana" [Neither to the Countryside nor to the City: the

category, presumably, includes students who, due to lack of work experience, agree to work without concluding employment contracts. The second category mostly comprises workers in the agricultural sector and people who provide transport services without having registered as an individual entrepreneur.

On that particular matter, Zhambyl and West Kazakhstan regions stand out. There, in 2019, according to the statistics, the share of informally employed in the total labor force was 28% and 24%, respectively (with a national indicator being 14%). Mangistau, Atyrau and Aktobe regions have the lowest numbers of informally employed.

Another vulnerable category of workers on the labor market are women, who earned less than men even before the pandemic and had more risks associated with employment and career growth. As A. Zhusupova, an expert at the Institute of World Economics and Politics, notes, most unemployed men often find work quickly, while women have to look for a new job for much longer. Employers are reluctant to hire a woman because of a possibility of maternity leave; in addition, many job sectors are still inaccessible to women because of the existing negative stereotypes about women's work.¹⁷

In addition, it is important to note that the most affected sectors by quarantine restrictions, were those in which women were primarily employed. These are trade, service industry, restaurant business, and hotel industry.

Therefore, the pandemic crisis in Kazakhstan, with renewed intensity, highlighted the issue of socio-economic inequality between different categories of workers, including formally and informally employed, skilled and less skilled workers, and women and men. Further decline of the situation on the labor market may aggravate the conditions of vulnerable categories of workers. This makes the issue of increasing social guarantees from the state and the adaptation of employment policies to the new economic conditions especially relevant.

1.3. Poverty and Inequality

In Kazakhstan, the problem of poverty remained less acute than in other Central Asian countries. Thanks to high oil prices since the early 2000s, the country managed to raise the living standards of Kazakhstanis and reduce poverty rates to a minimum. However, according to the World Bank experts, the coronavirus crisis may bring the problem of poverty in Kazakhstan back again. Thus, according to the economic report of the World Bank on Kazakhstan published in July 2020, the

Problem of Informal Employment of Youth in Monotowns of Kazakhstan], https://www.soros.kz/wpcontent/uploads/2018/05/informal employment.pdf, accessed December 20, 2020.

¹⁶ The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, Digest "The Number of Informally Employed Population in the Republic of Kazakhstan", https://stat.gov.kz/official/industry/25/statistic/5, accessed December 20, 2020.

¹⁷ Aiman Zhussupova, "Bezrabotitsa v Kazakhstane: problema stanovistsya ostree" [Unemployment in Kazakhstan: the problem is getting more acute], https://ekonomist.kz/zhussupova/problema-stanovitsia-ostree/, accessed December 20, 2020.

poverty level may increase in 2020 from the projected 8.3% to 12.7%, meaning that an additional 800,000 people will be below the poverty line. 18

According to the official statistics, in the second quarter of 2020, the share of citizens with incomes below the minimum subsistence level increased to 5.7% (4.3% in 2019). It means that 1.1 million people in Kazakhstan during this period had an income of 32.6 thousand tenge (about \$ 77) per month. At the same time, there is a considerable difference in indicators in urban and rural areas. So, in rural areas, 7.8% of residents had an income below the minimum subsistence level, while in the city the indicator was at 4.2%.¹⁹

There is also a noticeable difference between the "richer" and "poorer" regions. The highest poverty level is recorded in the Turkestan region -13%. In the North Kazakhstan, Zhambyl and Kyzylorda regions, the share of residents with incomes below the subsistence line is 7%, which is higher than the national average. It is important to note, that in the largest city of the country, Almaty, the poverty rate has more than doubled over the last year from 2.6% to 6.2%.

Table 4. Poverty indicators at national and regional level for the 2nd quarter of 2020

	Total (%)	In urban areas (%)	In rural areas (%)
The Republic of Kazakhstan	5,7	4,2	7,8
Akmola region	6,7	4,8	8,4
Aktobe region	3,4	2,3	6,2
Almaty region	4,7	2,5	5,3
Atyrau region	3,1	0,9	5,7
West Kazakhstan region	4	2,1	6
Jambyl region	6,9	5,6	7,8
Karaganda region	2,4	2,5	2,2
Kostanay region	3,8	1,8	6,5
Kyzylorda region	6,9	4,8	8,4
Mangystau region	4,3	2	5,9

¹⁸ The World Bank, The COVID-19 Shock to Kazakhstan's Economy Largest in Two Decades: World Bank Report, https://www.worldbank.org/en/news/press-release/2020/07/22/the-covid-19-shock-to-kazakhstans-economy-largest-in-two-decades-world-bank-report, accessed December 20, 2020.

¹⁹ Finprom, "Na fone "coronacrisisa" uroven bednosti v RK zametno vyros: dolya naseleniya s dokhodami nizhe prozhytochnogo minimuma uvelichilas do 5,7%" [Amid the "coronacrisis" the level of poverty in Kazakhstan has noticeably increased: the share of the population with incomes below the subsistence level increased to 5.7%], http://finprom.kz/ru/article/na-fone-koronakrizisa-uroven-bednosti-v-rk-zametno-vyros-dolya-naseleniya-s-dohodami-nizhe-prozhitochnogo-minimuma-uvelichilas-do-57, accessed December 20, 2020.

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Pavlodar region	4,7	4,2	6,1
North Kazakhstan region	7,4	5,4	9,2
Turkistan region	12,8	13,1	12,7
East Kazakhstan region	5,3	3,3	8,5
Nur-Sultan City	1,4	1,4	-
Almaty City	6,2	6,2	-
Shymkent City	6,4	6,4	-

The rise in poverty contributes to an increased social and economic inequality. Experts from the International Monetary Fund predict that the problem of inequality in developing countries will become even more pronounced due to the consequences of the pandemic.²⁰ In particular, the Gini coefficient, which measures the difference between the incomes of the wealthiest and the most disadvantaged groups of the population, is expected to rise.

Inequality will affect different socio-demographic groups to varying degrees. In Kazakhstan, women will find themselves in an even more vulnerable position, since due to significant differences in income, they will face the risk of social and economic insecurity. According to the UN, the poverty rate among women in Asia and Africa due to the coronavirus pandemic will increase by 9% between 2019 and 2021. Socio-economic vulnerability, in turn, contributes to economic and domestic violence against women.

Generally, increasing inequality in a society serves as a catalyst for many problems, such as raising discontent and protests, growing distrust in government, decrease in social solidarity, and rise in domestic and other forms of violence. In Kazakhstan, not only have the existing inequalities been exacerbated due to the pandemic, there are also new types of inequality that emerged because of different levels of adaptive capacity of different social groups.

II. Access to Public Services and State Social Support

2.1 Education

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²⁰ How COVID-19 Will Increase Inequality in Emerging Markets and Developing Economies, https://blogs.imf.org/2020/10/29/how-covid-19-will-increase-inequality-in-emerging-markets-and-developing-economies/, accessed December 20, 2020.

²¹ Vedomosti, "OON ozhidayet obnischaniya 47 mln zhenschin iz-za coronavirusa" [UN expects 47 million women to become impoverished due to coronavirus], https://www.vedomosti.ru/society/news/2020/09/03/838678-oon-ozhidaet-obnischaniya-47-mln-zhenschin-iz-za-koronavirusa

The educational system of Kazakhstan has faced significant challenges due to the pandemic. The government had to solve many issues related to distance learning, including the development of educational platforms, providing technical support and access to the Internet, and developing a legislative basis for online teaching. After the introduction of the state of emergency and quarantine restrictions in March 2020, schools, colleges and Universities have been transferred to distance learning. There are more than 7,000 secondary schools with 3 million school children and 335,000 teachers, 790 colleges with 40,000 teachers, and 131 Universities with 604,345 students and 38,470 instructors.²² The majority of school children (2.6 million) is currently on distance learning, while 800,000 (24%) continue face-to-face education. However, 3,000 out of 7,000 schools provide face-to-face teaching. These schools are mostly located in rural areas and have a small number of pupils.

The introduction of distance learning has revealed a lot of problems in the education system of Kazakhstan. Secondary education has not been ready to transit to a different mode of learning due to a poor level of technical support. The lack of IT educational platforms allowing millions of school children and students to use teaching materials and attend video sessions at the same time coupled with a weak digital education among teachers. At the beginning of distance learning, teachers used the Zoom platform and provided online teaching. Later, however, the instructors had to refuse from using this platform due to technical and security issues as well as poor quality of educational process. One of the teachers noted,

"If we would continue teaching online, we would have many problems. Now, due to distance learning, we do not have them. We give an assignment to pupils but we do not ask them to provide an immediate answer. But we do require a feedback. However, with online teaching, we would face many problems. For instance, not all students would join the sessions at 9 am because some of them might have bad Internet connection, others could not do that because there were other students in a family and only one computer. Thus not everyone could be present during the online classes. We had online sessions in the beginning and then we had many problems." ²³

The government has created a number of Internet platforms for secondary education such as Bilim Land, Mektep, Kundelik, and other. Overall, teachers had a positive feedback of supportive teaching materials supplied on those platforms. One of the teachers mentioned, "Mektep is a good educational platform. It is very useful and interesting. Pupils have an opportunity to apply practical skills because there are exercises. A pupil can solve math problems, get the answer, and check if she did the assignment right.²⁴ Another teacher noted, "From the Bilim Land children use different videos, create presentations and slides, and then show them in the interactive board."²⁵ Applying these platforms, however, teachers and children do not use videoconferences and, as such, it is not easy to control the educational process.

The transfer to distance learning has also revealed unequal access to the Internet and shortage of computers among children in rural areas and those from poor families. One of the teachers in a secondary school mentioned, "Many parents cannot provide access to the Internet for their children. Many have problems with cell phones, i.e there is only one phone for all family members.

²² Agency on Statistics of the Republic of Kazakhstan.

²³ Interview with a teacher from Almaty, May 21, 2020.

²⁴ Interview with a teacher of High school, May 13, 2020.

²⁵ Interview with a teacher from Almaty, May 21, 2020.

I am not talking even about a computer or laptop"²⁶ Limited access to the Internet did not allow children to use educational platforms or get access to quality visual materials, which negatively affected the quality of education.

To solve the problem of the computer shortage, the government obtained 435,000 computers to distribute among those who were in need. One of the teachers mentioned that the Department of Education provided pupils with internet flash cards. She said, "Teachers found out who among pupils do not have access to the Internet and what problems they face. Many parents lost their jobs and do not have money to pay for the internet and thus children are left with no access to the internet. The Administration also provided some families with computers."²⁷ Another teacher from a school located in a district center mentioned that they asked all parents if they have access to the internet and if they have computers. "We checked families with many children, then children without parents, poor families...We did our best and distributed about 20 computers."²⁸ The distribution of computers, flash cards with Internet or iPads was done across all regions of Kazakhstan.

One of the implications of distance learning is the lack of face-to-face contact between instructors and students, which results in poor monitoring of the educational process. Teaching in a classroom is different from home where children cannot be controlled by an instructor properly. In addition, at home both teachers and students might not have an appropriate environment for the educational process. As one teacher noted the following,

"School students are still children. They do not feel the same degree of responsibilities as students in Universities. They are not independent. Many of them think that studying is a waste of time. Many of them are not interested. Students in contrast, know that they will need this education because they have to find a job. University students are adults and they are more responsible." ²⁹

It is not easy for instructors to evaluate the level of knowledge among students due to cheating. According to a survey conducted by a public organization, 60% of teachers have not noticed any difference in the level of knowledge among students, while 40% have emphasized the deterioration of knowledge among students.³⁰

In Kazakhstan, according to PISA, an international agency on quality of education, 6 out of 10 school children were functionally uneducated, which means that they are not able to apply the acquired knowledge on mathematics, natural sciences or reading to everyday life and their future professions. It is predicted that the number of functionally uneducated students can increase by 100,000 due to the impact of distant leaning. According to research, the indicators of performance among school children will be down by 8 points of the PISA scale. It has been estimated that children from socially-disadvantaged families are more affected than children from well-off

²⁶ Interview with a teacher of High school, 15 May 2020.

²⁷ Interview with a teacher of High school, May 10, 2020

²⁸ Interview with a High School teacher, May 14, 2020.

²⁹ Interview with a teacher of High school, May 10, 2020.

³⁰ Interview with an expert, September 15, 2020.

families. Distant learning introduced even for a short period of time can increase the gap in reading performance between children from well-off and poor families by 18%. ³¹

The workload and emotional pressure on instructors have also increased tremendously due to distance learning. Teachers spend much more time using cell phones or checking the internet for home assignments. Here are the words of two different teachers:

"Teaching workload has changed in that sense that I am tied to the computer because children do not submit the assignments on time or at the same time. One student submits in the morning, another in the evening, etc...I am constantly on the phone. I cannot relax because of distance learning."

"Although we are at home we spend all time at the computer and on the phone because we have to be connected to children. Someone asks questions, someone needs the assignment, someone cannot open the file. It takes a lot of time...Sometimes, we have to work until 11 pm. The workload has increased and a lot of time is spent". 32

The increased workload for teachers, in turn, can lead to a higher level of frustration and affect negatively the quality of teaching. The pressure of distance learning has been also experienced by parents. Many instructors recognized an important role of parents during the distant learning. As one teacher said,

"I can say that parents now replace teachers for their children. Parents explain everything, they check children's assignments. Children give them feedback. Parents communicate with children and give their time as teachers give their time during the class. It is very difficult for parents. Some have not mastered this profession. It is also difficult for parents to explain the topics. However, at this moment parents have become teachers at home."

Thus, the lockdown has revealed a number of problems that the government has to resolve including poor quality education, disparity across regions, digital illiteracy, and a low level of access to the Internet, to name a few. The government should take further measures to provide equal access to education and increase quality education.

In the next section, we are going to focus on the situation in the healthcare sector and provision of medical services to the population, which have also been negatively affected by the pandemic.

2.2 Healthcare and Access to Medical Services

The pandemic has also become a litmus test for the healthcare system of Kazakhstan. It has revealed weak sides in the service delivery and system of governance. In general, the healthcare system in Kazakhstan suffers from poor quality medical services and unequal access to medical assistance. The main problems that the population faced during the pandemic included the shortage of medicines and COVID-19 tests, poor coordination of medical organizations, and lack of beds

³¹ Zhan Fransua Marto, Pandemia i obrazovanie v Kazakhstane: Seryoznye poteri i uvelichenie neravenstva [The Pandemic and Education in Kazakhstan: Serious losses and Increase of Inequality], https://blogs.worldbank.org/ru/europeandcentralasia/post-covid-education-kazakhstan-heavy-losses-and-deepening-inequality, last accessed December 27, 2020.

³² Interview with a teacher of High School, May 11, 2020.

in hospitals. Many problems that emerged during and after the pandemic can be related to a low level of funding of the healthcare system. Total healthcare expenditure has been 2.9 % of GDP in 2018, compared to the OECD average of 8.9%.³³ Low health expenditures, in turn, have contributed to poor service delivery.

Overall, access to medical services is costly for citizens of Kazakhstan since they have to pay for healthcare. The out-of-pocket payments represent almost 42% of total expenditure. As a result, medical payments may be more than 10% of non-food consumption for more than half the population. ³⁴ To reduce the out-pocket payments of the population from 42% to 30%, the government has introduced a Mandatory Social Health Insurance (MSHI) from January 2020. It is expected that this policy would change the financing of healthcare and minimizes the financial risks for citizens in case of high-tech and expensive treatment. The MSHI system should provide equal access of all the insured people to some basic medical services, regardless of the amount contributed. The state guarantees free of charge medical assistance for basic healthcare services such as primary and emergency care. The government is also responsible to treat non-communicable and transmittable diseases including tuberculosis, hepatitis and AIDS/HIV. These measures are important and can improve access to health services. However, according to a survey, 21% of respondents noticed the improvement in the provision of medical services, while the majority (65%) did not see any difference after the introduction of the MSHI.³⁵

In 2020 Kazakhstan was among the first countries to introduce the lockdown and declare a state of emergency. Initially, it seemed that the government made the right decision and successfully coped with the spread of the disease. However, after having the lockdown cancelled, the rate of COVID-19 cases skyrocketed. Instead of the predicted 3,000 cases, about 100,000 people were infected with the virus after the lockdown. The number of COVID cases was particularly high in June - July 2020 when the quarantine was lifted. The rate of pneumonia cases also increased by 4 times in the first half of 2020. According to Sange independent research company, by September 2020, 19.2% (around 3,7 million) of the population of Kazakhstan got sick with COVID-19. This number has exceeded the official statistics by tens times.³⁶

There were several issues that prevented the healthcare system of Kazakhstan to handle the pandemic. One of them is a fragmented healthcare system and poor coordination between central, regional and local healthcare departments as well as between primary care clinics and ambulance services. According to research conducted by the Sange research center in August 2020, from March through August around 1.6 million people were in need of medical assistance but they did not receive it.³⁷ As a result, more than 40% of diagnoses were made by patients themselves, 28%

³³ World Health Organization Global Health Expenditure database (apps.who.int/nha/database), accessed on December 24, 2020.

³⁴ The Covid-19 Crisis in Kazakhstan, https://www.oecd.org/eurasia/competitiveness-programme/central-asia/COVID-19-CRISIS-IN-KAZAKHSTAN.pdf, accessed on December 15, 2020.

³⁵Mandatory Social Health Insurance, https://egov.kz/cms/en/articles/health-care/osms, accessed on December 27, 2020.

³⁶ Skolko real no chelovek pereboleli Kovidom -19 v Kazakhstane? Rezultaty issledovnia, [How Many People in Real had COVID-19 in Kazakhstan? The Results of Survey] http://sange.kz/covid19 research results2020/, accessed on December 15, 2020.

³⁷Covid-19 v Kazakhstane: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wp-content/uploads/2020/11/Sange_COVID-1-wave.pdf, accessed on December 20,2020.

by primary care doctors and 14% by ambulance doctors. Only 13% of diagnoses were made with COVID tests and 9% with a computer tomography. It shows that there is lack of reliable diagnostic instruments in the healthcare services.³⁸ Many people preferred to rely on social media and networks, relatives and friends to receive information about medicines and the ways to cure the COVID-19.

Another issue during the pandemic, in the beginning in particular, was the shortage of medicines, including such basic medicine as paracetamol. The government and pharmaceutical companies were not able to provide an adequate supply of medicines to treat the COVID-19. The humanitarian aid from abroad was not distributed properly. As a result, the prices on medicines went up in June and July 2020. The head of the pharmaceutical company in charge of the distribution of humanitarian aid was accused of corruption and dismissed. ³⁹ According to the survey, only 17.8% of respondents were satisfied with the provision of medicines. ⁴⁰ People noted,

"I would give a zero to people who are in charge of pharmacies because prices on medicines are very high", "During the state of emergence, there were no medicines, although on TV it was broadcasted that all medicines were available but it was not true", "The main problem is that our hospitals were not ready to such a big number of patients and the government did nothing to get ready for that. That is why there were so many deaths." "41

The president Kassym-Zhomart Tokayev demanded to fire those who were responsible for the failure to fight the pandemic. As a result, the Minister of Healthcare, Elzhan Birtanov resigned and a new minister was appointed. The situation gradually improved over time when the government had to introduce another lockdown. The shortage of medicines was eliminated and new provisional COVID hospitals were opened.

The healthcare system of Kazakhstan has been often criticized for the provision of poor quality medical services and unequal access to healthcare across regions and urban-rural areas. According to the survey conducted in 2019, 48% of respondents said that they were satisfied with the quality of medical services, which is less than half of the population. In 2020, 59% of respondents mentioned that they are satisfied with medical services. The quality of service delivery was more satisfactory in public clinics than in private ones. As results of the survey show, 71% of people turn for help to state medical organizations, while 12% of the population attend private

³⁸Skolko real no chelovek pereboleli Kovidom -19 v Kazakhstane? Rezultaty issledovnia, [How Many People in Real had COVID-19 in Kazakhstan? The Results of Survey] http://sange.kz/covid19 research results 2020/, accessed on December 15, 2020.

³⁹ Kak organizuyut medpomoshch naseleniu pri COVID-19 [How medical assistance to the population is organized under the COVID pandemic], https://inbusiness.kz/ru/news/kak-organizuyut-medpomosh-naseleniyu-pri-covid-19, accessed December 20, 2020.

⁴⁰Covid-19 v Kazakhstan: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wp-content/uploads/2020/11/Sange_COVID-1-wave.pdf, accessed December 23, 2020.

⁴¹Covid-19 v Kazakhstan: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wp-content/uploads/2020/11/Sange_COVID-1-wave.pdf, accessed on December 23, 2020.

⁴² The COVID-19 Crisis in Kazakhstan, https://www.oecd.org/eurasia/competitiveness-programme/central-asia/COVID-19-CRISIS-IN-KAZAKHSTAN.pdf, accessed on December 23, 2020.

clinics to receive medical assistance.⁴³ 58% of respondents answered that medical services in private hospitals are expensive and inaccessible for them, while 10% said the same about state clinics. During the pandemic, more people were satisfied with quality of medical services provided in public clinics that in private ones.⁴⁴

The shortage of medical workers also is an important factor that impacts the quality of healthcare provision. There is a variation in terms of medical workers across regions and rural-urban areas. For instance, in urban areas there are 57 medical doctors per 10,000 people, while in rural areas this number goes down to 16. Totally, 83% of all doctors work in urban areas and only 17% in rural areas. This misbalance influences access to medical services across the country. The survey showed that for the last year (2019) 11% of respondents faced difficulties to access medical assistance. During the pandemic, the highest shortage of medical workers was experienced in the Karaganda and Zhambyl regions. The quality of services in hospitals also varies from region to region. In August 2020, the worst services in hospitals were provided in Nur-Sultan, while the best medical assistance was given in Almaty and Mangistau regions. ⁴⁶

Unequal access to medical services across various regions is another important issue in Kazakhstan. One of the reasons of this disparity is a different level of financing. Local government (akimats) can decide on their own how much they can spend on healthcare, including expenditures on medical equipment and qualification of medical workers. Ali Nurgozhayev, an expert on healthcare in Kazakhstan, argues that the disparity across the regions is logical "since each akimat makes its own decision on the size of health expenditures. There are no common standards, recommendations, and approaches in regard to planning and spending of health expenditures"

Thus although the situation has currently stabilized and there is no shortage of medicines or beds in hospitals to treat COVID-19 patients, such issues as poor quality of medical services and unequal access to healthcare in the population sill remain on the agenda. The shortage of doctors and nurses is all an issue to be resolved. The government should increase healthcare expenditures and provide equal access to quality medical assistance to all citizens of Kazakhstan regardless of their place of residence. In the next section we will discuss social support that government provides to the population of Kazakhstan.

⁴³ Neravenstvo v sphere zdravoohranenia [Inequality in the field of Healthcare], http://agkipr.kz/archives/1648, accessed on December 18, 2020.

⁴⁴ Covid-19 v Kazakhstan: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wp-content/uploads/2020/11/Sange COVID-1-wave.pdf, accessed December 20, 2020.

⁴⁵ Neravnestvo v sphere zdravoohranenia [Inequality in the Field of Healthcare], http://agkipr.kz/archives/1648, accessed on December 23, 2020.

⁴⁶ Covid-19 v Kazakhstan: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wp-content/uploads/2020/11/Sange_COVID-1-wave.pdf, accessed December 20, 2020.

⁴⁷ Neravenstvo v sphere zdravoohranenia [Inequality in the Healthcare], http://agkipr.kz/archives/1648, accessed 22 December, 2020.

2.3 Social Support

As it was argued earlier, the lockdown has worsened socio-economic conditions of citizens of Kazakhstan. Many people lost their jobs and were not able to support their families. The government made the decision to support people in need. It has provided with wage subsidies of 42,500 tenge per month (96 USD) until the end of the emergency situation. Employees who lost jobs due to the lockdown would be compensated at 40% of their salaries during 6 months. According to a survey conducted in summer 2020, 14,7% of the population received financial compensation, which is around 2,7 million people. The share of businessmen, self-employed and workers of NGOs was the highest among those who received the "COVID payments".

Another survey, conducted by the Sange Research Organization showed some disparities in terms of social payments to people across regions. A low number of people in the Zhambyl, Turkistan, and Kyzyl Orda regions received the compensation although these are the oblasts that experienced the sharpest decline in income.⁴⁹ The payments were important for families with many children and those who work in small and medium size businesses. However, as many experts believe 42,500 tenge is a small amount to support poor households and people who lost jobs due to the lockdown.

The government also provided social benefits to medical workers. All of them have received extra payments in addition to their salaries. From March to December 2020, the government has spent 137 billion tenge on social benefits. All front-line medical workers were divided into three risk groups. The first group with the highest level of risk includes medical workers working directly with COVID-19 patients in hospitals and reanimation centers. They have received up to 850,000 tenge per month. Second group of medical workers is composed of those professionals who deal with patients who have symptoms of COVID-19 but whose diagnoses have not been confirmed yet. They have received 425,000 tenge. The third group of medical workers take care of patients who do not have symptoms but were in contact with COVID-19 patients or lived in one place with people having the virus. These people are under observation in patient care centers. Finally, the third group also includes medical workers who deal with a large number of patients and make tests, and provide other medical services. They are entitled to 212,500 tenge monthly.

However, not all medical workers have been able to receive the compensation. There were complaints from the personnel of the Kalkaman hospital in Almaty. One of the medical workers of that hospital said,

"We work with COVID-19 patients and belong to the second category. We have a pulmonologist center and we have incoming patients. We send them to take tests... They stay here for 2-3 days. If a test is positive, we send them to an infectious hospital. It is not clear why all medical doctors get the compensation except the Kalkaman hospital. The administration of the hospital said that they had sent a letter to the akimat (local government)... We demand to consider this issue and take measures" 80 medical workers did not get any compensation. The akimat did not support the compensation saying that "many people work in a dangerous zone". 50

⁴⁸ The COVID-19 Crisis in Kazakhsktan, https://www.oecd.org/eurasia/competitiveness-programme/central-asia/COVID-19-CRISIS-IN-KAZAKHSTAN.pdf, accessed on December 21, 2020.

⁴⁹ Covid-19 v Kazakhstan: Masshtaby problemy: Otsenka uslug zdravookhranenia i sotsialnoi zaschity [Covid-19 in Kazakhstan: The scale of the problem: Evaluation of healthcare services and social support]. http://sange.kz/wpcontent/uploads/2020/11/Sange_COVID-1-wave.pdf, accessed on December 22, 2020.

⁵⁰ Mediki almatinskoi bolnitsy potrebovali "koronavirusnyh" nadbavok" [Meical workers of the Almaty hospital demanded the coronavirus payments], https://rus.azattyq.org/a/31017479.html, accessed on December 18, 2020

There were many other complaints from medical workers who did not get any compensation. Another good example is the Almaty Ambulance Center where medical workers also have not received any payments from March to October, 2020. Medical workers blamed the local government; they organized protests and plan to bring the issue into court. However, the local government is not willing to make any payments arguing that it violates the regulations on payments for medical workers under conditions of the pandemic. ⁵¹

From October 20, 2020 the government decided to stop accepting applications for financial compensation to medical workers who got sick, while performing their duties. It is considered that out of 12,983 infected medical workers 9,309 got sick at work and therefore they have been eligible for the compensation. The Vice-Minister of Healthcare, Marat Shoranov, explained the cancellation of compensation saying that in case of the COVID-19 infection at work, medical organizations or trades unions have to pay to their medical workers. In his view, it will be an additional incentive for heads of medical organizations to provide job security measures for employees. M. Shoranov noted, "With the decrease of the DOVID cases, it is unacceptable that medical workers can get sick with COVID-19 at work. We understand that there is a great responsibility on the heads of organizations. All those cases that were reported from March to October ,2020 will receive payments thought the Fund of State Social Insurance." It has been also confirmed that those workers who belong to three risk categories will continue receiving monetary compensations.

The government has also provided financial support to the business sector. During the pandemic, the turnover of the companies dropped more than 40%. The government planned to provide compensation of fixed costs to firms that were forced to close due to the lockdown. The decision was to allocate 600 billion tenge to small and medium firms at the 8% interest rate. Within the framework of the program "A Road Map of Employment", additional 300 billion tenge were allocated to support business activities in Kazakhstan.

In addition, the government has exempted business firms from taxation by introducing the "tax vacation." Until October 1, 2020, the value added tax was around 8%, while producers of excise goods such as petrol and diesel have been exempted from taxes until the end of 2020. Businessmen also got some extra time in terms of taxation payments until the end of 2020. The government also stopped any checks on business companies and rent payments on state and quasi state property until the end of the year including school canteens, pharmacies in hospitals and clinics and other. The state has also compensated for utility bills of those enterprises which activities were stopped operating. ⁵³ Within the framework of the program "A Road Map of Business", the government planned to allocate 84,5 billion tenge to help business companies⁵⁴

⁵¹ Mediki dobivayutysa "koronavirusnyh" nadbavok.Im ne platili bolshe polugoda. [Medical workers ask for "konoravirous" extra payments. They were not paid more than half a year". https://rus.azattyq.org/a/kazakhstan-almaty-ambulance-medics-demand-covid-bonuses/30893009.html, accessed December 20, 2020.

⁵² SC 20 октября отменен прием новых заявок на соцвыплаты медработникам https://www.zakon.kz/5044783-s-20-oktyabrya-otmenen-priem-novyh.html, accessed December 20, 2020.

⁵³ Kakie dopolnitelnye mery gospodderzhki biznesa rassmatribayutsya pravitelstvom RK [What additional measures of state support of business are considered by the government of RK] https://www.inform.kz/ru/kakie-dopolnitel-nye-mery-gospodderzhki-biznesa-rassmatrivayutsya-pravitel-stvom-rk a3726331, accessed December 20, 2020.

⁵⁴ Kak gosudarstvo wodderzhivaet kazakhstantsev v usolivha Ch.p [How the State Supports Kazakhstanis during the State of Emergency], https://www.zakon.kz/5018220-kak-gosudarstvo-podderzhivaet.html, accessed December 15, 2020.

In conclusion, the government of Kazakhstan does recognize the negative impact of the pandemic and lockdown on people and business activities. It has taken measures to prevent the collapse of the economy and to ease the impact of the lockdown on vulnerable groups in Kazakhstan. Since the COVID-19 crisis is still going on, there might be other implications for the economy and people that will require further evaluation.

Conclusion

By the end of 2020, it became absolutely clear that the Covid-19 pandemic poses a greater threat to social well-being than it might have seemed at the beginning of the year. All vital sectors such as health care, education, the labor market, and social protection were hit hard. Despite the large-scale anti-crisis measures taken by the government, the most pessimistic scenarios could not have been avoided. The incidence of coronavirus in Kazakhstan turned out to be much higher than projected. According to the official data, by the end of December 2020, about 200 thousand people contracted coronavirus and coronavirus pneumonia, and about 2,700 people died. However, a very unusual death rate was recorded in Kazakhstan in 2020. Only in the summer period from June to August 2020, the total number of deaths in Kazakhstan amounted to 61 thousand people, which is almost 2 times higher than the figures for the same period in 2019 (33 thousand). Moreover, an increased mortality rate was recorded in the sole month of July 2020, when the epidemic was at the peak: 28 thousand deaths versus 12 thousand in similar indicators in July 2019 (2.3 times higher). The healthcare system was under huge pressure during the pandemic, revealing its weak sides such as poor coordination, low quality service delivery, unequal access to medical assistance across regions.

The education system has also experienced a severe crisis. With the forced transition to distance learning, the secondary education system appeared to be unprepared for remote teaching mode. Underdeveloped infrastructure, poor access to the Internet, a low level of digital literacy of teachers and students, as well as inappropriate curricula led to a sharp decline in the access and quality of education for students in Kazakhstan.

The coronavirus crisis also caused a sharp decline in living standards in Kazakhstan, as working conditions worsened, incomes fell, and citizens' consumption dropped. The most vulnerable categories of population, who lived in poverty already before the pandemic, were particularly hurt. At the same time, the poorest people were the ones with the highest risk of infection, and could not expect quality medical care due to the lack of access to treatment and medicine.

In general, due to a number of negative consequences of the coronavirus crisis, the problem of inequality has been exacerbated, while gender and property discrimination, and discrimination based on place of residence worsened access to education, health services, and food. Under these conditions, such social groups as homeless, people with disabilities, migrants, and victims of domestic violence were particularly vulnerable.

As such, the government of Kazakhstan has to improve governance and coordination of various government agencies in such sectors as healthcare and education. It should fight corruption at all levels and increase spending on human capital to prevent the situation that the population of

⁵⁵ Data on Coronavirus in Kazakhstan, https://www.coronavirus2020.kz/

⁵⁶ The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, The Number of Deaths in Kazakhstan, https://stat.gov.kz/official/industry/61/statistic/7

Kazakhstan faced during the pandemic. Finally, it should take measures to prevent the deterioration of the quality of education and healthcare, which are essential for the well-being of people.