

# **Future Demographic – Kazakhstan**

Euromonitor International

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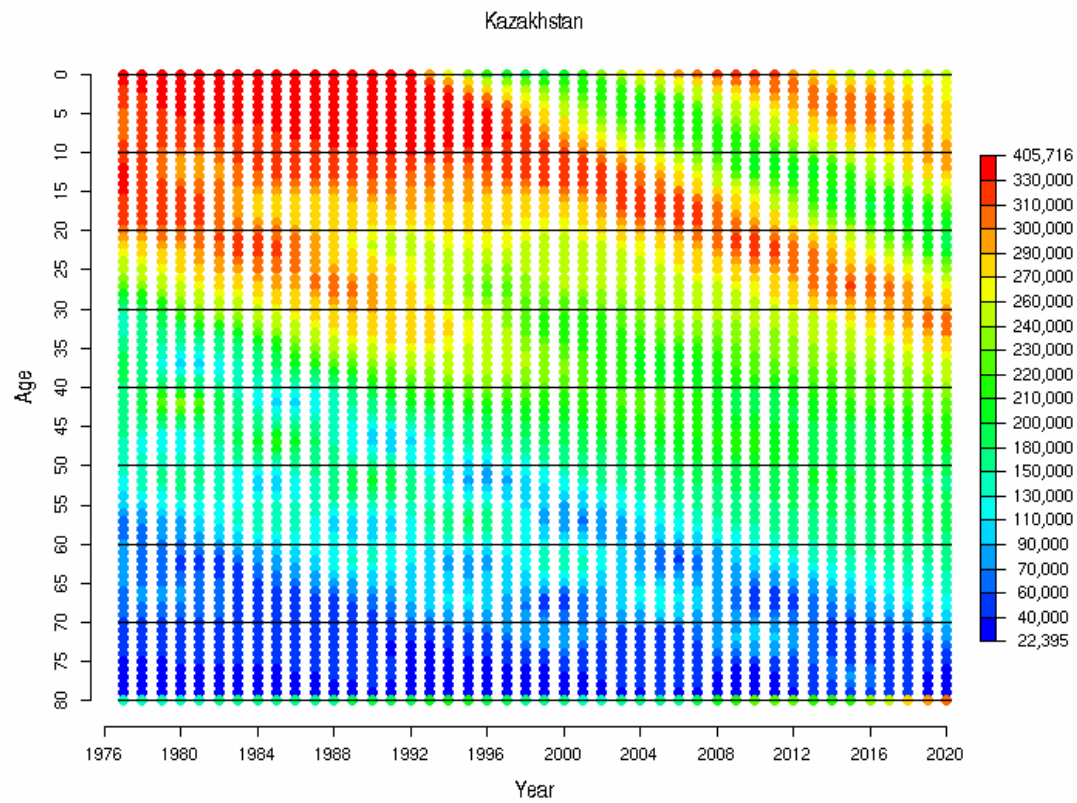
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# FUTURE DEMOGRAPHIC – KAZAKHSTAN

## KEY POPULATION TRENDS

### Total population

Chart 1 Age Structure of the Population at a Glance, Each Dot Represents a Single Age Group



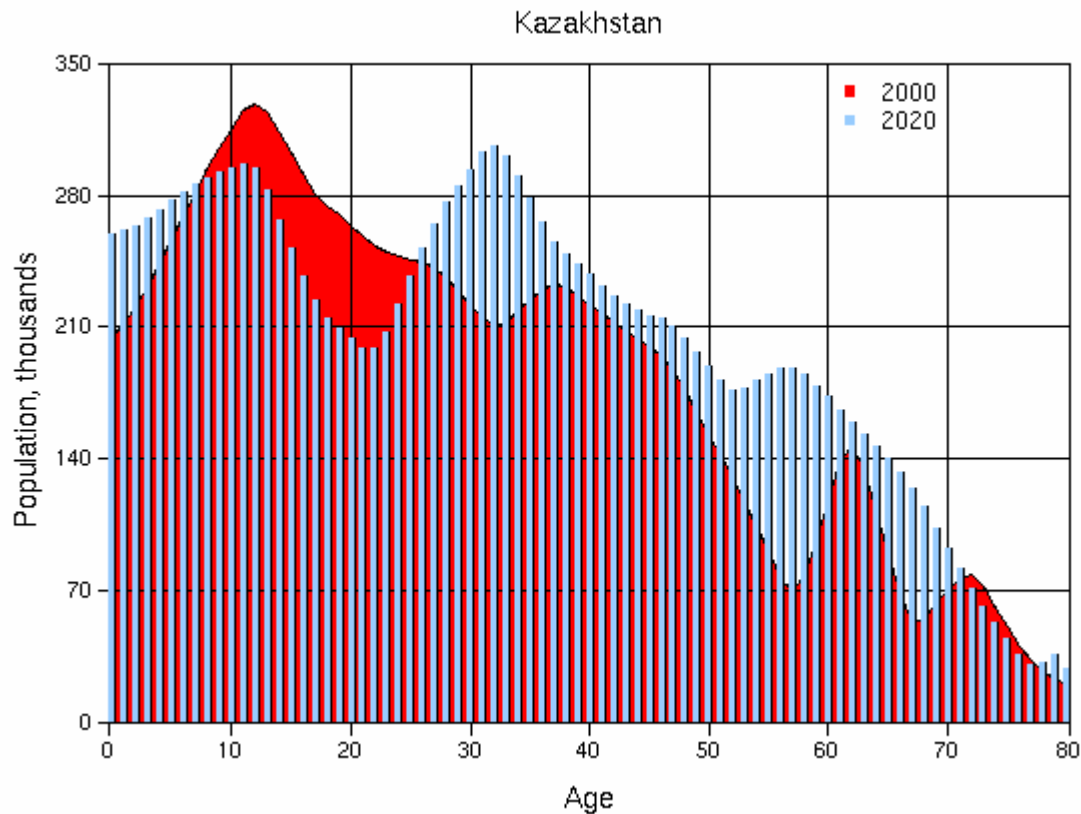
Source: Euromonitor International from National Statistics

Chart 1 – known as a “heat chart” – depicts changes in the age structure in Kazakhstan over time. Each dot represents the number of people in a specific age group in a given year. Accordingly, a dark red dot represents the largest concentration of people, by age, in a particular year while deep blue dots show the lowest concentrations. A single dark red dot is the equivalent of almost 406,000 people while each deep blue dot represents nearly 23,000 people and other colour shadings correspond to intermediate population totals (each by age group).

In the upper left-hand corner of the chart is an area of bright reds and yellows which depicts a population boom that began in the mid 1970s and continued until the late 1990s. The remnants of that boom extend downward from left to right across the chart. The band also narrows as this population segment ages. This feature reflects a reduction in the total number involved in the population bulge – a consequence of immigration. For example, many ethnic Germans and Russians left Kazakhstan during the years following the end of the Cold War. In the lower left-hand side of the chart is a preponderance of dark blue dots, indicating a relatively small number of people over the age of 60 years. Over time these dark blue dots are replaced by light blues and greens, a pattern reflecting a gradual but steady increase in the number of elderly people.

Kazakhstan’s population has fluctuated over time, rising during the 1980s and then declining during the 1990s (again mainly due to immigration). A low point occurred in 2001 but the total has been rising since then. The upward trend is expected to continue through 2020 when total population reaches an all-time high of 16.7 million – reflecting an increase of 1.8 million between 1980 and 2020. The number of potential workers (those between 15 and 64 years of age) will experience fewer and smaller fluctuations – increasing by 1.9 million over the four-decade period. Finally, the number of those over 60 years will nearly double during 1980-2020, growing by more than 1 million.

- Driven by the oil industry, Kazakhstan’s economy will continue to expand at a furious pace. Oil, however, is an extremely capital-intensive industry which creates few jobs. In order to accommodate the growing work force, policy makers must find more effective ways to disperse the benefits of oil-generated growth. This is essential in order to boost consumer spending, strengthen consumer confidence and broaden the country’s industrial base;
- Kazakhstan is the richest country in Central Asia but according to UNDP 16% live on less than US\$2 per day. There are also severe regional disparities with 95% of the rural population in Mangystau province (which borders the Caspian Sea) living in poverty. The growing number of older workers and elderly is expected to increase the incidence of poverty;
- The government wants to see the population rise to around 20 million by 2015 as a way of boosting growth and making it easier to diversify away from the oil industry. Few demographers believe this target is achievable but, if it were, the country would face problems. Much of Kazakhstan is desolate and uninhabitable while many of the populated areas lack the physical and social infrastructure necessary to accommodate any large-scale increase in numbers.

**Chart 2** Population Age Shift 2000 and 2020, Each Column Represents a Single Age Group

Source: *Euromonitor International from National Statistics*

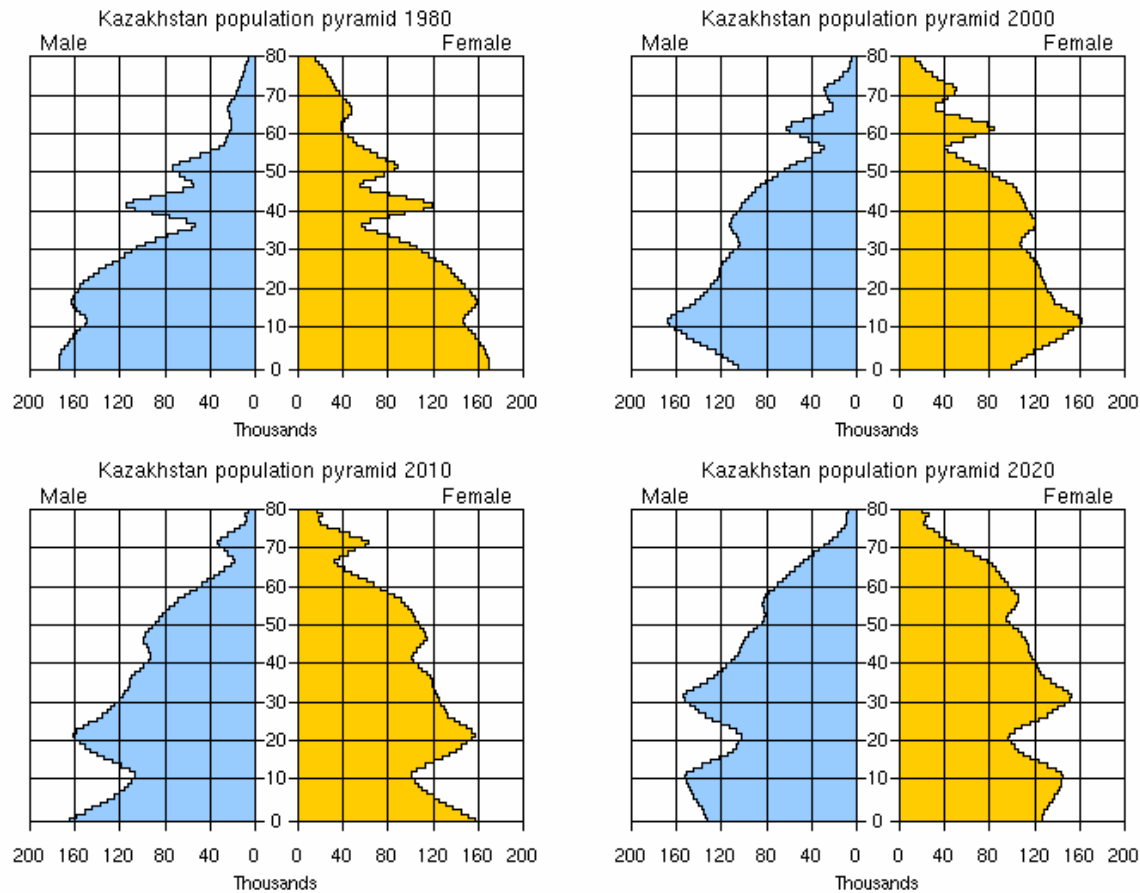
Chart 2 compares the demographic structure by age in 2000 and 2020. There are two age groups where the population in 2000 is expected to surpass that in 2020. The first and largest discrepancy occurs among those between 8 and 25 years and is denoted by the bright red area near the upper left-hand corner of the chart. The second instance refers to people between 72 and 77 years though the difference between the totals for the two years is negligible. For all other age groups, the population in 2020 will be greater than that in 2000, sometimes by significant numbers.

These population shifts will lead to changes in Kazakhstan's broad demographic indicators.

- The youth dependency ratio (the number of people 0-14 years relative to the number aged 15-64) will fall from 0.422 in 2000 to 0.378 in 2020;

- The elderly dependency ratio (the number of people over 65 years relative to the number aged 15-64) will rise from 0.104 in 2000 to 0.132 in 2020;
- The government has introduced numerous improvements in the pension system but the number of those over 65 years (the current retirement age) will increase by more than 60% between 1980 and 2020, putting great pressure on existing programmes.

**Chart 3 Population Pyramid**



Source: Euromonitor International from National Statistics

Chart 3 compares Kazakhstan's population and age structure by gender. The figure for 1980 loosely resembles a typical population pyramid but with several pronounced population bulges – for example, one between 40 and 44 years and another between 50 and 54 years. Over the next several decades, the shapes of the pyramids change with the proportion of those under 20 declining steadily. In 2020, the population under 20 years will represent 31.8% of the total, down from 43.0% in 1980.

Another important feature illustrated by chart 3 is the pronounced difference in the population of older males and females. By 2020, Kazakhstan will have more than 1.4 million women (1,435,030) over the age of 60 compared with just 823,300 males. Much of this difference can be attributed to the longer life expectancy of females. In 2007, women on average live 72.6 years compared to a figure of just 61.8 years for males. This gap – a difference of almost 11 years – is unusual, being substantially greater than that found in most other countries. Of equal concern is the fact that the life expectancy of both sexes is falling. Men's life expectancy has declined by 3.6 years in recent years while that of women has dropped by 1.6 years.

- Health officials are particularly concerned about the rising mortality rates of working-age males. Currently, this indicator is increasing 3.5 times faster than that of working-age females. The trend is most pronounced among urbanites, with the mortality rate of urban working-age men estimated at four to five times higher than the national average;
- Government statisticians and health specialists attribute the disparity to a combination of factors. Falling safety standards in industries where urban males predominate (especially in mining, construction and metallurgy) are one reason. Behavioural factors also play a role, with smoking, alcohol abuse, poor nutrition and lack of physical activity all causing men's health to deteriorate.

More details on changes in the country's population and age structure are found in table 1. The number of children between 0 and 9 years reached a maximum shortly after the end of the Cold War and then plummeted. The decline continued until the early years of this decade when the numbers hit an all-time low. The population of this group is forecast to edge upward for several years before beginning to drop once again around 2015. The population of older children and teenagers (10-19 years) fluctuates over time and gradually declines over the four-decade period.

The number of young adults and middle-aged Kazakhs will show a modest rise between 1980 and 2020 but the largest gains will clearly be among older people. However, the population of some age groups fluctuates very erratically from decade to decade. For example, the number of people between 55 and 59 years was rising at a brisk pace until 1995 and then fell sharply, reaching an all-time low in 2001. Since then the number has been steadily increasing and the upward trend is expected to continue until 2019 when the population of this age group should reach a record number. Similar though less pronounced trends can be observed among other older age groups with the population of most reaching their maximum around 2020.

- The long-term decline in the population of children and teenagers can be associated with a drop in the number of women of childbearing age (15 to 49 years);
- The cyclical trends observed in the population of some age groups are mainly due to the large outflows of immigrants at certain times;
- The average number of people per household was 4.9 in 1980 and will fall to less than 3.4 by 2020. The fall can be attributed to various factors including smaller family size and an increase in apartment construction.

**Table 1 Key Population Trends 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Total	14,919	15,780	16,530	15,919	14,954	15,211	15,759	16,299	16,723	0.29	12.09
Male	7,186	7,612	8,004	7,695	7,172	7,274	7,530	7,789	7,996	0.27	11.27
Female	7,733	8,168	8,526	8,225	7,782	7,937	8,229	8,510	8,727	0.30	12.85
0-4 yrs	1,709	1,819	1,876	1,462	1,117	1,199	1,474	1,442	1,324	-0.63	-22.49
5-9 yrs	1,615	1,657	1,729	1,719	1,411	1,099	1,181	1,456	1,426	-0.31	-11.72
10-14 yrs	1,509	1,581	1,597	1,556	1,606	1,389	1,078	1,161	1,435	-0.13	-4.89
15-19 yrs	1,584	1,427	1,443	1,427	1,417	1,579	1,364	1,055	1,137	-0.82	-28.20
20-24 yrs	1,481	1,544	1,323	1,312	1,273	1,387	1,550	1,338	1,031	-0.90	-30.38
25-29 yrs	1,268	1,445	1,467	1,187	1,195	1,241	1,357	1,522	1,314	0.09	3.63
30-34 yrs	966	1,210	1,412	1,299	1,079	1,159	1,208	1,327	1,493	1.09	54.50
35-39 yrs	649	912	1,170	1,242	1,145	1,037	1,120	1,173	1,293	1.74	99.25
40-44 yrs	1,048	611	874	1,054	1,066	1,095	994	1,081	1,137	0.20	8.48
45-49 yrs	645	978	582	766	920	1,010	1,044	953	1,042	1.21	61.64
50-54 yrs	752	596	918	501	641	857	948	988	907	0.47	20.58
55-59 yrs	468	689	550	805	415	583	788	881	925	1.72	97.53
60-64 yrs	315	416	621	451	651	360	515	708	799	2.36	154.14
65-69 yrs	343	268	360	509	332	543	303	441	616	1.48	79.79
70-74 yrs	253	275	218	277	359	256	428	243	360	0.88	41.97
75-79 yrs	172	183	204	150	175	250	181	313	181	0.12	4.98
80+ yrs	142	169	185	201	151	166	225	218	303	1.91	112.81
Median age	23	25	26	27	28	29	30	31	32	0.80	37.75

Source: *Euromonitor International from National Statistics*

## Vital statistics

Birth rates, the number of live births and fertility rates all reached four-decade highs during the 1980s and have gone through several cyclical fluctuations since then. Birth rates fell throughout the 1990s but began to edge up again during the current decade. A gradual decline is forecast after 2010 and an all-time low will be realised by 2020. The number of live births fell steadily during the 1990s before reaching a new low in 2000. Births climbed between 2000 and 2010 but a gradual fall is expected throughout the next decade. Fertility rates declined until 2000 before dropping below the replacement level. They have risen in recent years and should be slightly above replacement (2.1 births per female) over the foreseeable future.

- Changing views on abortion are a major factor contributing to these fluctuations. According to government surveys, the abortion ratio (defined as the number of abortions per 100 live births) fell slightly during the 1990s but was still very high, ranging from 68 to 78. In the first years of the current decade, government statisticians observed a decline but also found that 37% of all pregnancies still ended in abortions;

- Policy makers have expressed deep concerns about the widespread use of abortion. Their findings indicate that more than 50% are preceded by contraceptive failure. To address this shortcoming, the government is actively promoting the dissemination of contraceptive methods throughout the country. There is a general assumption that the incidence of abortion will decline over the next decade;
- There is great variability in abortion practices by residence, region, education, and ethnicity. Women living in urban areas terminate 46% of their pregnancies while women in rural areas terminate 28%. Women of Russian ethnicity are almost twice as likely to terminate a pregnancy (49%) as Kazakh women (27%);
- Fertility rates differ widely with income. In 2007, the average number of children born to a woman in the poorest fifth of the population was 3.4 while the average for a woman in the richest fifth of the population was 1.2 and the national average was 2.3.

Age at first child birth declined throughout the 1980s and 1990s before beginning to rise slowly. The upward trend is expected to continue through 2020 but even then it will still be significantly less than the average for 1980. The average age of women at childbirth has followed a similar pattern, falling until 1994 and then beginning a long-term rise that is expected to continue through 2020.

- Women living in urban areas exhibit a growing preference for a smaller family size;
- Young families continue to migrate from rural areas, where birth rates are relatively high, to overpopulated cities with little affordable housing suitable for raising families. The government offers financial aid to these couples to encourage a baby boom, but few have actually received this assistance.

Both the number of deaths and death rates reached a low during the 1980s and then began to rise rapidly. The two indicators recorded new highs around the end of the 1990s before slowly falling once again. The decline is forecast to continue through 2020 although neither measure will approach the lows recorded during the 1980s.

- The healthcare system suffered greatly in the decade following the end of the Cold War. Quality deteriorated significantly owing to a sharp drop in funding and the loss of medical expertise as a result of emigration. Between 1989 and 2001, the ratio of doctors per 10,000 inhabitants fell by more than 15% and the availability of hospital beds declined even more dramatically. These conditions greatly contributed to the rise in deaths and death rates in the immediate post-Cold War era;
- The government continues to devote little to the maintenance and improvement of hospitals and other healthcare facilities. However, a new programme has been launched to increase funding to 4% of GDP by 2010;
- In principle, healthcare is free but bribes are usually necessary in order to obtain the necessary care;
- The country faces a looming health crisis from HIV/AIDS although the government has boosted spending to address the threat. The World Bank calculates that in 2010 growth of GDP will be reduced by more than 4% owing to AIDS.

Natural changes in population (defined as the number of births less the number of deaths) are positive but fluctuate widely over time. They currently amount to 142,070 per year and will gradually fall over the course of the next decade. Net migration has been negative since 1980 with very large outflows (200,000-300,000 per year) during the 1990s. As the economy has strengthened, the size of these annual outflows has fallen. Net migration will be around -40,000 per year over the course of the next decade.

Kazakhstan's central location has meant that it has long been heavily involved in the migration of people back and forth between Asia and Europe. Equally important is its historical use by Moscow as a place to send colonists, dissidents, and other minority groups. These people included Volga Germans, Poles, Ukrainians, Crimean Tartars and Kalmyks. Soviet-era policies were also

designed to encourage the movement of ethnic Russians to the periphery of the Soviet Union. As a result, Russians were the largest nationality (exceeding even the Kazakh population) in 1980, making up slightly more than two-fifths of the total.

After the fall of the Soviet Union, the German population of Kazakhstan emigrated *en masse*, lured by better economic prospects, ethnic ties to their original homeland and Berlin's generous programmes for resettlement. Among the Russians living in Kazakhstan, more than a quarter returned to Russia during the 1990s. The departure of such a large number of Russians had a particularly dramatic impact owing to their concentration in certain urban areas (particularly in Almaty which was then the national capital) and in specific occupations. In Almaty and a few other cities, Russians significantly outnumbered natives; they had their own cultural life, spoke their language freely and never had to learn the local language. They also enjoyed a privileged occupational status, accounting for a disproportionate number of managers, scientists, professors, engineering-technical specialists, and other high-wage, high-prestige professions.

Others left Kazakhstan for economic reasons or in search of a more open society. Kazakh communities can be found in the Baltic States (particularly Lithuania), in the Czech Republic where the government began targeting trained Kazakhs in the early part of this decade, in the Ukraine, in Russia itself and other transition countries with strengthening economies and shortages of skilled workers.

Kazakhstan has long been a major source of immigrants and is likely to remain so, but the government wants to attract more immigrants in order to boost its population. Policy makers have targeted ethnic Kazakhs living in neighbouring countries. Analysts estimate that the number of ethnic Kazakhs living abroad is between 2 and 5 million. To attract them, the government launched an assistance programme. Initially, returnees were given free housing but these funds were soon exhausted. The government continues to offer cheap housing, livestock, and financial aid. Government statisticians estimate that more than 300,000 have returned in the past ten years from Mongolia, Uzbekistan, Afghanistan, and China.

- To manage the immigration system, the government operates a quota system which allocates the returning Kazakhs to one of the country's 14 provinces. The quotas are very low however and in some years the number of returnees is 10-15 times greater than the official target. Unofficial returnees have difficulty registering for work, obtaining housing, access to education and medical services;
- Rough estimates put the number of unofficial returnees at around 400,000. Many are stateless;
- Many repatriated Kazakhs also encounter problems entering the job market due to their limited language skills. After decades living in China, Mongolia, or Afghanistan, they lack both the Russian proficiency needed for professional careers in the cities and adequate Kazakh to communicate in villages;
- A majority of these immigrants are forced to work in the informal sector, often in rural areas. They earn minimal wages and have little hope of assimilation into local society.

**Table 2** Vital statistics 1980-2020

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Birth rates	24.9	25.1	22.6	18.1	16.1	18.3	19.5	17.6	15.4	-1.20	-38.25
Live births ('000)	371.4	395.8	373.6	287.9	240.5	278.8	307.6	287.5	257.1	-0.92	-30.78
Fertility rates	3.0	3.0	2.8	2.2	1.9	2.2	2.3	2.2	2.1	-0.91	-30.56
Age at first childbirth	24.8	24.4	23.2	22.3	22.4	22.5	22.6	22.7	22.8	-0.22	-8.36
Age at childbirth	27.7	27.3	26.4	25.9	26.8	27.1	27.3	27.5	27.5	-0.02	-0.77
Death rates	8.5	8.0	8.5	10.7	11.5	10.3	9.7	9.1	8.9	0.10	3.93
Deaths ('000)	127.3	125.6	140.2	170.7	171.9	157.0	152.6	148.6	148.3	0.38	16.50
Net migration ('000)	-83.8	-82.3	-213.4	-322.5	-149.7	-18.0	-40.4	-40.2	-40.1		

Source: Euromonitor International from National Statistics

Note: Birth and death rates refer to the number per '000 population and fertility rates to the number of children born per female. Age at childbirth refers to average age of women in years.

## Growth of Urban Agglomerations

Kazakhstan is very sparsely settled with a current population density of just 5.7 people per square kilometre. There will be little change by 2020 when the density is expected to reach 6.1. The population is also unevenly dispersed. Most people live in the southeast and northeast of the country, whereas the west and centre of the country are largely uninhabitable.

Almaty, the country's largest city, is located on the southeast border near Kyrgyzstan. Qaraghandy is located in the north-central part of the country near the northern steppes. Astana is in the north-central portion of the country on the River Ishim. It is sited in a flat, semi-desert steppe region. Pavlodar, Semey and Oskemen are all in the north-eastern part of the country. Pavlodar is on the River Irtysh, about 350 kilometres northeast of Astana and 400 kilometres southeast of Omsk in Russia. Semey is about 700 kilometres from Omsk on the River Irtysh. Oskemen is a major mining centre east of Semey on the confluence of the Irtysh and Ulba Rivers. Aqtobe is in western Kazakhstan about 150 kilometres southwest of the Russian city of Orsk. It is located where the Kargala and Ilel Rivers meet. Qostanay is northeast of Aqtobe near the Russian border. In the south are Shymkent and Taraz. Shymkent is about 120 kilometres north of Tashkent, Uzbekistan. Taraz is near the border with Kyrgyzstan on the Taraz River.

Almaty was the capital from 1929 to 1998 and continues to grow at a steady pace. It is still the country's major commercial and financial centre. There is a modest tourist industry and the city will host the 2011 Winter Asian Games. Driven by oil revenues, Almaty is booming only a few years after losing its status as the national capital. The population grew slowly in the 1980s and 1990s but migrants are now flooding in to fill jobs in construction and light industry. Much of the city's transport infrastructure is being modernised and an underground subway system will be introduced.

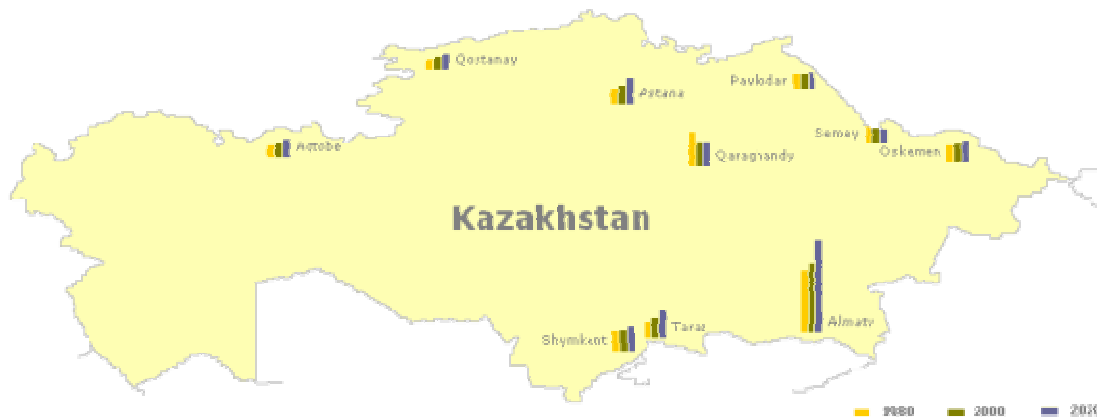
Qaraghandy, the capital of Qaraghandy Province, is presently the country's second largest city but its population has been shrinking for more than two decades and it will be the fifth largest by 2020. In the years after the Second World War, up to 70% of the city's population consisted of ethnic Germans, most of them Volga Germans who were deported to Kazakhstan on Stalin's orders. Most of these people and their descendents have now immigrated to Germany. Qaraghandy is an industrial city built near large coal deposits but its attractions have waned as oil has assumed greater prominence.

Astana, the current capital, is the country's fastest-growing city and will be the third largest by 2020. Migrant workers – both legal and illegal – are drawn to the city from across Kazakhstan and neighbouring states such as Uzbekistan and Kyrgyzstan. Astana is also a magnet for young professionals. All this has changed the city's demographics, bringing more ethnic Kazakhs to a city that formerly had a Slav (Russian) majority. Politics and government are the main economic activities in the capital, which boasts a special economic zone. Since its establishment as the capital, Astana has become a massive building site with government buildings, a huge home for the president, mosques and numerous parks and monuments.

Aqtobe is the country's second fastest-growing city after Astana and the capital of the province by the same name. Located on the Llek River, it is home to a mixed ethnic community of Kazakhs, Russians, Ukrainians, Tartars, Uyghurs, Chechens, Armenians, Jews and Greeks. Aqtobe has a fast-paced apartment-building boom as a result of the expansion of the oil industry and immigration from nearby villages. The construction boom is connected with the general economic growth in the province and in Western Kazakhstan. Agriculture and ranching are especially important to the city's economy and that of the surrounding province. Some of the fastest-growing industries involve food processing. However, the major engine of economic growth in Aqtobe is the development of energy resources. The Chinese National Petroleum Company is investing heavily in nearby oil and natural gas extraction facilities.

The urban areas of Kazakhstan are still mainly inhabited by Slavs (primarily Russians) rather than Kazaks. About three-fifths of all Kazakh families live in rural areas. Urbanisation is more the result of immigration by foreigners rather than movement of Kazakhs from the countryside to the cities. Almaty is the only major city where Kazakhs represent roughly half of all inhabitants.

**Chart 4 Major cities: 1980, 2000 and 2020**



Source: Euromonitor International from National Statistics

**Table 3** Population of 10 biggest cities 1980-2020

Number	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Almaty	971,484	1,021,893	1,086,104	1,069,003	1,079,230	1,158,152	1,258,515	1,360,457	1,458,056	1.02	50.09
Qaraghandy	564,167	532,727	504,227	448,979	409,343	399,315	396,867	395,616	393,512	-0.90	-30.25
Shymkent	325,308	353,496	381,266	355,251	340,774	349,274	364,225	379,951	394,237	0.48	21.19
Taraz	268,072	286,429	309,053	308,830	316,197	343,561	376,821	410,782	443,392	1.27	65.40
Astana	233,734	255,592	281,958	288,147	300,794	332,215	369,062	406,797	442,771	1.61	89.43
Oskemen	280,264	301,620	323,663	304,650	294,665	304,739	320,211	336,439	351,891	0.57	25.56
Pavlodar	278,461	304,749	329,121	301,209	283,268	284,796	292,028	299,711	306,502	0.24	10.07
Aqtobe	196,710	225,942	254,976	244,351	240,803	252,772	269,708	286,836	303,304	1.09	54.19
Semey	275,877	297,071	314,904	278,496	252,137	244,167	241,018	238,430	235,314	-0.40	-14.70
Qostanay	175,739	200,582	225,274	214,734	210,410	220,055	233,669	247,814	261,091	0.99	48.57
TOTAL	3,569,816	3,780,101	4,010,546	3,813,650	3,727,621	3,889,046	4,122,124	4,362,833	4,590,070	0.63	28.58
% of total population	24	24	24	24	25	26	26	27	27	0.34	14.71

Source: Euromonitor International from National Statistics

## Population by ethnicity

Kazakhstan is a diverse country inhabited by more than 100 ethnic groups. Kazakhs themselves were less than a majority in their own country until 1998. Today, they account for two-thirds of the total population and in 2020 will make up 72.5%. Russians currently make up 22.1%, down from 40.3% in 1980. Germans were the third largest ethnic group in 1980 but their numbers fell steadily over the next two decades and will continue to drop in the future.

There is also a large community of Chechens in Kazakhstan. Originally, many were deported by Stalin who claimed that they were Nazi collaborators. More arrived as refugees in the 1990s, fleeing the war with Russia. Other minorities include Ukrainians, Kurds, Koreans and Central Asians.

Many Uzbeks enter the country as migrant labourers, crossing the border from northern Uzbekistan to southern Kazakhstan. These people frequently become full-fledged immigrants, and if they are ethnic Kazakhs or related to Uzbeks who are already citizens of Kazakhstan, their transition to “unofficial” residents is made easier. The birth rate among traditional Kazakh and Uzbek families is much higher than the national average, with families of five to eight children being commonplace.

These groups live in relative harmony for the most part, though ethnic Russians resent the lack of dual citizenship and having to pass a Kazakh language test in order to work for government or state bodies. Many of the non-Kazakh people have met attempts by the government to make Kazakh the central, dominant culture of Kazakhstan with disdain and quiet, non-violent resistance.

The official language is Kazakh, a Turkic language of the Qipcak group. Russian is the language of international communication but in recent years English has become a business language in Kazakhstan and its use continues to spread. Presently, Kazakh speakers in the country write in Cyrillic but the government is considering a conversion to Latin script. The move is seen as a way of furthering Kazakhstan's decolonisation and more deeply integrating the country into the global information economy.

**Table 4 Population by ethnicity 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Kazakhs	4,981	5,751	6,674	7,359	8,224	9,406	10,507	11,423	12,126	2.25	143.45
Russians	6,012	6,171	6,205	5,499	4,321	3,699	3,304	3,021	2,805	-1.89	-53.35
Uzbeks	267	301	339	362	377	410	442	470	491	1.53	83.76
Ukrainians	877	893	888	767	509	366	287	241	213	-3.48	-75.71
Germans	1,348	1,180	908	520	332	248	197	164	142	-5.47	-89.45
Tatars	308	322	332	303	241	206	185	170	159	-1.64	-48.48
Belorussians	174	179	182	160	103	72	54	43	37	-3.79	-78.68
Other	952	984	1,002	949	846	804	783	766	750	-0.59	-21.17

Source: Euromonitor International from National Statistics

## MARKETING SEGMENTS

### Children & teenagers

The number of children and teenagers reached a maximum in 1989 and has been falling ever since. It should reach a new low in 2012 before rising slightly over the remainder of the next decade. In 1980, this generation accounted for 43.0% of total population and by 2020 its share will drop to 31.8%.

- Education is mandatory from the age of six through 16 years. Primary and secondary education are free and the government estimates that 98% of school-age children are enrolled;
- Most schools are under-financed. Owing to a lack of facilities and teachers, a number of schools run three sessions per day, forcing some students to attend school as late as 10 PM;
- The government provides several types of financial benefits to families with children. Since 2003, it has paid a benefit with the birth of each child. Since 2005, two other benefits have been available. One is for childcare paid for the first year after birth and is provided regardless of the family's income. The other is for all children up to the age of 18 and is paid to all low-income families;
- The minimum age for employment is 14 years. Legally, children may only be employed part-time (5 hours per day) in work that is not physically onerous;
- In practice, children are increasingly involved in many forms of economic activity – both legal and illegal. Children can be found begging, loading freight, delivering goods and working a wide variety of other menial jobs;
- 33.9% of males between the ages of 15 and 19 are economically active. The corresponding figures for females is 26.8%;
- A majority of the teenagers who work are employed in the informal sector or in agriculture. In both instances they earn rather modest wages;

- In 1993, teenagers between 15 and 19 years accounted for 5.5% of total gross income and in 2015 their share will be 7.2%.

Education is a key factor in determining employment. However, many working teenagers have already left the education system. Their jobs provide only modest earnings and their prospects are not bright. In contrast, those that continue their education will have very bright earnings prospects in the future.

**Table 5 Children & teenagers 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Babies/infants (0-2)	1,029	1,121	1,146	807	639	770	923	830	784	-0.68	-23.77
Female	507	550	562	394	311	376	450	404	382	-0.71	-24.71
Male	522	571	583	414	328	394	473	425	402	-0.65	-22.87
Kids (aged 3-8)	1,983	2,030	2,124	2,035	1,585	1,291	1,513	1,799	1,674	-0.42	-15.57
Female	977	1,003	1,047	998	774	629	739	878	816	-0.45	-16.50
Male	1,005	1,027	1,077	1,037	811	662	774	921	858	-0.40	-14.67
Tweenagers (9-12)	1,215	1,291	1,311	1,292	1,274	1,035	848	997	1,177	-0.08	-3.13
Female	601	638	650	636	624	505	413	487	575	-0.11	-4.36
Male	614	653	661	657	650	530	435	510	603	-0.05	-1.93
Teenagers (13-19)	2,190	2,042	2,064	2,029	2,054	2,171	1,814	1,489	1,688	-0.65	-22.95
Female	1,081	1,007	1,011	1,009	1,010	1,065	886	725	824	-0.68	-23.81
Male	1,109	1,035	1,053	1,020	1,045	1,107	928	764	864	-0.62	-22.12

Source: Euromonitor International from National Statistics

## Young adults

The population of young adults has fluctuated up and down, rising in the 1980s, falling in the 1990s and rising once again during the present decade. The number will continue to rise until some time around 2014 before edging down over the remainder of that decade. In 1980, young adults made up 29.3% of total population and in 2020 they will account for 30.7%.

- The government introduced a generous programme of educational subsidies to college students in 2005. Many entering students have their tuitions paid while the better students now get a much larger stipend;
- Young adults are the group most affected by the looming AIDS epidemic. More than half of all cases being reported occur among people between 20 and 29 years. Nearly 80% of the people are males;
- Young adults claimed 67.4% of total gross income in 1993 and in 2015 their share will be 44.4%. They command good salaries and are in demand by business and industry. Their share in total income will decline over time but this is largely due to the fact that many will “graduate”, becoming middle agers by the end of the time period. However, they will continue to be high earners in later years.

This generation was much better positioned than their older colleagues to prepare for economic transition that followed the fall of the Soviet Union. Those that live in urban areas have adequate education and often speak two or even three languages. They are avid consumers of personal products, electronics, clothing, travel and entertainment.

**Table 6 Young adults 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Population aged 20-29	2,749	2,989	2,790	2,500	2,468	2,628	2,907	2,860	2,345	-0.40	-14.69
Female	1,361	1,485	1,383	1,242	1,245	1,313	1,438	1,410	1,151	-0.42	-15.40
Male	1,389	1,504	1,407	1,257	1,223	1,315	1,469	1,450	1,194	-0.38	-14.00
Population aged 30-39	1,615	2,122	2,582	2,541	2,223	2,196	2,328	2,499	2,785	1.37	72.47
Female	817	1,074	1,299	1,288	1,139	1,127	1,197	1,268	1,394	1.34	70.55
Male	798	1,048	1,283	1,253	1,085	1,069	1,131	1,232	1,391	1.40	74.45

Source: *Euromonitor International from National Statistics*

## Middle-aged adults

The number of middle-agers has been steadily rising since 1980 and the upward trend will continue through 2020. In 1980, this generation made up 21.6% of the total and by 2020 it will account for 28.8%.

- More than one million middle-agers lost their jobs in the restructuring that followed the break-up of the former Soviet Union. Large pockets of unemployed are concentrated in certain districts and regions owing to the closure of Soviet-era factories. Many of these people have either been shunted into poorly paid menial jobs or forced into early retirement;
- Many of the industries in which this generation worked were Soviet-era factories which have now been closed or scaled back. The job experience which this portion of the workforce amassed in previous years is little demanded today;
- Analysts estimate that unemployment rates among this generation are at least twice the national average. Over the medium term, this disparity is expected to be reconciled, especially if policy makers can channel more investment (including FDI) into non-energy sectors;
- The prospects of this generation will improve over time as today's better-trained young adults become middle-agers. Middle-agers accounted for 24.5% of total gross income in 1993 and will claim 38.8% of this total in 2015.

Kazakhstan's middle-aged generation was never rich. They also bore a disproportionate burden during the restructuring that began in the 1990s. They are conservative spenders who pass much of their free time at home or with their families. As more high income workers enter this generation in the future, this market will become much more attractive.

**Table 7 Middle-aged adults 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Population aged 40-64	3,227	3,290	3,546	3,578	3,694	3,905	4,289	4,611	4,810	1.00	49.04
Female	1,767	1,789	1,894	1,898	2,009	2,132	2,350	2,528	2,618	0.99	48.14
Male	1,460	1,501	1,652	1,680	1,684	1,773	1,939	2,083	2,192	1.02	50.13

Source: *Euromonitor International from National Statistics*

## Older population

The number of elderly will steadily rise between 1980 and 2020. At the beginning of this period, this generation will make up 6.1% of total population and 40 years later it will account for 8.7%.

- In 1997, officials began to replace the country's inefficient pay-as-you-go pension system with individual pension funds managed by the National Bank. Nearly all funds are now privately run and more than 85% of workers participate. Employees and the self-employed pay 10% of their earnings into mandatory retirement accounts;
- The government has raised the retirement age to 65 for both men and women (up from 63 years for men and 58 for women). The change was necessary but is believed to have substantially increased the pool of hidden unemployed;
- In 2005, the government granted pension increases of up to 30%. These were phased in between 2005 and 2007. Pensioners whose payments are below a minimum also receive social assistance payments;
- The extended family system is very prominent in Kazakhstan. The elderly often live with their children and grandchildren. Traditionally, the youngest son in an ethnic Kazakh household is expected to remain at home until his parents die. He may marry and have children but he will also be the primary caregiver for his parents. The extended family system also extends to cousins and second cousins;
- In 1993, the elderly accounted for 2.6% of total gross income and in 2015 their share is forecast to be 9.6%. The increase is largely the result of the greater number of elderly and the higher proportion of those who continue to work. Most, however, will be employed in menial or low-paying jobs. The higher percentage does not reflect any significant gains in per capita earnings.

The economic status of the elderly has suffered severely during the post-communist era. Many lost their jobs prior to retirement. They have little wealth to support them and few skills that can be used now to supplement their modest earnings.

**Table 8 Older population 1980-2020**

'000	1980	1985	1990	1995	2000	2005	2010	2015	2020	CAGR %	Period Growth
Older generation (65+)	910	895	967	1,137	1,017	1,214	1,137	1,214	1,459	1.19	60.30
Female	621	623	679	760	671	791	757	810	967	1.11	55.75
Male	289	272	288	377	346	424	380	404	491	1.34	70.07

Source: *Euromonitor International from National Statistics*