

# Sustainability through Self-Restriction: Livelihood Strategies of Urban Households in Kazakhstan

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**Abstract**—Urban life is characterized by rapid changes and high influence of market institutions on livelihood strategies of households to get sustainability, especially in countries of former Soviet Union challenged transformation of economy to the market type. Moving from socialistic worldviews to capitalistic ones which as usual regulated by free markets has been enough big challenge for households in urban area, which have to face with adaptation to new systems. Influence of market institutions on everyday life and planning system of households can destroy traditional household dispositions of the sustainable managing of a family budget. New changes of economy system can lead to splitting up large social networks and appearing new risky livelihood strategies of households. Urban households from Astana that is the capital city of Kazakhstan were interviewed within international research project “Livelihoods Strategies of Private Households in Central Asia. A Rural-Urban Comparison in Kazakhstan and Kyrgyzstan”, which enables to explore urgent issues of livelihood strategies of urban households in current Kazakhstan under influence of the spreading of market institutions from the micro level research focus of their everyday life.

**Keywords**—Market institutions, Sustainability, Transformation economy, Urban households.

## I. INTRODUCTION

**K**AZAKHSTAN like other post-soviet countries has experienced great transformation from Soviet system of economy relied on strict planned economy totally controlled by state to the free market economic system. The national economy of Kazakhstan characterized by mass mining production of oil-gas creates great conditions for foreign investments and growing international markets within the country. At the very moment Kazakhstan is the leader of Commonwealth of Independent States by the volume of foreign investments, which increased from 2003 to 2012 almost over fourfold [1]. The current volume of foreign investments of Kazakhstani economy is over 170 billion USD. Also Kazakhstan was the first to do triple the rate of GDP from the level of 1990 among all CIS states [2]. The mining of natural resources such as oil, gas, coal, non-ferrous metallurgy, uranium, etc. provides sustainable growth of Kazakhstani economy and gradually lets Kazakhstan to get leading positions in Central Asia region economy and to have the most rapidly growing economies among all post-soviet countries. Nevertheless, the huge macroeconomic achievements of economy and transformation process in

macro level could not reflect the changes in everyday life of ordinary urban households, which have to adapt to living in new market conditions and to provide themselves with sustainable growth. The problem is the disability of macroeconomic data of official statistical institutions to embrace changes of everyday life and planning of ordinary households in micro level, where sustainability in urban space can be achieved by a very different kind of livelihood strategies of households surrounded by new market institutions. Thereby the main research question is: How can urban households in Kazakhstan get sustainability in their everyday livelihood strategies in transforming economy conditions?

Sustainability means an ability of maintaining certain positions within current systems and growing conditions of transforming societies like Kazakhstan from socialism to capitalism. The notion sustainability is considered by households through focus of their own situation. Every household tries to get sustainability during its adaptation to the market, but the problem is in determining the most important factor to reach its own sustainability among households. Let's disassemble the types of sustainability according to common definitions: human sustainability (maintaining level of education, health or improving human characteristics), economic sustainability (maintaining own economic situation), social sustainability (maintaining the status, social networks and relationships in society), environment sustainability (maintaining biophysical conditions, protecting natural resources and ecological conditions of living) [3].

## II. SUSTAINABILITY OF URBAN HOUSEHOLDS IN KAZAKHSTAN

Urban households in Kazakhstan have experienced certain changes in their economic behavior and everyday housing dispositions during the adaptation to new transformational changes in economy and building internal national markets. Official statistic data concerning social-economic indexes of household's level of life quite often use average indexes like the structure of household's average income and expenses, use individual indexes to measure consumer ability of products and non-product goods, do not count pension taxes and income taxes in measuring of income and expense indexes [4], that to some extent give restricted data for considering dynamics and peculiarities of adaptive strategies of private households. According to Tax code of RK, the standard sum of obligatory income tax is 10% from a salary, and compulsory pension taxes are also consist of 10% from a salary [5]. The statistical data give only common view of the household's level of life without taking into account such very

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important types of expenses for households. As well as counting the condition of any average household in the country we should keep in mind that significant part of households like in other post-soviet countries live at risk of poverty and in uncertain economic conditions [6]. In this connection the definition of A. Kettle concerning the statistical calculations of an "average man" (in our case it is household) like a contradictory action, which seeks to describe individual actions of people built in private sphere through the fact of statistical regularities of human actions, which are set of certain attributes is getting once more urgent [7].

The appearance of new market institutions forced Kazakh households to more rapidly engage in transformational process. The nucleation process of urban households and more predominance of market rules among social interrelationships, gradually individualization of households led to breakdown of large social networks [8]. The Kazakh households had to learn new practices for them in order to adapt to new conditions. Following to patterns of capitalism in Western countries based on the theory of money and exchange, establishing common exchange equivalence and growing of credit institutions rooted in the activities of small bourgeois and users [9], we can emphasize that without these types of gradually acquired market dispositions Kazakh households have to adapt to new rules and change some traditional values, which are getting old fashioned in contemporary life.

### III. CONCEPTUAL FRAMEWORK

Urban households build up their livelihood strategies depending on the forms of capital they have. Poor households chose more priority form of the capital (financial, natural, physical, human, social) according to own ranking them and necessity at the moment. These models of capital were derived from Sustainable Livelihood Approach concept (SLA), which is applicable for most transit societies [10]. Kazakh households also had to change or redistribute their main priorities concerning the gathering certain forms of capital when they had faced with adaptation difficulties to market relationships. For example, financial and physical capitals of households have been more significant in current life of households during the adaptation. Nowadays it is not possible to determine cost of life and prosperity of Kazakh households only by measuring their financial capital like money and savings because some households rely on other types of capital like health, employment, education, relatives, natural resources and etc. in building their livelihood strategies to get sustainability [10].

The accumulation of new market institutions in big cities is a cause for rapid development of economic activity of city population and for more using "rational calculative dispositions" by urban households, which have to live and get sustainable within new market economy [11]. Therefore big cities are getting centers of new economic dispositions in transition societies, which offer people to work for themselves, individualize and break away from old traditional restrictions. Certainly, this process is going under the huge flows of internal migration. Comfortable house dwellers in

urban area adapt quicker to calculative dispositions because the housing conditions of new apartments facilitate to self-sufficiency, nucleation of households and atomization of person's action. The main argument to the success of calculative dispositions in city is that anyone might not know anyone from environment within the social-territorial conditions of a city [7].

The tendency of growing urban population in Kazakhstan caused by high level of rural out migration flows to cities because of higher cost of living in a city and more possibilities to get sustainable positions for households. Newcomers to a city have to obey to market economy rules, which lead to collapse of some norms and mentality schemes of traditional worldviews (labor distribution in a household, making main decisions, breaking away from relative networks, etc.) [7]. Households have to create and find for themselves new livelihood strategies and follow the calculative dispositions (diversify income sources, credit operations, saving strategies) under the pressure of material needs. For example, a young family with a middle income level that has just moved to a city seeks to formalize mortgage and minimize their monthly expenses for renting a flat. In that case the family cannot take the mortgage with high interest rates (20-25%) and redeem a lot of money to bank, but they strive to calculate and count their expenses for a long time in advance. Thus the necessary needs like shelter, food, clothes, work form calculative dispositions among households during the adaptation to market environment [7]. Thus there is formed "fatalistic resignation" of the market conditions, which also can reflect in employment strategies and credit behaviors. In other words, disparity situation makes households recognize a failure in solving certain issues and lead them consciously to start harmful and parasitic actions, which gets more natural and habitual for them in further [7]. The migration to cities and desire to relax from collective press in village (take into account of anonymity factor in urban area) erode more the traditional values and enable to transmutation of traditional values [7].

According to Chilean scientist Hernando de Soto at the time of global growth of urban population all over the world and strengthening flows of rural migrants to cities, developing countries and 3rd world countries have just been experiencing a period of industrial transformation, where people are shifting from rural to city civilization [11].

### IV. METHODOLOGY

The approach of using private, biographical and narrative prisms during the learning relationships, networks, social capital and life experiences of urban households in Kazakhstan afford us to gradually consider social changes and transformational process from micro-level of society and make "micro-translations" of households' behaviors and actions [12]. According to Collins it is necessary to pay attention to micro-elements of society in order to detailed exploration of macro-sociological processes [12]. In our case households are the micro-elements. Social reality is considered as series of micro-experiences, which construct the main objects for

macro level analysis as well [12]. Hence, in order to get the whole picture of sociological processes it is necessary to pay attention to micro-situations and micro-experiences like people activities instead of to work with macro-concepts that could not lead to grassroots of everyday social life, but also tend to neglect them in search of plain theoretical generalizations.

The conducted narrative interviews with private households of Astana city gave us much deeper answers for analysis of ongoing changes during the adaptation process in households' everyday lives and livelihood strategies to get sustainability within international research project [13]. The sampling of respondents in qualitative research stage of private households of Astana city is comprised of 40 people, who were representatives of households. We get focused on the capital of Kazakhstan Astana city because the city has more rapid transformation rates and such a big influence of market institutions crowded in the city in comparison with other ones in the country. Mainly the interviewees were women because mostly women in Kazakh households have deal with running the family budget and distribution of goods. The target group included multi-generational households as well. Thus it was supposed to learn different forms of capital of private households and their main resources for overcoming life difficulties.

According to our research question the narrative interview gives opportunity to comprehensively obtain biographical events experienced by interviewee and members of his/her household, current position of this household, influence of vital factors like transformation of economy and increasing of market institutions on the everyday dispositions of household's members. For example, during one narrative interview we can see the dynamic of changing the values orientations and attitudes to social capital of households in temporary-spatial dimension. The most important, how do each household interpret their economic situation and sustainability, which in some cases are not material profit oriented and mismatch with the concepts of rational action of western scientists. The narrative interviews were maximally deepened and to some extent looked like in-depth interviews because we sought to avoid common disadvantage of narrative interview, which according to opinions of some researchers reveals conscious intentions and unconscious cultural and individual preconditions and processes at the same time due to surplus of the life stories [14]. The conducted narrative interview held by a guide consisted of 13 questions and took from respondent about 45-60 minutes of his/her private time.

The narrative interviews had a semi-structured form according to our guide of the interview and were directed to reveal the next topics: biographies of private households; everyday life and employment of household's members; the resources and forms of capital of the households and the barriers in the way get over them; the relationships with other households, state and non-state organizations located on different social hierarchies; exploring networks and interrelations inside of these networks, which include the households; household's methods of coping with social-

economic difficulties; main motives of using market institutions. Interviews were recorded on digital recorders and then were transcribed and analyzed in MaxQDA 2007 software.

## V. RESULTS AND DISCUSSION

### A. How Kazakh Households Understand the Sustainability

According to our data households expressed options of their vision of sustainability, therefore we can classify an expression of sustainability among households by this scale: the economic sustainability of households is the most popular expression of sustainability; then social sustainability is important for households in forms of maintaining good relationships with neighbors and relatives; mostly urban households use human sustainability; there were not ideas of environment sustainability among surveyed urban households in Kazakhstan at all. As a society from transitional period, particularly after harsh economic crises Kazakh households have certain financial problems and the most of them continue to cope with poverty. Many urban households gave responses reflected households' issues of the day that are financial problems because economic sustainability dominates the other forms. The unemployed women A.I. from Astana city noted the importance for household to get savings at home:

*I think that should be saved money in the family, and this protects family from crisis. If you have money you will feel better. To feel good it should be saved up or put away for about 350 USD. I think if there is 350 USD, it's okay. But when I had less or no money, well it is, I used to get nervous. (Int. A.I., unemployed, female, 42 years old)*

Social sustainability is urgent for urban households as well. This type of sustainability is not so wide spread like economic one. In this point households consider sustainability like reciprocity and mutual helps with relatives [15]. In case teacher of University in Astana R.I. there is enough strong social capital of friends, who can provide their mutual help any time.

*In many ways, our friends help us. For example, my friends promise to help with the construction of the house, if we build the house. And another example, one friend says, if we built the house, the furniture of one room he would take on his shoulders, the other says that the construction of something he would take on his shoulders also. (Int. R.I., teacher at University, female, 35 years old)*

Mostly human sustainability dominates among urban households since only a city can provide necessary institutions, which give a chance for maintaining and improving human capital. For example, they can be language courses, training courses, swimming pools, modern health and recreation facilities, leisure places, etc. Also the oversaturation of schedule and a lot of stress situations, as well as isolation of households from huge social networks, which can influence them psychologically are one of the causes of using human sustainability by households. Therefore urban households compensate scarce of social capital by improving of human one. That way the project manager S.M. strives to provide her

daughter with a lot of options to get additional knowledge and skills, and invest money in daughter's education:

*Children are our future. If she wants to sing, she will sing, if she wants to dance, she will do it. She wants a lot. One time she was carried away by drawing, we were exploding (had no time). Now, as I have to pay mortgage, we stopped. We changed the school. The level of education in the new school is better. English is taught hard. In the previous school English was taught from the 5-th grade. We have just started its study. We hired tutors, but were in confuse situation. We paid a lot of money. I damned with all tutors. Now my niece teaches English to my daughter because my niece studies at university to be English language specialist (Int. S.M., project manager, female, 40 years old).*

The environment sustainability is not wide used by urban households. The probable cause of this behavior might be livelihood strategies of households, who firstly care about sustainable situation concerning essentials (food, shelter).

#### *B. How Households Reach the Sustainability*

Many households use several methods and ways to maintain sustainable situation. Mostly it is self-restriction of households in consumption of certain goods and services. Thus gradually improvement of households' welfare reflects their settings of returning to or temporal being at crisis situation in order to reduce expenses through self-restriction of own consumer needs, which are growing anyway owing to inflation or other growing needs of households (paid education, taxes). The young University teacher M.F.'s household consist of him and his wife seeks to get sustainability only through economizing family budget on food and leisure.

*We overcome these everyday problems owing to restricting ourselves with food in places of entertainment and going out to the leisure. For example: we can refuse from cinema and some delicious things and fruits. We have to refuse from going to the cinema so much and also premieres of some new movies. Also we don't go to other entertainment places like bowling centres, restaurants, cafes, SPA and massage cabinets. I want to go to the efficiency English courses with high qualified teachers, native speakers, but I can't afford such expenses. We buy our clothes on the Shanhai (the bazaar at the outskirts of Astana), although we would do shopping in the trade centres and boutiques. We seek to economize the expenses. We restrict ourselves (Int. M.F., teacher at University, male, 26 years old).*

Some households try to get more income sources and to reach sustainability of households through dealing with employment issues. This kind of maintaining of sustainability dominantly is used by urban households because of their great possibilities in labor market.

Households also try to save money for rainy days at home or on bank deposits in order to be more sustainable. The saving of small amount of money, particularly at home is so typical for middle aged households, which were socialized in Soviet period, while doing savings is more frequent practice for young urban households, which prefer to save money on deposit accounts for a long time. The young reception worker

N.M. lives with parents and 3 sisters, and she is not the holder of family budget, but she does some savings in a bank in order to get some profits from her own investments in the future in case of urgent expenses for her own wedding or buying a car:

*I don't make unnecessary expenses to make my household more secure and I save all money on deposit account at Zhilstroyberbank. Now I realize that I infringe upon myself. I know that if I save up a little bit but not to spend everything I earned, I will have benefits from it in the future. I'm going to buy a car. Also I have other plans. For example, I want to carry a wedding using my own money (Int. N.M., reception worker at hotel, female, 22 years old).*

Urban households also have options to keep sustainability through reciprocity [15] actions directed to maintaining a social capital. This way is widely used by urban households, but mainly among multi-generation households and households with members elder than middle age, which saved traditional forms of social capital and feel obliged to give support to all relatives as does University teacher R.I., who lives in multi-generational family with retired aged father, husband and two sons:

*If you have money, you can help the family, parents, and then you will feel free. In this case, it is correct (Int. R.I., teacher at University, female, 35 years old).*

The way of keeping sustainability through improving a human capital is urgent as well, because there is possibility to make stable situation of households at the labor market by developing certain skills as to escape risks to get urgent illnesses or treatment expenses through improving health. This kind of sustainability is quite often used by urban households due to their institutional environment which constructs such type of behaviors. The household of ordinary budget workers with the middle income that consists of 4 people (2 parents and 2 daughters), also using livelihood strategy of investing in children's education to get sustainability:

*Now the most important is education of the child, we will take additional paid lessons at school. (Int. B.M., translator in budget organization, female, 34 years old)*

Keeping sustainability of households through using the elements of natural capital like cattle, garden, dachas are not dominantly approaches for urban households, which can reduce their own expenses by consuming own products (milk, butter, vegetables, etc.). But it is feasible only for urban households, who live in land house as does G.Z., who lives at the outskirts of Astana with his wife and has possibility to gain harvest from vegetable garden every fall:

*I am engaged in gardening and cultivate the some kinds of vegetables and trees. I planted potatoes in spring. It will be enough for us until December. We plant them in order to provide our household with food for everyday using (Int. G.M., construction worker, male, 45 years old).*

Getting sustainability through starting once own business or investing money in certain projects also gives possibility to households to cope with temporal problems. Thus this way of reaching the sustainability is feasible only for households with certain capital (cattle, flat, transport, business, etc.) as M.K.'s household, where M.K. has her own business and deals with

investments in financial projects to get profit to strengthen sustainability of the household, while her husband works at the plant in other city 350 km. far from Astana:

*Currently everybody cares for only financial part. For example, if you are ill you should get treatment. Money is needed everywhere. Therefore, from the morning till the night my head is jammed by one question: "How to make money?" In case of urgent financial necessity, I have real estate and I can secure my family by selling the property and cars. I prefer to invest in real estate (Int. M.K., businesswomen, female, 48 years old).*

#### *C.Plans of Households Concerning Sustainability in the Future*

Children's education, solving housing problems and employment problems are the most popular long term plans of sustainable growing among households. According to settled values of Kazakh society next generation or children are the most priority things in life of each household. Thus households always try to make their children not to lag from their mates even if they risk through taking credits for this. Currently parents are obliged to give higher education to children and to make their wedding according to such principles. With growing of commercial educational institutions and gradually rising of prices for education households seek to do the best for planning a future education of children in advance, when they are pupils. Thereby they reduce risks of huge expenses for education in future.

Households try to make their housing situation more sustainable in similar way. Due to the scarce of means for buying house at once households have to take mortgage, which as usual has long term payment system (15-20 years in average). Therefore households usually consider solving of housing problems in long term perspectives even they are not able to cope with their short term problems (everyday expenses, essential needs, etc.).

Many households hope to improve their situation in the future through solving employment problems of members. Some urban households hope their children get high paid work in the future and help the household to get sustainability.

## VI. CONCLUSION

Many urban households have plans concerning their future sustainability only in short terms because of the lack of possibility to do savings or not having stable income, that is mostly they use ways of reducing consumption or restriction of their own expenses. But taking into account increasing services of market institutions these post-transit societies are not able to totally restrict themselves from growing phenomenon of consumption. For example, households can reduce their outcomes for clothes or utilities, but they are not able to regulate growing prices for goods, utilities or transport services. Thereby the flavor from their self-restriction gradually loses its value due to the inflation process. Nevertheless long term plans of households concerning to reaching sustainability are differ from short term ones. Currently such kind of households is minority of society and

mostly they have stable financial situation, while the majority of people keep their coping with short term problems. Therefore they are not able to build up long term plans to get more sustainable in the future. Received dates indicate that possessing certain long term plans to be sustainable and doing some actions to reach sustainability are different things among Kazakh households. Mostly poor households can have a certain plan concerning sustainable developing, but indeed do nothing to get it (make savings, investments), therefore these plans remain just like illusions (not landed to reality) and could not ensure sustainability of households in the future.

Insufficient financial possibility of poor urban households to escape stress or shock situations, as well as continuity of their chaotic livelihood strategies due to the absence of possibility to do savings make households restrict themselves in consumption, investments for improving health and education of household's members [9]. This restricted consumption often leads poor households to consumption in credit, which immerses them to deeper stress situation.

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