

Measuring the Middle Class in Kazakhstan: A Subjective Approach

Maria Grazia Pittau and Roberto Zelli

Abstract

This paper proposes a model-based approach to estimate income boundaries for identifying the middle class in Kazakhstan over 2003–15. The approach exploits the subjective evaluation of Kazakhstan households about their social status, relating self-declared social class membership to income. Income data come from the Kazakhstan Household Budget Survey, which also includes a specific module on quality of life and perceived social status. As social status is intrinsically an ordinal response, the paper estimates a proportional odds model with income as the key explanatory variable. Although other factors influence the self-perception of being in the middle class, income is by far the most important determinant. Benchmarking on 2013, the estimated middle class lower bound is \$14 at 2011 purchasing power parity and the upper bound is \$52. The Kazakhstan middle class has increased massively in size and income concentration. The increase is essentially due to a growth effect rather than a redistributive cause.

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