Population and Economics

Population and Economics 9(1): 1–24
DOI 10.3897/popecon9.e124304

RESEARCH ARTICLE

Living with Credit and Installment Plans: The Situation in a Southern Kazakhstan

Murat O. Nassimov [1]

1 *Korkyt Ata Kyzylorda University, Kyzylorda, 120014, Kazakhstan*

Received 30 March 2024 ♦ **Accepted** 9 June 2024 ♦ **Published** 12 February 2025

Citation: Nassimov MO (2025) Living with Credit and Installment Plans: The Situation in a Southern Kazakhstan. Population and Economics 9(1):1-24. https://doi.org/10.3897/popecon.9.e124304

Abstract

In modern developed economies, the prevalence of credit usage and installment plans has become a notable feature of consumer behavior. Understanding how consumers navigate credit usage and installment plans is crucial for engaging with today's complex socio-economic environment. This article explores the various influences on credit usage and installment plan preferences among individuals in the southern regions of Kazakhstan.

The hypotheses proposed in this article suggest that socio-economic, psychological, and cultural factors interact to shape consumer behavior, with significant differences arising from socio-economic and regional contexts. This study seeks to answer key research questions regarding the factors influencing credit usage and preferences for installment plans through a comprehensive analysis. The findings contribute to a deeper understanding of consumer behavior patterns and their broader economic implications, offering insights into borrowing habits, preferences, and challenges faced by residents of southern Kazakhstan.

Additionally, the study highlights the factors that make installment plans more appealing than traditional credit options, particularly in the context of online trading. Overall, this study provides valuable insights into consumer behavior and financial practices, offering implications for those seeking to better understand the complexities of credit use and installment plans.

Keywords

consumer behavior; credit; debt; financial literacy; installment plans; socio-economic factors

JEL codes: E51; D14; H81

Copyright *Nassimov MO.* This is an open access article distributed under the terms of the Creative Commons Attribution License (CC-BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited

Introduction

The concept of living with credit and utilizing installment plans has become deeply ingrained in the fabric of contemporary life (Muellbauer 2007; Aron et al. 2012; Bullivant 2016; Bermeo and Collard 2018; Huang et al. 2023; da Silva Marinho and de Souza Machado 2023; Kurniasari et al. 2023). From bustling urban centers to peaceful rural areas, individuals worldwide navigate the delicate balance between financial convenience and responsibility. In exploring this topic, it is essential to unravel the complexities and examine the broader implications of credit and installment plan adoption in today's society.

At its core, living with credit refers to the practice of borrowing funds to meet immediate needs or desires, with the commitment to repay over time (Deville and Seigworth 2015). This financial mechanism has become nearly ubiquitous, enabling millions to access homeownership, education, and even basic necessities. Simultaneously, installment plans offer consumers the option to spread the cost of purchases over manageable payments, expanding access to goods and services that might otherwise be unattainable (Wang et al. 2011).

Beneath the allure of convenience lies a complex web of challenges and opportunities. For many, the appeal of credit can quickly turn into a burden as debt accumulates and financial strain intensifies (Krumer-Nevo et al. 2017). High-interest rates, predatory lending practices, and societal pressures to keep up with consumer trends often exacerbate the cycle of indebtedness, trapping individuals in a persistent struggle to stay afloat.

Furthermore, the widespread availability of installment plans has ushered in a new era of consumerism, blurring the boundaries between necessity and luxury. While these plans offer flexibility and affordability, they can also encourage individuals to engage in continuous consumption, potentially undermining long-term financial stability. In this context, it is crucial to examine the nuances of living with credit and participating in installment plans. How do cultural norms and societal expectations shape financial behaviors? What role do regulatory frameworks play in influencing consumer practices? And, perhaps most importantly, how can individuals navigate this terrain wisely and strategically, ensuring that credit serves as a tool for empowerment rather than entrapment?

Global credit consumption reveals a diverse landscape, highlighting the varying borrowing habits and their implications across different countries. From the massive debts of industrialized nations to the expanding credit portfolios of emerging economies, the dynamics of credit utilization offer insight into the financial behaviors and challenges faced by populations worldwide.

In the United States, a long-standing tradition of credit usage has resulted in a staggering debt load of $13.8 trillion, surpassing critical thresholds by 2019. This reflects a cultural reliance on credit to access goods and services, although it carries the risk of overindebtedness. Similarly, in Germany, the popularity of credit has grown in recent years, with approximately 7 million people nearing bankruptcy by the end of 2018. A debt burden of 210 billion euros underscores the challenges posed by unchecked credit expansion, even in highly developed economies. Meanwhile, in China, rapid economic growth has been accompanied by a sharp increase in credit usage, with the population's total debt reaching 55.8% of nominal GDP by December 2019. This trend illustrates the fine balance between credit-fueled growth and the risks of unsustainable debt accumulation (Dunaevsky et al. 2020).

Globally, the prevalence of credit debt varies significantly, with industrialized nations exhibiting higher levels of indebtedness compared to emerging economies. Countries such as Switzerland, Australia, and South Korea have credit debts exceeding 100% of GDP, re-

flecting deeply ingrained credit cultures and well-developed financial systems. In contrast, nations like Sierra Leone (2%) and Pakistan (3%) maintain relatively modest credit portfolios, indicative of lower levels of economic development and financial integration. However, even in these contexts, the effects of credit utilization on both individual financial health and national economic stability remain significant. In Kazakhstan, a rapidly evolving economy, credit usage is evidenced by over 8.5 million active credit accounts as of October 1, 2023. The International Monetary Fund (IMF) estimates that Kazakhstan's credit-to-GDP ratio will reach 14%, aligning it with countries such as Mexico (17%), Nicaragua (14%), and Romania (12%) in terms of credit penetration (Krizistan 2023; Kudryashova 2023).

As we explore the complexities of global credit dynamics, it becomes clear that credit utilization transcends borders, impacting economic growth, financial stability, and individual well-being worldwide. Understanding the nuances of credit usage across diverse contexts enables policymakers, financial institutions, and individuals to chart a path toward sustainable financial practices and economic development.

The COVID-19 pandemic introduced unprecedented challenges to economies globally (Yazdanparast and Alhenawi 2022), and Kazakhstan was no exception. As the nation faced the economic fallout of the pandemic (Nassimov et al. 2024), its reliance on credit surged, reshaping the financial lives of its citizens. Throughout the 2010s, Kazakhstan experienced a period of economic growth and rising incomes, supported by greater access to credit across a broad demographic. Credit was frequently used to smooth income fluctuations, facilitating investments in consumer goods, real estate, and education. However, the onset of the COVID-19 pandemic fundamentally altered social security for rural populations (Kalinowski and Łuczak 2021) and triggered a profound shift in credit consumption dynamics (Mazorenko et al. 2021). Widespread lockdowns, business closures, and job losses severely disrupted income streams, making borrowed funds a lifeline for many, temporarily replacing lost income and supporting basic needs.

As households faced the uncertainties of the pandemic (Auzan 2020; Romanyuk et al. 2023), credit obligations shifted from being a means of accessing goods and services to becoming a vital tool for survival. From covering essential expenses to filling income gaps, borrowed funds played a crucial role in helping people weather the economic challenges brought by COVID-19. This pandemic-induced reliance on credit underscores the resilience and adaptability of Kazakhstan's population in the face of adversity. However, it also exposes the vulnerabilities in an economy where credit obligations serve as a temporary substitute for income.

Amid the stunning landscapes and rich cultural heritage of southern Kazakhstan, new financial values are emerging. As the world increasingly embraces the convenience of credit and installment plans, this trend is deeply resonating within the communities of the region. From bustling urban centers to tranquil rural villages, individuals are navigating the complexities of living with credit and participating in installment plans, shaping their financial behaviors and lifestyles. In the markets of southern Kazakhstan, where ancient traditions blend with modern aspirations, the practice of living with credit and using installment plans has taken root. As we explore these financial values, it is essential to contextualize them within the broader framework of global practices.

While the fundamentals of credit and installment plans are consistent globally, their implementation and impact vary significantly due to cultural, economic, and regulatory factors. In the United States, for example, credit cards are widespread, with reward programs and cashback incentives shaping consumer behavior (Peñaloza and Barnhart 2011). In contrast, in parts of Europe, debit cards are more common, reflecting a cultural preference for avoiding debt (Massouda et al. 2011).

In emerging economies like Kazakhstan, the adoption of credit practices signals a broader shift toward consumerism and economic modernization (Baikulakov 2019). Rapid urbanization and rising disposable incomes have fueled demand for consumer goods and financial products. In this context, southern Kazakhstan provides a unique lens into the intersection of tradition and modernity in financial behavior, offering valuable insights into how global credit trends play out in a local setting.

At the beginning of 2023, Kazakhstan had approximately 13 million adults aged 18 or older (Bureau of National Statistics 2023). According to the demographic analysis by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (AQR 2023), 53% of these adults had financial obligations to banks. The total debt for consumer credits in Kazakhstan amounted to 6.9 trillion tenge, with 1.6 trillion tenge each allocated to mortgage credits, car credits, and other types of loans. Among those who took out credits and were unable to repay them, 52% were men. Notably, banks issued large credits exceeding 15 million tenge predominantly to men, while women primarily took out smaller loans up to 2 million tenge. On average, both men and women took out two credits each. The maximum number of credits taken by one man was 69, while one woman took out as many as 116. This data highlights significant levels of credit usage in Kazakhstan, with a large portion of the adult population holding bank obligations. It also reveals notable gender disparities in credit patterns, with men typically receiving larger loans but women taking out a higher number of smaller credits.

In this article, we delve into the unique dynamics of living with credit and installment plans in southern Kazakhstan. We examine the motivations behind the acceptance of credit practices, their effects on regional economies and consumer behavior, and the opportunities and challenges presented by this financial environment. From the bustling streets of Almaty to the tranquil valleys of Kyzylorda, we uncover the intricacies of managing credit within the diverse fabric of southern Kazakhstan's society. Our goal is to understand how credit and installment plans are reshaping the financial landscape and the everyday lives of individuals in this region. Through in-depth analysis of the results obtained in a sociological survey, we aim to offer insights into this evolving aspect of contemporary finance.

The purpose of this article is to explore the dynamics of credit utilization and participation in installment plans within the socio-economic context of southern Kazakhstan. Specifically, the article aims to: examine the prevalence and patterns of credit usage and installment plan adoption; and understand the socio-cultural factors shaping attitudes toward credit and installment plans, including traditions, values, and societal norms. By addressing these objectives, the article seeks to provide a nuanced understanding of the role of credit and installment plans in shaping the lives and livelihoods of individuals and communities in southern Kazakhstan.

Understanding the Complex Dynamics of Living with Credit and Installment Plans: Psychological, Economic, and Policy Considerations

The ubiquity of credit and installment plans in developed countries has transformed how individuals manage their finances and make purchasing decisions. Understanding the theoretical foundations of living with credit and installment plans is essential for comprehending consumer behavior patterns and their broader economic implications.

Psychological insights further enrich our understanding of consumer behavior. Integrating psychological studies can enhance the article's theoretical framework. According to Thaler R.H. and Sunstein C.R. (2008), research in behavioral economics has clarified how emotions, cognitive biases, and social influences affect financial decisions. By incorporating these insights, we can gain a more nuanced understanding of how individuals navigate credit usage and installment plans within today's complex socio-economic landscape.

Consumer behavior regarding credit utilization is influenced by a variety of motivations rooted in economic, psychological, and sociocultural factors. The permanent income hypothesis (Friedman 1957) suggests that individuals may use credit to smooth consumption patterns during income fluctuations, thereby enhancing their overall welfare. Additionally, credit allows consumers to access goods and services beyond their immediate financial means, satisfying present needs while deferring payment to the future (Modigliani and Brumberg 1954). Moreover, social norms and peer behavior shape attitudes toward credit, as societal pressure often encourages conspicuous consumption and materialism (Belk 1988).

When weighing financial options, individuals' decision-making processes regarding credit usage are influenced by heuristics, emotions, and cognitive biases. According to prospect theory (Kahneman and Tversky 2000), people tend to behave risk-seeking in the face of losses but risk-averse when it comes to gains, which can lead to poor financial decisions. Additionally, the availability heuristic (Tversky and Kahneman 1973) may cause individuals to overestimate the short-term benefits of borrowing while undervaluing the long-term consequences.

At the individual level, excessive reliance on credit and installment plans can lead to financial strain, jeopardizing long-term financial security (Drentea and Lavrakas 2000). High levels of mortgage credit, in particular, may contribute to macroeconomic instability (Mian and Sufi 2009), as seen during the global financial crisis of 2008. However, some studies suggest that moderate levels of borrowing can stimulate economic growth by boosting consumption and investment (Adewale 2014). This aligns with the idea that consumer spending drives economic growth, as individuals use credit to purchase goods and services, thereby increasing demand and production.

Nevertheless, it is essential to interpret these findings with caution and consider the potential drawbacks associated with high levels of consumer debt. While borrowing can spur economic activity in the short term, excessive debt levels can lead to financial instability and potential economic downturns if borrowers are unable to repay their obligations. Furthermore, reliance on credit may mask underlying issues, such as stagnant wage growth or inequality, which could hinder long-term economic sustainability.

Meanwhile, Reinhart C.M. and Rogoff K.S. (2009) present a contrasting viewpoint. Their macroeconomic analysis critically examines the effects of excessive consumer debt on economic growth and stability. We believe that macroeconomic considerations should inform the drafting of regulations pertaining to financial services and consumer lending. Effectively managing and reducing consumer debt can contribute to overall economic resilience and stability. The government must consider the potential dangers associated with the excessive accumulation of debt, which often manifests during financial crises. This perspective underscores the importance of regulations designed to protect consumers, effectively regulate financial institutions, and mitigate systemic risks while promoting financial stability (Sengul 2020).

Drawing on insights from behavioral economics, financial institutions are increasingly implementing reactive incentives to encourage responsible borrowing behavior (Benartzi

and Thaler 2013). We assert that financial education programs can help mitigate the risks associated with excessive debt, enable informed decision-making regarding credit usage, and shape the borrowing behavior of the population. Financial literacy can provide practical strategies for addressing the challenges of living with credit and installment plans. A study conducted by Yarasheva A.V. et al. (2017) focused on identifying the factors and models of credit behavior among Russians, aiming to provide insights for addressing potential negative patterns in the country's credit market. By evaluating these factors and developing predictive models for credit behavior, we can determine the fundamental components that influence creditworthiness and financial stability.

The study by Arkhipov N. and Karminsky A. (2023) reveals several factors influencing the credit behavior of the population. Their findings indicate that the primary determinants of credit and debt include interest rates, the amount of debt owed, income and expense composition, and unemployment levels. Therefore, it is crucial to understand how these factors interact to develop laws and regulations that encourage responsible lending practices, reduce risks in the credit market, and promote financial stability. Eliminating negative variables that impact credit behavior is essential for fostering an environment that supports sustainable financial performance and responsible citizenship.

Incorporating research on policy issues related to financial inclusion uncovers several concerns regarding the topic at hand. Access to loans at reasonable interest rates is vital for increasing financial inclusion and reducing inequality (Demirgüç-Kunt et al. 2020). By developing interventions that improve access to credit, we can leverage this data for economic empowerment. Some scholars assert that loan applications often signify poor financial literacy (Raza et al. 2023; Widyastuti et al. 2023). Targeted financial education initiatives can enhance the financial knowledge and behavior of individuals, leading to more responsible borrowing practices (Fernandes et al. 2014). Efforts to improve consumers' understanding of credit usage and financial decision-making are crucial for enhancing financial literacy. The development and implementation of relevant educational programs provide individuals with the tools to make informed choices regarding credit utilization. Additionally, targeted financial education and support programs can assist individuals facing financial difficulties and debt challenges (Collins and O'Rourke 2010).

The research findings by Gurov I.N. and Kulikova E.Y. (2022) underscore a significant policy consideration for demographic strategies aimed at increasing fertility rates. While boosting fertility can yield long-term demographic benefits, it is essential for the state to recognize the potential negative consequences associated with rising household debt. As fertility increases, there is a risk that household debt levels will also rise due to the growing number of dependents. This scenario necessitates the implementation of policies designed to mitigate the adverse effects of escalating household debt, such as providing access to affordable credit options.

One critical implication of this situation is its potential impact on families' ability to finance their children's education. As households grapple with increased debt obligations resulting from population growth driven by demographic policies, the resources available for education financing may become constrained. This highlights the need for developing targeted education financing strategies to ensure that families can invest in their children's education, which is vital for fostering human capital development and long-term economic prosperity (Dynarski and Scott-Clayton 2006).

Moreover, it is crucial to address the socio-economic disparities that lead to unequal access to credit and financial resources. Policies aimed at enhancing social safety nets, reduc-

ing economic inequality, and increasing access to affordable housing can help mitigate the fundamental causes of consumer debt (Stiglitz 2012).

In the era of digital finance, technological advancements have profoundly reshaped the landscape of living with credit and installment plans. The emergence of fintech platforms, digital payment systems, and alternative lending models has democratized access to credit while simultaneously introducing new challenges and opportunities (Lusardi and Mitchell 2014). By examining the implications of these developments on consumer behavior and economic outcomes, we can enhance the relevance and timeliness of contemporary studies in this field.

To safeguard consumers from overextending themselves and succumbing to unsustainable debt burdens, measures such as transparent disclosure requirements and restrictions on predatory lending practices are essential (Gathergood 2012). Additionally, it is crucial to consider global perspectives and cross-cultural differences when analyzing these issues. While this article primarily focuses on consumer behavior in the southern part of Kazakhstan, insights from emerging markets and cross-cultural research can provide valuable comparative perspectives (Hofstede 2001). Variations in cultural norms, institutional frameworks, and socio-economic conditions significantly influence how individuals engage with credit and installment plans. This highlights the need for a nuanced understanding that transcends geographical boundaries, enabling a more comprehensive analysis of credit utilization in diverse contexts.

To bridge the gap between accepted theories and our specific research context, the authors' approach connects the theoretical foundations covered in the literature review with the empirical results of our study on credit and installment plan usage in the southern region of Kazakhstan. This connection allows for a more nuanced understanding of observed consumer behavior.

The permanent income hypothesis posits that individuals utilize credit to spread their spending over time, particularly during periods of erratic income. According to our research, a significant percentage of older adults in Kazakhstan's southern region obtain credit. This behavior aligns with the hypothesis, suggesting that older individuals use credit to support their families in response to income instability.

Our empirical findings reflect the theoretical perspective that credit enables consumers to meet present needs while deferring payment to the future. A substantial percentage of respondents use installment plans for household appliances and electronics, indicating a common practice of financing large purchases to improve living conditions without requiring substantial down payments.

Behavioral economics highlights the importance of emotions and cognitive biases in financial decision-making. Our research indicates that younger adults are less likely to take on credit compared to older adults. The availability heuristic may influence this behavior, as younger individuals might undervalue the benefits of credit due to their lack of experience and absence of urgent financial needs.

Prospect theory explains that individuals may make less-than-ideal financial decisions, exhibiting risk aversion when they are winning and risk-seeking when they are losing. Those without credit may display a greater degree of this aversion and could be more risk-averse due to uncertainty about their future income. In the context of the southern region of Kazakhstan, social norms and peer behavior may encourage the population to use credit for conspicuous consumption, such as hosting traditional feasts and celebrations, in order to maintain social status. Concerns about the dangers of excessive consumer debt for eco-

nomic stability raise alarms about potential financial strain and macroeconomic risks. This underscores the importance of creating regulations to manage consumer debt levels and promote financial stability.

By integrating theoretical insights from the literature with our empirical findings, we provide a comprehensive understanding of credit and installment plan usage in the southern region of Kazakhstan. The interaction of sociocultural influences, psychological factors, and economic theories offers valuable insights into consumer behavior. Addressing issues such as financial literacy, income volatility, and socio-economic disparities can help encourage responsible borrowing practices and enhance economic stability in the region.

Based on this, we present our hypotheses and research questions:

H1: A variety of psychological, sociocultural, and economic factors – such as emotions, cognitive biases, and income volatility – affect how consumers use credit and installment plans.

H2: There are significant regional differences in credit utilization patterns, with different regions favoring specific types of credit. Socioeconomic factors, such as economic conditions, financial goals, consumer culture, and financial literacy, will significantly shape individuals' reliance on credit.

H3: Factors such as convenience, flexibility, perceived lower interest rates, regional financial habits, and the availability of credit facilities influence the preference for installment plans over traditional credit options among individuals in the southern regions of Kazakhstan engaging in online trading.

RQ1: What are the main elements that influence consumer behavior regarding credit utilization and installment plans, and how do psychological, sociocultural, and economic factors interact to influence individuals' financial decision-making?

RQ2: What regional variations, demographic trends, and socio-economic factors influence credit usage patterns in the southern regions of Kazakhstan?

RQ3: What factors impact the preference for installment plans (hire purchases) over traditional credit options among the population engaging in online trading in the southern regions of Kazakhstan?

This research contributes to the analysis of the issue in several ways: it develops knowledge of consumer credit behavior and its broader economic implications; it establishes the purposes for using credit by providing detailed insights into the borrowing challenges and preferences of individuals living in southern Kazakhstan; and it enhances the understanding of consumer behavior and financial practices, particularly in the context of online trading and installment plans (hire purchases) within this region.

Methods and reasons for choosing a region

The data collection is part of a study designed to provide a comprehensive understanding of how credit and installment plans affect their purposes of use. To better understand consumer behavior regarding credit utilization and installment plans in the southern regions of Kazakhstan, this study employs a quantitative approach.

A sociological survey using questionnaires served as the foundation for gathering primary data. The online survey was conducted in June 2023, with a total of 597 respondents. The sample was designed to represent the adult population over the age of 18 in the south-

ern region of Kazakhstan, considering factors such as age, gender, administrative-territorial status, and place of residence. The demographic breakdown of the respondents was as follows: age groups included 18-29 (28%), 30-45 (26%), 46-60 (24%), and 61+ (22%); gender distribution consisted of 52% women and 48% men; and administrative-territorial status included 54% city residents and 46% residents of rural areas.

Each participant was required to complete the online survey independently. The primary inquiries of the survey focused on the population's use of credit and installment plans, as well as their intended purposes:

1. Do you and your family currently have credit?
2. What do you use credit for?
3. Do you use installment plans when trading online?
4. In what cases do you most often use installment plans when trading online?

The reasons for selecting the southern region of Kazakhstan for this study are justified as follows:

Geopolitical Significance: the southern region shares borders with two countries, Kyrgyzstan to the south and Uzbekistan to the southwest. This strategic location serves as a critical trade link between Central Asia and other regions, facilitating cross-border trade.

Diverse Economic and Geographical Landscape: this region comprises two cities of republican significance (Almaty and Shymkent) and five regions from five conventionally designated economic and geographical areas: Almaty Region, Zhambyl Region, Zhetysu Region, Kyzylorda Region, and Turkestan Region. In contrast, the northern region includes one city of republican significance and four regions; the western region has four regions; and the eastern and central regions each contain two regions.

Population Size: as of January 1, 2024, the southern region is the most populous in the country, with a total population of 9.886.045. This includes: Almaty (2.228.515), Shymkent (1.222.055), Almaty Region (1.531.044), Zhambyl Region (1.222.597), Zhetysu Region (697.998), Kyzylorda Region (841.831), and Turkestan Region (2.142.005) (Bureau of National Statistics 2024).

Population Growth: from 1992 to 2018, the populations of Kyzylorda (34.1%), Turkestan (33.3%), and Almaty Regions (22.7%) increased by approximately one-third (Arkhangelsky et al. 2019: 10).

Economic Development: the southern region lags behind the national average in economic development, which adversely affects employment opportunities and the labor market. This limited capacity hinders the region's ability to address poverty reduction effectively. Notably, the rate of self-employment is highest in the southern regions; for instance, over 81% of workers in rural areas of the Turkestan Region are self-employed, indicating a sign of hidden unemployment (Zhussupova et al. 2022: 6).

Unemployment Rates: the southern regions have the highest unemployment rates in Kazakhstan. For example, Almaty has 52.6 thousand unemployed people, Turkestan Region has 41.7 thousand, and Almaty Region has 34.4 thousand (Forbes.kz editorial staff 2024). Unemployment and unstable incomes drive people to take out loans and purchase goods on installment plans. This observation highlights an important socio-economic phenomenon where financial instability and uncertain sources of income often push individuals toward credit dependence and installment-based purchases.

Socio-Economic Factors: socio-economic factors significantly influence the protest potential in Kazakhstan (Nasimova et al. 2019), which in turn affects the financial behaviors and overall lives of the population in the southern region.

In addition to quantitative research methods, this study employs several analytical techniques, including synthesis, induction, deduction, and comparative analysis, to gather empirical evidence and derive meaningful insights into credit utilization and installment plan preferences in the southern regions of Kazakhstan.

Synthesis: synthesis involves combining data from various sources to form a comprehensive understanding of consumer behavior regarding credit usage and installment plans. In this study, survey responses are synthesized to develop a holistic view of the factors influencing credit and installment plan preferences. By integrating information from multiple data sources, this method identifies broad patterns and trends that may not be evident from individual data sources alone. The synthesis provides a comprehensive perspective on how various factors interact to influence consumer behavior in the southern regions of Kazakhstan.

Induction: inductive analysis is used to identify new trends and patterns within the data collected from the sociological survey. This approach organizes and categorizes quantitative data, enabling the exploration of novel concepts and insights that emerge from the empirical evidence. Inductive reasoning begins with specific observations and measurements, from which broader inferences are drawn. This method helps uncover the underlying causes and motivations that influence credit usage and installment plan preferences. By analyzing the data without preconceived assumptions, inductive analysis provides a foundation for developing new ideas and insights based on observable trends.

Deduction: deductive reasoning is employed to test hypotheses based on existing theories and literature concerning credit utilization, installment plans, and consumer behavior. This method involves formulating hypotheses derived from theoretical frameworks and then testing them against empirical evidence to assess their validity. Deductive analysis aids in validating and refining existing theories within the context of the southern regions of Kazakhstan. For example, the study tested hypotheses related to regional differences and social norms impacting credit behavior. By applying deductive reasoning, the study arrived at logical conclusions that are supported by both theoretical insights and empirical data.

Comparative Analysis: the comparative analysis made it possible to examine the differences and similarities in credit usage models and preferences for installment payments across various demographic groups, regions, and socio-economic contexts in the southern regions of Kazakhstan.This method involves comparing and contrasting different subsets of the population to identify contextual factors that influence consumer behavior. For instance, this study compares credit usage and installment plans between urban and rural areas, as well as across age and gender categories of respondents. This meticulous approach provides insights into how specific demographic and regional characteristics impact financial decision-making. By identifying these differences, the study highlights the unique needs and preferences of various population segments.

Credits of the population and purposes of obtaining credits

A significant portion of respondents (72%) in the southern regions of Kazakhstan report having credits. Among these, 50% have credits that are shared with family members, while 22% hold credits solely in their own name. Consequently, 28% of respondents do not have any credits (see Table 1). The data highlights the prevalence of credit use in these regions,

offering valuable insights into the credit purposes and financial behaviors of the local population:

High Rate of Credit Utilization: the 72% credit utilization rate indicates that borrowing is a common practice among individuals in the southern regions of Kazakhstan.

Family Involvement in Credit Ownership: the fact that 50% of respondents report shared credit ownership suggests a cultural norm of collective responsibility for debt management within families, reflecting joint financial arrangements.

Individual Credit Ownership: the 22% of respondents who manage their credits independently indicates a level of financial independence among individuals, showcasing their ability to navigate borrowing on their own terms.

Non-Credit Holders: the 28% of respondents without credits may either avoid borrowing entirely or face barriers to accessing credit, such as stringent eligibility criteria and limited financial resources.

These findings illustrate the diverse landscape of credit utilization in the southern regions of Kazakhstan, revealing varying degrees of individual and familial involvement in borrowing activities.

Table 1. Credits from the population of the southern regions of Kazakhstan (percentage of respondents: N = 597)

Types of credits	Almaty	Almaty region	Zhetysu region	Zhambyl region	Shymkent	Turkestan region	Kyzylorda region	Total
Credits only in their own name	23%	18%	25%	26%	22%	17%	23%	22%
Credits that belong to themselves and their family members	40%	40%	62%	42%	53%	71%	41%	50%
No credits	37%	42%	13%	32%	25%	12%	36%	28%

Source: compiled by the author based on an online survey conducted in June 2023.

In terms of personal credit, the Zhambyl region has the highest rate at 26%. Among the population of the Turkestan region, 71% have both personal and family credits. The lowest percentage of individuals with credits solely in their own name is reported by respondents from the Turkestan region, at 17%. Conversely, for those who have credits both personally and within their family, the lowest figure is 40%, which is noted among respondents from the Almaty city and the Almaty region. Among respondents who do not have any credits, the highest rate is found among residents of the Almaty region at 42%, while the lowest rate is among residents of the Turkestan region at 12%. The share of respondents in the cities of Almaty and Shymkent with only personal credits is 23% and 22%, respectively. Regarding those who have credits personally and within their family, 53% of respondents in Shymkent reported this, while 40% of respondents in Almaty indicated the same.

According to the indicators for individuals who have credits only in their own names or in their families' names, the ratio of urban and rural populations is quite similar. The percentage is 52% for the population living in cities and 48% for those residing in rural areas. A majority of credit holders are women, accounting for 58%, while 42% are men.

Among those surveyed, individuals in the age groups of 46–60 years and over 61 years are more likely to take out credits, comprising 62% of credit holders. In contrast, only 5.2%

of citizens aged 18–29 years report having credits. The higher propensity for credit among older adults can be linked to economic instability.

Firstly, individuals over 61 and those between 46 and 60 take out credits because their salaries tend to be less steady or lower than those of younger individuals. Employment trends for those over 50 are particularly challenging, with many being unemployed.

Secondly, culturally, older adults in the southern regions of Kazakhstan are more inclined to use credit to support family members and to fund traditional feasts and celebrations. This trend reflects the mentality of the Kazakhs, emphasizing traditional family structures and responsibilities.

Conversely, younger adults may be more cautious about incurring debt due to enhanced financial literacy, modern financial education, and a lack of immediate financial needs that necessitate large loans.

Thirdly, a significant portion of those over 61 are pensioners. As people age, the likelihood of needing expensive medical care increases. Credits can help cover the costs of therapy, prescription medications, and in-home care.

Lastly, there may be issues with retirement savings among older adults. Insufficient retirement savings and low pensions compel many older individuals to rely on credit.

Among those without credits, urban residents are also in the lead, accounting for 58%, while 42% of those without credits reside in rural areas. Among this group, 62.9% are women, compared to 37.1% who are men. Additionally, 42.3% of respondents aged 18–29 do not have credits, whereas 18.9% of citizens aged 46–60 and those over 61 years old report not having credits. In Almaty, 37% of respondents do not have credits, while this figure is 25% in Shymkent.

These results provide insights into the credit situation in the southern regions of Kazakhstan, highlighting regional variations, demographic trends, and urban-rural disparities. However, the high percentage of individuals with credits raises concerns, particularly if it indicates widespread reliance on borrowing. Furthermore, the significant number of people with credit suggests economic challenges faced by the population.

Economic problems within a population can stem from various factors, including economic opportunities, access to financial services, income inequality, consumer behavior, and lending practices. While the widespread use of credit can sometimes indicate economic difficulties, it is essential to consider these factors to fully understand the relationship between credit usage and economic conditions. Although credit can serve as a useful tool for budgeting and stimulating the economy, its extensive use must be monitored closely to ensure that it does not lead to excessive indebtedness and financial instability among the general public.

In the analysis, we examined the purposes for which respondents obtain credits and utilize installment plans. The data is presented in Table 2 and Table 4, respectively. It is essential to note that the percentages and shares provided in these tables are calculated based on respondents who have taken out credits and used installment plans, rather than the entire survey population. This targeted analysis of credit and installment plan usage patterns allows us to focus on the financial habits and motivations of those actively utilizing these financial products.

The data illustrates a variety of reasons why people might apply for credit, encompassing not only necessities like housing and household goods but also recreational pursuits and cultural events. The highest proportion of respondents intend to use credit for purchasing household appliances, indicating a need and desire to upgrade and replace essential items for daily living.

Table 2. Purposes of obtaining credits

Purpose of credit	Percentage of respondents (N=430)
Buying household appliances	31%
Getting a mortgage	17%
Building a house	16%
Spending money on clothes	8%
Spending money on treatment	8%
Having a toy[1]	7%
Spending money on food	7%
Spending money on traveling	6%

Source: compiled by the author based on an online survey conducted in June 2023. *Author's note:*
[1] Toy (among Kazakhs) – a feast or celebration among Turkic-speaking peoples.

The proportion of households in southern cities and regions acquiring household appliances on credit is relatively similar among the respondents. Among those surveyed, the population of the Kyzylorda region (34%) is the most frequent to take home appliances on credit, while the Zhetysu region has the lowest percentage at 26%. Furthermore, 73.3% of respondents indicate that credits for household appliances are solely in their name, whereas 26.7% report that they share this credit with family members. It was also observed that household appliances are more often purchased on credit by the urban population (77%) and women (68%). Among the cities of republican significance, respondents from Shymkent (35%) are more likely to borrow for home appliances on credit compared to those from Almaty (29%).

Obtaining a mortgage indicates that a significant proportion of respondents are seeking credit to acquire real estate. This prevalent credit objective reflects a desire for property ownership, suggesting that many respondents may not currently own their residence. Similarly, a substantial portion of respondents is interested in using credit to finance the construction of a house, indicating a strong desire for homeownership or the need for additional living space.

Respondents in Almaty most frequently use credit to obtain a mortgage (26%), while those in the Turkestan region primarily seek it for building a house (22%). The mortgage option is less commonly utilized by respondents in the Kyzylorda region (9%), and there is also a low rate of credit for home construction among respondents in the Zhetysu region (11%).

The data shows that 76.5% of credits for mortgages are taken out by individuals for themselves and their family members, while credits for building a house account for 68.1%. Although mortgage credits are more often sought by urban populations (68.7%), home construction credits are predominantly taken out by residents in rural areas (72.4%). Among respondents, 67.4% of men take out mortgage credits, and 64.6% take out credits to build a house. Specifically, 26% of respondents in Almaty use credit for mortgages and 13% for building a house, while Shymkent respondents utilize credit for building a house (17%) and for mortgages (16%).

Spending money on clothing indicates that a small portion of respondents plan to use credit for purchasing apparel, suggesting a desire to update their wardrobes. According to the survey, more respondents from the Zhetysu region (13%) take out credits for clothing purchases than those from Shymkent (5%). Additionally, 77.3% of women view this aspect

of credit use positively. Among the respondents, 66.8% are from urban areas, while 33.2% are from rural areas. Notably, respondents from Almaty (10%) show more interest in credits for buying clothes compared to those from Shymkent (5%).

Credits for medical treatment indicate that a minor portion of respondents intend to use credit for healthcare-related expenses. This could reflect either insufficient health insurance coverage or the need for treatments not covered by insurance. More respondents from the Kyzylorda region (10%) seek credits for treatment than those from Almaty (6%). The urban population is more likely to claim credits for medical expenses (76.8%) compared to the rural population (23.2%). Gender differences reveal that 48% of men take out credits for treatment, while 52% of women do. In terms of regional differences, respondents from Shymkent (8%) obtain more credits for treatment than those from Almaty (6%).

Credits for toy (celebrations among Turkic-speaking peoples) indicate that a small number of respondents intend to use credit for hosting traditional feasts and celebrations. This suggests that maintaining cultural traditions and organizing festive events are important to this segment of the population. It is noteworthy that Kazakhs enjoy organizing various celebrations. Additionally, there is a stereotype within the population that one cannot remain aloof from communal activities. This cultural tendency may influence the proportion of respondents intending to use credit for events like toy. In fact, rural residents report more credits for toy (66.5%) than their urban counterparts (33.5%). Respondents from the Kyzylorda region take out the most credits for special events (9%), while those from Almaty take out the least (5%). The share of women receiving this type of credit is higher than that of men (54.5%). Moreover, respondents from Shymkent (6%) exceed those from Almaty by 1% in obtaining credits for organizing celebrations.

Spending money on food may indicate temporary financial strain, where individuals seek assistance to cover basic needs while also desiring higher-quality and specialty food items. However, borrowing specifically for food expenses can often signal financial instability. This borrowing behavior may suggest that individuals and households struggle to afford basic necessities, raising concerns about their financial well-being. In some cases, it could reflect a temporary setback, such as job loss. Therefore, identifying instances where the population borrows money for food is an important signal for interventions to address underlying issues like income inadequacy and food insecurity.

The data indicates that the urban population relies more on food credits than the rural population (66.2% versus 33.8%, respectively). According to survey results, respondents in the Zhetysu region take out the most credits for food (13%), while those in Almaty and Kyzylorda report the least (2%). Notably, women are more likely to resort to this type of credit (68.1%). Additionally, the share of respondents in Shymkent who take food on credit is 6%. Given these findings, it is crucial to investigate the social safety nets and economic conditions in the examined region that address food insecurity and promote financial stability, especially when participants report needing to borrow money for food.

A small portion of respondents plans to use credit for travel, indicating a desire for leisure and suggesting that travel holds value among this segment of the population. However, the lower intention to use credit for travel may reflect a reduced priority placed on leisure activities among respondents. The urban population places significant importance on obtaining credit for travel (78.3%), with women showing particular interest in this type of credit (56.8%). Notably, 10% of respondents in the Almaty region express a strong inclination toward travel credits, whereas only 1% of respondents in the Zhetysu region share this inter-

est. Among urban respondents, 8% in Almaty take out credit for travel, compared to 6% in Shymkent.

It is essential to consider the cultural and socio-economic context when interpreting these survey results. Economic factors, such as lower income levels and higher living expenses, may limit respondents' ability to afford travel, categorizing it as a luxury they cannot currently pursue. Additionally, cultural norms and values can vary, influencing the importance placed on leisure and travel. Some communities may prioritize family obligations and community involvement over leisure activities like travel.

The findings indicate that individuals often live beyond their means for various reasons, many of which are revealed through sociological survey data. Living on credit can stem from several factors:

- *Economic Circumstances:* economic hardships, such as job losses, low wages, and unexpected financial burdens, often force individuals to rely on credit to cover essential expenses. The data showing intentions to use credit for necessities like housing, healthcare, and food reflect this reliance.
- *Financial Goals:* some respondents leverage credit to achieve specific financial objectives, such as homeownership or building a house.
- *Consumerism and Lifestyle:* the intention to use credit for discretionary purchases – like clothing, household appliances, and travel – suggests a desire for lifestyle amenities and experiences. This reflects a culture of consumerism and a tendency to keep up with societal expectations regarding material possessions.
- *Cultural and Social Factors:* cultural traditions, such as organizing toy (celebrations) and feasts, particularly among Kazakhs, can influence credit usage patterns. Societal norms and peer pressure may encourage individuals to take on credit for significant events.
- *Access to Credit:* the availability and ease of obtaining credit can significantly impact individuals' reliance on it. If credit is readily accessible with low barriers to entry, individuals are more likely to utilize it for various purposes.
- *Financial Literacy:* Limited financial knowledge and a lack of awareness about alternative financial options can lead individuals to rely on credit without fully understanding the long-term implications, such as high interest rates and potential debt accumulation.

Therefore, understanding the multifaceted reasons behind individuals' reliance on credit requires considering not only economic factors but also social, cultural, and psychological influences. A sociological survey provided valuable insights into these complex dynamics and can inform tailored interventions and support systems to address the diverse needs of different communities.

Taking out credits can have negative consequences. It's crucial to consider both the benefits and risks associated with borrowing. Some potential negative consequences of relying on credit include:

- *Accumulating debt:* one of the most significant risks of borrowing is accumulating debt, especially if individuals borrow beyond their means and fail to manage repayments effectively. High levels of debt can lead to financial strain, stress, and even bankruptcy.
- *Interest payments:* borrowing typically involves paying interest on the borrowed amount. High interest rates and long repayment periods can result in substantial interest payments over time, increasing the total cost of borrowing and potentially causing financial hardship.

- *Financial stress:* juggling multiple credit repayments and struggling to meet monthly financial obligations can lead to stress, anxiety, and mental health issues. Financial stress can affect overall well-being and productivity, impacting various aspects of life.
- *Dependency on credit:* relying heavily on credit to finance lifestyle expenses and meet basic needs can create a cycle of dependency, making it challenging to break free from debt and achieve financial independence.
- *Risk of unfavorable lending:* in some cases, individuals may fall victim to predatory lending practices, where lenders take advantage of vulnerable borrowers by offering high-cost credit with unfavorable terms.
- *Impact on relationships:* financial difficulties resulting from excessive borrowing can strain relationships with family members, partners, and friends, particularly if there are disagreements and conflicts over money management.

Hence, the population must carefully weigh the consequences of borrowing and make decisions that suit their financial situation, aspirations, and risk tolerance. Seeking financial advice, practicing responsible borrowing habits, and maintaining open communication about finances can help mitigate the negative consequences of taking out credit. Additionally, promoting financial literacy protects consumers and fosters responsible lending practices to prevent the public from the risks associated with borrowing.

Hire Purchase and Purposes of Installment Plans

It goes without saying that hire purchases, or installment plans, are a type of credit. They allow individuals to acquire goods by paying for them over time in installments rather than making a full upfront payment. This arrangement enables the buyer to obtain immediate use of the goods while agreeing to pay for them gradually, with or without interest. As such, hire purchases are considered a type of credit facility.

The survey results also show that a significant portion of the population prefers to use hire purchases (installment plans) similar to traditional credits when trading online. Specifically, 64% of respondents indicated that they use hire purchases, while 36% do not (Table 3). Meanwhile, the data indicates that 72% of respondents have credits, while 28% do not (Table 1). These statistics demonstrate that a substantial number of respondents have installment plans in addition to traditional credit.

Overall, the survey findings highlight the important role hire purchases play in encouraging people to trade online and indicate a desire for flexible payment methods that suit the evolving needs of e-commerce. This trend may suggest that individuals are more inclined towards installment plans due to factors such as convenience, flexibility, and possibly lower interest rates compared to traditional credit options. It could also reflect regional differences in financial habits, regulations, and the availability of credit facilities.

As shown in Table 3, respondents from the Turkestan region use installment plans more than those from the Kyzylorda region (74% compared to 54%, with 26% and 46% not using them, respectively). Additionally, respondents from Shymkent are more likely to use installment plans (73%) than those from Almaty (55%), with 27% and 45% not using them, respectively. According to the survey results, urban populations (68.3%) utilize hire purchases more frequently than rural populations (31.7%). Hire purchases are predominantly used by women (78.2%), while 21.8% of men utilize installment plans. Notably, individuals in the age groups of 46–60 years and over 61 years show a significant preference for hire

purchases (65.8%), while only 0.8% of citizens aged 18–29 reported using them. The survey results highlight the popularity and importance of installment plans as a preferred method of online trading, especially when compared to traditional credit options.

Table 3. Indicators of the use/non-use of hire purchases (percentage of respondents: N = 597)

Type	Almaty	Almaty region	Zhetysu region	Zhambyl region	Shymkent	Turkestan region	Kyzylorda region	Total
Use hire purchases	55%	59%	69%	65%	73%	74%	54%	64%
Non-use hire purchases	45%	41%	31%	35%	27%	26%	46%	36%

Source: compiled by the author based on an online survey conducted in June 2023.

Table 4 details the purposes for which respondents have utilized installment plans. Similar to Table 2, these percentages are calculated based on the respondents who have active installment plans.

Table 4. Purposes of installment plans

Purpose	Percentage of respondents (N=382)
Buying household appliances	65%
Spending money on clothes	14%
Spending money on food	11%
Visiting a cafe or restaurant	5%
Buying in the pharmacy	5%

Source: compiled by the author based on an online survey conducted in June 2023.

Findings suggest that household appliances are the most commonly purchased items through installment plans, likely due to their relatively higher cost compared to other listed items. Additionally, installment plans are also utilized for other types of purchases, albeit to a lesser extent, such as clothing, food, and pharmacy items.

The survey results indicate that household appliance installment plans are extremely popular across various regions and demographics in Kazakhstan. In Shymkent, a significant majority of respondents (80%) reported that they purchase household appliances in installments. In the Zhetysu region, while the usage of installment plans for household appliances is slightly lower compared to Shymkent, it still reaches 50%, indicating that installment plans are commonly used for this purpose even in regions where they are less popular.

Urban populations, comprising 88.6% of respondents, show a strong inclination towards purchasing household appliances through installment plans. Women, with a usage rate of 78.6%, also demonstrate a notable preference for installment plans when purchasing household appliances. In Almaty, a significant portion of respondents (61%) expressed interest in household appliance installment plans, indicating a considerable preference for this payment method in cities of republican significance.

The survey results suggest that purchasing clothes on installment plans is also a popular practice among respondents in southern Kazakhstan. In the Zhambyl region, 24% of re-

spondents indicated that they buy clothes on installment plans. The lowest usage rate of 9% was observed among respondents from the Almaty region, Kyzylorda region, and Shymkent, indicating that installment plans for buying clothes are less popular in these areas. Additionally, 14% of respondents from Almaty reported using installment plans for clothing purchases. Overall, the survey results highlight the popularity of installment plans for purchasing clothes, particularly among urban populations (82%) and women (80%) across various regions in Kazakhstan, although there are notable variations in usage rates among different areas.

The use of installment plans for buying food (11%) and dining out at cafes or restaurants (5%) provides insight into the economic circumstances of the surveyed population, highlighting potential indicators of poverty:

- *Financial constraints:* the utilization of installment plans for food purchases suggests that a segment of the population faces financial constraints;
- *Lack of disposable income:* similarly, the use of installment plans for dining out implies that a portion of the population lacks sufficient disposable income to cover leisure and non-essential expenses upfront;
- *Economic stress:* individuals and families experiencing economic hardship may resort to installment plans for essential needs, such as food and dining out, as a means of coping with financial stress;
- *Access to traditional credit:* the prevalence of installment plans for food and dining out highlights challenges in accessing traditional credit facilities and affordable financing options. Many individuals may turn to installment plans due to difficulties in obtaining credit from banks and other financial institutions.

Among the regions surveyed, respondents from the Zhetysu region lead in purchasing food through installment plans (25%). Other regions show slightly lower rates: Kyzylorda and Almaty regions (7%), Almaty (6%), Zhambyl region (5%), and Shymkent and Turkestan region (3%). The urban population (92%) and women (86.3%) predominantly utilize this type of installment plan.

The survey results indicate that installment plans for dining out at cafes and restaurants are not as common as those for food purchases: Kyzylorda region (5%), Shymkent (3%), and Almaty and Turkestan region (1%). Other regions did not report using this type of installment plan. It was also revealed that the urban population (100%) and women (92%) purchase food through installment plans at cafes and restaurants.

While the use of installment plans for food and dining out provides insights into the economic circumstances of the population, it's essential to interpret these findings within the broader socio-economic context and consider additional measures to comprehensively assess poverty levels.

The use of installment plans for purchasing medicine (5%) among respondents in the southern region of Kazakhstan indicates financial difficulties and challenges in accessing healthcare services. Among the respondents, buying medicines in installments from pharmacies is not very common, with usage rates as follows: Kyzylorda region (5%), Shymkent and Turkestan region (4%), Almaty region (3%), Zhambyl region (2%), and Almaty (1%). Notably, respondents from the Zhetysu region did not indicate using installment plans for pharmacies. It is primarily the urban population (92.1%) and women (71.5%) who purchase medicine in installments from pharmacies.

The necessity to resort to installment plans for purchasing medicine suggests that a portion of the population may struggle to afford healthcare expenses, particularly given the high

cost of medication, especially for chronic conditions. Limited access to health insurance and inadequate coverage may also contribute to the need for installment plans to manage medical expenses.

The reliance on installment plans for purchasing medicine reflects the broader financial strain experienced by the population in the southern region of Kazakhstan. Economic challenges, such as low incomes, unemployment, and inflation, may further exacerbate difficulties in affording healthcare expenses. The data on installment plans for purchasing medicine highlight potential financial difficulties and accessibility issues faced by individuals in this region. Addressing these challenges may require a multifaceted approach, including measures to improve healthcare infrastructure, expand health insurance coverage, and enhance economic opportunities to alleviate financial strain on the population.

Based on the survey results, the use of installment plans during online trading does not necessarily indicate a high quality of life among the populations, similar to the implications of traditional credit. The findings suggest that installment plans are widely used, particularly for essential purchases like food and medicine, which could reflect the financial challenges and constraints faced by the surveyed population. While installment plans provide individuals a means to acquire goods and services over time without making immediate full payments, their widespread usage may indicate underlying economic pressures rather than a reflection of overall well-being. Additionally, the reliance on installment plans highlights disparities in income distribution, access to resources, and healthcare affordability, all of which can significantly impact quality of life and overall well-being.

Like any form of credit, hire purchases or installment plans can have negative consequences if not managed properly. Some potential drawbacks include:

- *Higher interest and fees:* although installment plans allow for the convenience of spreading out payments over time, they often come with interest and fees, which can increase the total cost of the purchase;
- *Debt burden:* taking out installment plans for multiple purchases can lead to significant debt accumulation, especially if an individual's financial circumstances change suddenly (e.g., due to a medical emergency or job loss);
- *Limited flexibility:* a person's ability to make large purchases may be restricted if they choose to use installment plans, as a percentage of their income will be committed to covering monthly payments;
- *Risk of repossession:* in some cases, failure to make payments on installment plans can result in the repossession of the purchased item.

While hire purchases offer a convenient way to acquire goods and services over time, it is essential for individuals to carefully consider the terms and conditions of the agreement and ensure that they can afford the payments before committing to the purchase. Responsible financial management, such as budgeting and monitoring spending, can help mitigate the negative consequences associated with taking out installment plans and any form of credit.

Conclusion

The comprehensive framework presented in this article clarifies the nature of living with credit and installment plans. By elucidating the purposes behind credit utilization, the psychological mechanisms driving consumer decisions, and the economic implications, the article

offers significant insights for both researchers and the population. The research highlights the importance of addressing financial literacy, income volatility, and socio-economic disparities to foster responsible borrowing practices and promote economic resilience in today's complex financial landscape.

The findings from this study provide valuable insights into the credit situation in the southern regions of Kazakhstan. Through an analysis of regional variations, demographic trends, and socio-economic factors, we have gained a deeper understanding of the borrowing habits, preferences, and challenges faced by the local population. The study revealed significant regional differences in credit usage patterns, with certain areas demonstrating preferences for specific types of credit, such as mortgages, household appliances, or expenses related to celebrations.

Credit utilization was found to be influenced by demographic characteristics, including gender, age, and urban-rural distinctions. Higher rates of credit utilization were observed among older age groups and urban populations. Socioeconomic factors played a crucial role in shaping individuals' reliance on credit, including economic circumstances, financial goals, consumerism, cultural and social influences, access to credit, and financial literacy. The findings underscore the complex interplay of economic, social, and cultural dynamics that drive borrowing behaviors in the region.

The results of the survey highlight the crucial role that hire purchases, or installment plans, play in facilitating online trading among people in Kazakhstan's southern regions. Regional variations in the usage of installment plans underscore the influence of local financial habits, regulations, and the availability of credit facilities. In particular, respondents from the Turkestan region and Shymkent demonstrate a higher propensity to utilize installment plans compared to those from the Kyzylorda and Almaty regions. This suggests that regional socio-economic dynamics significantly shape borrowing behaviors and payment preferences.

The survey results also reveal the primary purposes for which installment plans are used, with household appliances being the most common purchase category. This reflects the practical needs of the population and indicates a preference for spreading out payments for essential items over time. However, while installment plans offer flexibility and convenience, they are not without drawbacks. Potential negative consequences include higher total costs, increased debt burden, limited financial flexibility, and the risk of repossession. Therefore, it is essential for individuals to practice responsible financial management and carefully consider the implications of using installment plans for online trading to mitigate these risks.

The widespread use of installment plans for online trading in the southern regions of Kazakhstan underscores the importance of adaptable payment methods that cater to the evolving needs and preferences of consumers. By understanding the factors influencing the preference for installment plans and addressing potential drawbacks, we can better support responsible borrowing practices and enhance financial inclusion in the region.

Moving forward, future research could explore additional factors influencing credit usage, such as the impact of regulatory frameworks, technological advancements in financial services, and broader macroeconomic trends. Additionally, programs aimed at addressing socio-economic inequality, increasing financial literacy, and facilitating loan availability may help mitigate the risks of excessive borrowing and support long-term financial stability for local residents.

Funding

The study was conducted with financial support from the Science Committee of the Ministry of Science and Higher Education of the Republic of Kazakhstan (Grant No. AP19577138. A Cultural Analysis of Traditional and Innovative Value Processes in the Southern Regions of Kazakhstan).

References

Adewale AR (2014) Financial regulation, credit consumption and economic growth - An analysis of the national credit act in South Africa. Journal of Applied Business Research 30(2): 367-377. https://doi.org/10.19030/jabr.v30i2.8406

Arkhangelsky VN, Denisenko MB, Elizarov VV, Zhusupov BS, Moldakulova GM (2019) Analiz polozhenija v oblasti narodonaselenija Respubliki Kazahstan [Analysis of the population situation of the Republic of Kazakhstan]. URL: https://kazakhstan.unfpa.org/sites/default/files/pub-pdf/UNFPA_FullReport_Rus_Final.pdf (in Russian)

Arkhipov, N, Karminsky A (2023) Demographic characteristics as determinants of retail customers' credit behavior. Evidence from Russian regions. Procedia Computer Science 221: 1091-1098. https://doi.org/10.1016/j.procs.2023.08.092

Aron J, Duca JV, Muellbauer J, Murata K, Murphy A (2012) Credit, housing collateral, and consumption: Evidence from Japan, the U.K., and the U.S. Review of Income and Wealth 58(3): 397-423. https://doi.org/10.1111/j.1475-4991.2011.00466.x

Auzan AA (2020) The economy under the pandemic and afterwards. Population and Economics 4(2): 4-12. https://doi.org/10.3897/popecon.4.e53403

Baikulakov S (2019) An equilibrium level of credits in the economy of Kazakhstan. Journal of Applied Finance and Banking 9(1): 27-39.

Belk RW (1988) Possessions and the extended self. Journal of Consumer Research 15(2): 139-168. https://doi.org/10.1086/209154

Benartzi S, Thaler RH (2013) Behavioral economics and the retirement savings crisis. Science 339(6124): 1152-1153. https://doi.org/10.1126/science.1231320

Bermeo E, Collard S (2018) Women and high cost credit: A gender analysis of the home credit industry in the UK. Women's Studies International Forum 71: 85-94. https://doi.org/10.1016/j.wsif.2018.08.007

Bullivant G (2016) Credit past and future. In: B Edwards (Ed.) Credit Management Handbook. Routledge, 3-18.

Collins JM, O'Rourke CM (2010) Financial education and counseling—still holding promise. The Journal of Consumer Affairs 43(3): 483-498. https://doi.org/10.1111/j.1745-6606.2010.01179.x

da Silva Marinho LL, de Souza Machado L (2023) Tax installment plans as a determinant of tax aggressiveness in Brazilian listed companies. Revista Contabilidade e Financas 34(93): e1754. https://doi.org/10.1590/1808-057x20231754.en

Demirgüç-Kunt A, Klapper L, Singer D, Ansar S, Hess J (2020) The Global Findex Database 2017: Measuring financial inclusion and opportunities to expand access to and use of financial services. The World Bank Economic Review 34(S_1): S2-S8. https://doi.org/10.1093/wber/lhz013

Deville J, Seigworth GJ (2015) Everyday debt and credit. Cultural Studies 29(5-6): 615-629. https://doi.org/10.1080/09502386.2015.1017091

Drentea P, Lavrakas PJ (2000) Over the limit: The association among health, race and debt. Social Science and Medicine 50(4): 517-529. https://doi.org/10.1016/S0277-9536(99)00298-1

Dunaevsky I, Zabrodina E, Kovaleva D (2020) Kak zhiteli raznyh stran mira otnosjatsja k kreditam [How do people around the world feel about credits?]. URL: https://rg.ru/2020/02/10/kak-zhiteli-raznyh-stran-mira-otnosiatsia-k-kreditam.html (in Russian)

Dynarski S, Scott-Clayton J (2006) The cost of complexity in federal student aid: Lessons from optimal tax theory and behavioral economics. National Tax Journal 59(2): 319-356. https://doi.org/10.3386/w12227

Fernandes D, Lynch Jr JG, Netemeyer RG (2014) Financial literacy, financial education, and downstream financial behaviors. Management Science 60(8): 1861-1883. https://doi.org/10.1287/mnsc.2013.1849

Forbes.kz editorial staff (2024) Bezrabotica: po official'nym dannym, v Kazahstane vsjo neploho [Unemployment: according to official data, everything is not bad in Kazakhstan]. URL: https://forbes.kz/articles/bezrabotitsa_v_rk_i_v_mire_po_ofitsialnyim_dannyim_v_kazahstane_vse_neploho (in Russian)

Friedman M (1957) A Theory of the Consumption Function. Princeton University Press, Princeton, 296 pp.

Gathergood J (2012) Debt and depression: Causal links and social norm effects. The Economic Journal 122(563): 1094-1114. https://doi.org/10.1111/j.1468-0297.2012.02519.x

Gurov IN, Kulikova EY (2022) Fertility-household credit burden nexus at the present stage. Population and Economics 6(1): 36-61. https://doi.org/10.3897/popecon.6.e76066

Hofstede G (2001) Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations. Second Edition. Sage Publications, Thousand Oaks, 596 pp.

Huang L, Peng X, Sun L, Zhang D (2023) Estimation of the value of curative therapies in oncology: a willingness-to-pay study in China. Cost Effectiveness and Resource Allocation 21(1): 37. https://doi.org/10.1186/s12962-023-00442-y

Kahneman D, Tversky A (2000) Prospect theory: An analysis of decision under risk. In: D Kahneman, A Tversky (Eds.) Choices, Values, and Frames. Cambridge University Press, Cambridge, 17-43. https://doi.org/10.1017/CBO9780511803475.003

Kalinowski S, Łuczak A (2021) Social (in)security — the ambivalence of villagers' perceptions during COVID-19. Problemy Polityki Spolecznej 54(3): 48-67. https://doi.org/10.31971/pps/145154

Krizistan (2023) Zhizn' v dolgah. V kakih stranah samoe zakreditovannoe naselenie i kak vygljadit Rossija na ih fone [Living in debt. Which countries have the most debt-ridden populations and what does Russia look like compared to them]. URL: https://dzen.ru/a/Y9-qqgON8Vj92rc1 (in Russian);

Krumer-Nevo M, Gorodzeisky A, Saar-Heiman Y (2017) Debt, poverty, and financial exclusion. Journal of Social Work 17(5): 511-530. https://doi.org/10.1177/1468017316649330

Kudryashova O (2023) Zakreditovannost' kazahstancev sravnili s drugimi stranami [The debt load of Kazakhstanis was compared with other countries]. URL: https://www.zakon.kz/finansy/6412966-zakreditovannost-kazakhstantsev-sravnili-s-drugimi-stranami.html (in Russian)

Kurniasari F, Prihanto JN, Andre N (2023) Identifying determinant factors influencing user's behavioral intention to use Traveloka Paylater. Eastern-European Journal of Enterprise Technologies 2(13(122)): 52-61. https://doi.org/10.15587/1729-4061.2023.275735

Lusardi A, Mitchell OS (2014) The economic importance of financial literacy: Theory and evidence. Journal of Economic Literature 52(1): 5-44. https://doi.org/10.1257/jel.52.1.5

Massouda N, Saunders A, Scholnick B (2011) The cost of being late? The case of credit card penalty fees. Journal of Financial Stability 7(2): 49-59. https://doi.org/10.1016/j.jfs.2009.12.001

Mazorenko D, Kaisar A, Zheniskhan D, Vlast, Mediazona Central Asia (2021) Zhizn' v kredit [Life on credit]. URL: https://vlast.kz/jekonomika/45437-zizn-v-kredit.html (in Russian)

Mian A, Sufi A (2009) The consequences of mortgage credit expansion: Evidence from the U.S. mortgage default crisis. The Quarterly Journal of Economics 124(4): 1449-1496. https://doi.org/10.1162/qjec.2009.124.4.1449

Modigliani F, Brumberg R (1954) Utility analysis and the consumption function: An interpretation of cross-section data. In: K Kurihara (Ed.) Post-Keynesian Economics. Rutgers University Press, 388-436.

Muellbauer JN (2007) Housing, credit and consumer expenditure. Proceedings Economic Policy Symposium, Jackson Hole, Federal Reserve Bank of Kansas City, 267-334.

Nasimova GO, Buzurtanova MM, Saitova NA (2019) Social protests in Kazakhstan: Factors and trends. Vestnik of Saint Petersburg University. Philosophy and Conflict Studies 35(3): 472-484. https://doi.org/10.21638/spbu17.2019.307

Nassimov M, Paridinova B, Abikenov Zh (2024) Impact of COVID-19 on social policy: A literature review in the social and human sciences. Problemy Polityki Społecznej 64(1): 1-27. https://doi.org/10.31971/pps/171624

Peñaloza L, Barnhart M (2011) Living U.S. capitalism: The normalization of credit/debt. Journal of Consumer Research 38(4): 743-762. https://doi.org/10.1086/660116

Raza A, Tong G, Sikandar F, Erokhin V, Tong Z (2023) Financial literacy and credit accessibility of rice farmers in Pakistan: Analysis for Central Punjab and Khyber Pakhtunkhwa regions. Sustainability 15(4): 2963. https://doi.org/10.3390/su15042963

Reinhart CM, Rogoff KS (2009) This Time is Different: Eight Centuries of Financial Folly. Princeton University Press, Princeton, 512 pp.

Romanyuk K, Anvarov S, Shumilov M, Zheleyko A (2023) Dynamics in the predictability of credit default swap spreads of EU companies. Complexity 2023: 1-7. https://doi.org/10.1155/2023/7572061

Sengul S (2020) Financial regulations and risk in the context of the global recession. Journal of Business, Economics and Finance 9(4): 320-335. http://doi.org/10.17261/Pressacademia.2020.1313

Stiglitz J (2012) The Price of Inequality: How Today's Divided Society Endangers Our Future. W.W. Norton and Company, New York, 560 pp.

Thaler RH, Sunstein CR (2008) Nudge: Improving Decisions about Health, Wealth, and Happiness. Yale University Press, New Haven, 312 pp.

Tversky A, Kahneman D (1973) Availability: A heuristic for judging frequency and probability. Cognitive Psychology 5(2): 207-232. https://doi.org/10.1016/0010-0285(73)90033-9

Wang L, Lv W, Jiang L (2011) The impact of attitude variables on the credit debt behavior. Nankai Business Review International 2(2): 120-139. https://doi.org/10.1108/20408741111139909

Widyastuti M, Ferdinand DYY, Hermanto YB (2023) Strengthening formal credit access and performance through financial literacy and credit terms in micro, small and medium businesses. Journal of Risk and Financial Management 16(1): 52. https://doi.org/10.3390/jrfm16010052

Yarasheva AV, Makar SV, Reshetnikov SB (2017) Kreditnye strategii rossijan kak otrazhenie modeli finansovogo povedenija [The credit Strategies of the Russians as the reflection of the Model of financial behaviour]. Finance: Theory and Practice 21(6): 138-153 https://doi.org/10.26794/2587-5671-2017-21-6-242-249 (in Russian)

Yazdanparast A, Alhenawi Y (2022) Impact of COVID-19 pandemic on household financial decisions: A consumer vulnerability perspective. Journal of Consumer Behaviour 21(4): 806-827. https://doi.org/10.1002/cb.2038

Zhussupova A, Ileuova G, Nassimova G, Khalikova S (2022) Blijanie programm pereselenija na povyshenie konfliktnosti v regionah Kazahstana [The impact of resettlement programs

on increasing conflict in the regions of Kazakhstan]. URL: https://centralasiaprogram.org/wp-content/uploads/2022/07/vliyanie-programm-pereseleniya-na-povyshenie-konfliktnosti-v-regionah-kazahstana.pdf (in Russian)

Other sources of information

Bureau of National Statistics (2023) Population of the Republic of Kazakhstan (at the beginning of 2023). URL: https://stat.gov.kz/ru/industries/social-statistics/demography/publications/6373/

Bureau of National Statistics (2024) Population of the Republic of Kazakhstan by gender and type of area (as of January 1, 2024). URL: https://stat.gov.kz/ru/industries/social-statistics/demography/publications/117680/

AQR 2023: Demographic analysis. The Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (2024) URL: https://www.gov.kz/memleket/entities/ardfm/documents/details/624744?lang=en

Information about the author

- Murat Orlenbaevich Nassimov – Candidate of Political Science, Associate Professor. Institute of Economics and Law of Korkyt Ata Kyzylorda University. Kyzylorda, 120014, Kazakhstan. E-mail: nasimov_m@mail.ru