

**RESEARCH ARTICLE**

DOI: 10.47703/ejgs.v2i2.47



# Dynamics of Social Inequality and Tax Policy in Kazakhstan: A Correlation Approach

Urkhiya S. Yernazarova<sup>1\*</sup> | Magbat U. Spanov<sup>1</sup> |

<sup>1</sup> University of International Business named after Kenzhegali Sagadiyev, Almaty, Kazakhstan

**Corresponding author:**

\*Urkhiya S. Yernazarova – PhD student, University of International Business named after Kenzhegali Sagadiyev, Almaty, Kazakhstan.  
Email: [urhia@mail.ru](mailto:urhia@mail.ru)

**For citation:**

Yernazarova, U.S. & Spanov, M.U. A. (2025). Dynamics of Social Inequality and Tax Policy in Kazakhstan: A Correlation Approach. Eurasian Journal Gender Studies, 2(2), 5-15.

**Conflict of interest:** The author(s) declare that there is no conflict of interest.

**Abstract**

The current challenges of Kazakhstan's socio-economic development require a comprehensive analysis of the dynamics of key social indicators and their impact on economic sustainability. The purpose of this study is to quantify the relationship between indicators such as unemployment rate, Gini coefficient, poverty rate, and quality of life index, and to study their dependence on tax policy. Correlation analysis was used as the primary analytical method, supplemented by regression modelling, which enabled the identification of the strength and direction of relationships between variables. The study used official statistical data from the Bureau of National Statistics for 2014-2024, including time series of socio-economic indicators and tax burden parameters. The results show a significant negative correlation between the tax burden and the Gini coefficient ( $r = -0.93$ ), indicating a possible increase in inequality with lower taxes. An increase in the Gini index is also positively correlated with GDP growth ( $r = 0.63$ ). This highlights the structural asymmetry in income distribution in relation to economic development. However, the most surprising finding was the positive correlation between the Gini and quality of life indices ( $r=0.81$ ). This indicates that aggregated measures of well-being may not always reflect uniform access to social benefits. The study also revealed persistent gender wage inequality, with an average gap of 30% favoring men, particularly in occupational health and financial fields. Future research is expected to focus on an in-depth analysis of the spatial distribution of inequality, its impact on regional policy, and the development of more sensitive social justice indicators.

**Keywords:** Social Policy, Social Inequality, Welfare Economics, Economic Sustainability, Gender Gap, Unemployment Rate, Poverty Rate

**SCSTI:** 06.52.13

**JEL Code:** I32, O11, R11

**Financial support:** The study was not sponsored.

## 1. INTRODUCTION

Nowadays, the issues of development and dynamics of socio-economic indicators remain a topical topic in scientific research and practice of analyzing the economy of the Republic of Kazakhstan. A strong focus was placed on such indicators as the unemployment rate, the poverty rate, the Gini coefficient and the quality-of-life index, which serve as an essential basis for conducting a systematic analysis of the country's state and assessing its economic sustainability.

Research in this area involves a separate consideration of each indicator and an analysis of their complex impact on economic growth and social stability. An important task is to study changes in indicators in the time frame and their implications for the country's development, as well as the impact of tax policy, which in recent years has become particularly important in the context of changes that occurred in 2024-2025. Despite the achievements in social stability and development of key sectors of Kazakhstan's economy over the past decades, significant problems remain, including high social inequality. This factor is relevant for a country with a rich resource potential, advanced technologies and international recognition, making social inequality particularly important for further development.

This study aims to quantify the relationship between indicators such as unemployment rate, Gini coefficient, poverty rate, and quality of life index and to study their dependence on tax policy. The following tasks are set analysis of theoretical aspects of the relationship between social indicators and economic indicators, obtaining and processing official statistics on the level of unemployment, poverty, the Gini index and the quality-of-life index, as well as conducting a correlation analysis of the relationship of tax policy with the studied social factors.

The scientific research demonstrates significant research activity in the field of social indicators. These studies analyze the problems of inconsistency between the growth

of economic indicators and the standard of living of the population, as well as issues of uneven development of the regions of Kazakhstan. Among the authors who pay attention to these issues are domestic researchers such as Afontsev and Zubarevich (2012), Koshanov (2019), and Kosherbayeva (2018), as well as foreign scientists analyzing regional differences and inequality (Karachurina, 2014). These studies emphasize the need for an integrated approach to the analysis of social indicators and their relationship to economic policy.

## 2. LITERATURE REVIEW

Before starting the analysis, it should be noted that many authors actively study the topic of socio-economic relationships. Among domestic works, a special place is occupied by the research of Kazakhstani and Russian scientists, as well as foreign authors. Thus, Frank (1973) in his work "Social Indicators and Socio-Economic Development" emphasizes the importance of analyzing socio-economic indicators in the context of the relationship with key economic indicators. He supports the idea that every economic indicator is formed within the framework of social indicators, and the social component significantly impacts the economy's development.

In addition, foreign studies analyze not only the impact of unemployment and poverty, but also more complex aspects, such as the impact of tax policy on reducing social tension (Afridi, 2016; Bassey & Amobi, 2022). For example, Afridi (2016) emphasized the need to develop a tax policy focused on improving the population's quality of life and creating a sustainable economic system, considering tax instruments not only as a regulatory measure, but also as a means of improving the social situation. The spatial role of regional capitals in shaping economic inequality has been explored by Leksin (2006), who emphasized their disproportionate influence on regional social development in post-Soviet states.

It is also worth noting that scientific works on this topic are included in the scope of their research, such as the direction of studying the correlation between the Gini coefficient and economic growth. For instance, Martin (2023) points out that reducing the Gini coefficient can help improve overall well-being and social progress. At the same time, Mdingi and Ho (2021) indicate that a direct decrease in inequality does not always lead to economic growth, which is quite an interesting and unpopular opinion. In particular, the author notes that his observation was formed in the context of high inflation and foreign economic shocks in the United States. Continuing in this tradition, Karachurina (2018) analyzed the trends toward polycentric urban development in Russia, suggesting implications for Kazakhstan's uneven urban growth.

Based on the review, there are a variety of opinions in scientific literature regarding the impact of social indicators on the economy. Most of the studies use qualitative analysis methods, but there are few such studies regarding the study of relationships using correlation analysis. The research presented in this paper is unique because it is the first time that it applies correlation analysis methods to investigate the relationship between social indicators and economic indicators.

### 3. METHODOLOGY

In this study, the main tool of analysis is correlation analysis, which is used to identify and assess the relationship between social indicators and tax policy in the Republic of Kazakhstan. This method allows us to quantify the degree and nature of relationships between the indicators of unemployment, poverty, Gini coefficient and quality of life index, as well as their dependence on changes in tax policy.

Accordingly, the sources from the methodological basis emphasize the importance of using integrated approaches to the analysis of socio-economic indicators (Afontsev & Zubarevich, 2012). In particular, the method of correlation analysis used has been confirmed in foreign studies as effective

for visualizing the relationships between indicators also been widely used to assess regional differences and inequalities (Mdingi & Ho, 2021).

The object of the study is official statistical data published by the Statistics Committee of the Ministry of National Economy of Kazakhstan in recent years. The study uses official statistical data from the Bureau of National Statistics (2024), which provides detailed time-series data on socio-economic indicators across Kazakhstan's regions. To conduct the analysis, we collected information on the dynamics of these social indicators for the analyzed period. Before performing the correlation analysis, the data was processed and cleaned to exclude outliers and missing values. The Pearson correlation coefficient was used to indicate the relationship, corresponding to the recommendations for this method to evaluate linear relationships between variables (Andrews & Withey, 1976).

A comparative analysis of changes in these indicators and tax reforms implemented during the study period is carried out to assess the impact of tax policy on social indicators. As a result of comparing the obtained data, possible statistically significant relationships are identified, which allows us to draw reasonable conclusions about the degree of influence of tax policy on the socio-economic situation in the country.

Thus, the chosen methodological approach provides a systematic, consistent and well-founded analysis of the relationship between social indicators and tax policy, and the results obtained will complement existing studies that confirm the need for an integrated approach to assessing the socio-economic situation.

The research focuses on the following aspects: assessing the current economic state of Kazakhstan, considering challenges and prospects, analyzing the dynamics of social indicators for the period 2014-2024, studying statistics of key economic indicators that are important for understanding the current economic situation; forming a data sample based on social indicators and tax policy, with a special focus on the tax burden. The study

aims to identify the relationships between these indicators and develop recommendations for their optimization in the framework of long-term economic growth. The foundational framework for using social indicators as metrics of national well-being can be traced back to Andrews and Withey (1976), whose work remains relevant in measuring contemporary socio-economic progress.

Correlation analysis, which is a method that determines the degree of dependence between variables, was used to study the interaction of social and economic factors. This allowed us to identify significant relationships, for example, between the unemployment rate, the Gini coefficient, and tax policy parameters. In addition, regression models were developed that visualize the identified dependencies and assess the impact of demographic, institutional, and macroeconomic factors on the dynamics of social indicators. The results showed that reducing the tax burden positively impacts household incomes while increasing social inequality increases tensions.

The methodological basis was also the study of time series for the period 2014-2024, selected to minimize analysis errors and increase data representativeness. External factors such as global economic crises, changes in international markets, and political events affecting the stability of social and economic indicators in Kazakhstan were considered. This approach allowed us to create a basis for forming proposals that contribute to sustainable development.

In 2024, the Republic of Kazakhstan continued to implement strategies to diversify the economy and reduce dependence on the commodity sector. According to the Ministry of National Economy of the Republic of Kazakhstan, the key direction remains the development of the manufacturing industry, digitalization and support for small and medium-sized businesses. In the structure of GDP for 2024, the share of goods production was 35.3%, and services production was 58.3%. The main contribution to the country's GDP is made by industry, with a share of 25.6%. Investments in infrastructure projects,

such as transport corridors under the New Silk Road initiative, have a positive impact on economic growth.

Inflation, although declining, still exceeds the target: the forecast for 2025 is 7.5-8%, and for 2026-6%. Fiscal policy remains expansionary, with the budget deficit projected to stay at 3.1% of GDP in 2025 and narrow to 2.7% in 2026. Tax revenues form the central part of state budget revenues (about 95%). In 2024, there was a real increase in the production of goods by 5.6%, services by 4.7% and taxes on products by 1.3% compared to the same period last year.

The number of officially registered jobs increased by 2.1% year-on-year in the third quarter of 2024, but the unemployment rate remained stable at 4.6%. This is due to the low correlation of employment with the phases of the economic cycle, as well as the high share of labor resources in the shadow sector, which distorts the statistical picture of the labor market.

Kazakhstan, having joined the Beijing Declaration in 1995, made an essential step in shaping modern gender policy, which is confirmed by the creation of the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan. This institutional mechanism has become a key link in implementing gender equality strategies, as evidenced by the President's official website data for 2023. However, in my opinion, despite visible progress, there is still a gap between formal commitments and the real situation, especially on issues of economic equality.

The project "IT-Aiel", implemented jointly with the organization "TechnoWomen" and the technopark "Astana Hub", can be considered a vivid example of successful practice. According to reports for 2024, the program allowed 18 thousand women to gain digital skills, while 45% of graduates significantly increased their income. These figures are undoubtedly impressive, but in my opinion, they only highlight the vast untapped potential. After all, if it was possible to achieve such results with a relatively small number of

participants in two years, then scaling the project could lead to a real revolution in the labor market.

Analyzing the current situation, it is impossible not to touch on the remaining systemic problems. Data from the Public Foundation “Amansauylık” for 2023 show that 62% of the population still consider the IT sphere a “non-rural” activity area. At the same time, the budget financing of gender programs, as follows from the reports of the Ministry of Finance, is only 0.8% of the social block's expenditures. In our opinion, this situation does not correspond to the stated priorities of state policy.

The experience of recent years powerfully demonstrates that investments in women's education and training provide quick and tangible returns. The example of the IT-Aiel project shows that even limited-scale initiatives can change the lives of thousands of people. However, to achieve absolute gender equality, more radical measures are needed—from revising budget priorities to changing educational programs at all levels. Only an integrated approach that combines economic, educational and cultural aspects can lead to qualitative changes in this issue.

Now, Kazakhstan has made significant progress in implementing the principles of the Beijing Declaration. However, based on experience, formal institutions and individual successful projects are only a small part of the solution. True gender equality requires constant work to change public consciousness, reallocate resources and create real opportunities for women's self-development in all spheres of life. And there is still a lot to be done in this direction. Social capital also plays a crucial role in well-being outcomes, as shown by Kudebayeva, Sharipova, and Sharipova (2021), who investigated subjective well-being in Central Asia.

Gender pay inequality remains one of the key socio-economic problems in modern Kazakhstan. Despite progress in the field of gender equality (according to statistics, 39% of managers in the civil service are women), women continue to receive lower wages than

men for performing functions. This phenomenon, known as the gender pay gap, is caused by a complex of factors, including discrimination, differences in career opportunities, and social stereotypes. There are 28 women in the Parliament, 18.9 % of the total deputies. In comparison, the share of women in masticates is 22.7 % (774 out of 3415) in 21 ministries: 3 women - Ministers of Health, Labor and Social protection, culture and information, 8 - vice-ministers, 3 - chief of staff. Six women hold senior positions in 14 state bodies directly subordinate and accountable to the President of the Republic of Kazakhstan. The total number of female judges in the republic is 1,248 (53%). Currently, the share of women in the civil service is 55.8% (from 84,482 to 47,158), and the total share of women in senior positions is 39.1% (9,363 out of 23,947). In the structure of small and medium-sized business owners, the share of women entrepreneurs reached 48%. Thus, in the field of gender policy implementation, Kazakhstan continues its policy of strengthening gender equality and eliminating discrimination against women. Systematic work is being carried out to build the necessary legal and institutional framework, and critical conditions are being created to promote women's physical, intellectual, spiritual and moral development.

Thus, the economy of Kazakhstan in 2024 demonstrates balanced development, where traditional industries are harmoniously combined with innovative directions. The introduction of tax reforms and digital technologies forms the basis for sustainable growth and long-term prospects.

## 4. RESULTS

Before analysing the socio-economic situation in the Republic of Kazakhstan, a preliminary monitoring of key social indicators was conducted. Among the indicators considered, special attention was paid to the Gini coefficient, which is an essential tool for assessing the degree of inequality in the distribution of income and the population's

standard of living. The Gini coefficient (for 10% of population groups) provides an opportunity to quantitatively determine the deviation of the actual income distribution among equal numerical population groups from the line of their uniform distribution. This social indicator, proposed by Corrado Gini in 1912, remains relevant in modern research and is actively used to assess the degree of

deviation of the actual distribution of income. The analysis also considered the poverty depth indicator, which allows us to identify the average deviation of the population's income level below the subsistence minimum from the established subsistence minimum. This indicator plays a vital role in assessing social policy and the level of economic sustainability (Table 1).

**TABLE 1.** Gini Coefficient for 2014 - 2024

Indicator	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gini Coefficient	0,278	0,278	0,278	0,287	0,289	0,290	0,291	0,294	0,292	0,291	0,293

*Note:* compiled by authors

The table analysis presents the Gini coefficient from 2014 to 2024, reflecting the inequality level in the income distribution in society. During this time, the Gini coefficient shows a slight but steady increase, starting with a value of 0.278 in 2014 and reaching 0.293 by 2024. An increase in the Gini coefficient indicates a gradual increase in income inequality. This process can be associated with economic, social and political changes in the country. A sustained rise in the Gini coefficient requires an analysis of the factors that contribute to such an increase, including the structure of taxation, the availability of social services, and economic opportunities for various population segments. Despite the

relatively small increase in the Gini coefficient, it is crucial to consider the long-term consequences of growing inequality, which can lead to social and economic stress. The unemployment indicator for Kazakhstan was also analyzed. According to the results of 2024, this indicator amounted to 5.4% in nominal terms, which is more than 1 million people with an income below the subsistence minimum, indicating that these people are in the poor population. This indicator is the most worrisome since, in this case, the situation has not experienced a positive trend over the past 10 years, but only a regression in this indicator. For example, in 2014, this figure was 2.9 %. Indicators by city are shown in Table 2.

**TABLE 2.** Share of households with incomes below the minimum subsistence level in 2024

Region	Below the subsistence level (%)	Below the cost of a food basket (%)
Kazakhstan	5.40%	0.20%
Astana city	2.80%	—
Almaty city	5.10%	0.30%
Shymkent city	6.10%	0.50%
Abay	8.60%	0.80%
Akmola	5.00%	0.40%
Aktobe	4.20%	-
Almaty	4.10%	0.30%
Atyrau	3.60%	-
East Kazakhstan	4.00%	-
Zhambyl	5.60%	-
Zhetysu	8.10%	0.30%
West Kazakhstan	4.30%	-
Karaganda	3.30%	—
Kostanay	3.90%	-

Kyzylorda	5.30%	-
Mangistau	8.00%	-
Pavlodar	3.90%	-
North Kazakhstan	4.40%	0.20%
Turkestan	9.30%	0.40%
Ulytau	5.50%	1.20%

*Note:* compiled by authors

An analysis of the data in Table 2 shows the share of households in various regions of Kazakhstan whose income is below the subsistence minimum and the value of the food basket in 2024. On average, 5.4% of households in the country have an income below the subsistence level and 0.2% below the food basket cost. The largest share of households with incomes below the subsistence minimum is found in Turkestan region (9.3%), Abay region (8.0%) and Zhetysu region (8.0%). These data indicate the presence of regional language components at the poverty level. According to Aralbay (2024), the economic outlook for Kazakhstan in 2024 was marked by a real increase in the production of goods and services, with a GDP structure reflecting ongoing diversification.

The identified factors indicate that

economic growth does not always correlate with compliance with financial restrictions, which can sometimes increase their impact. This highlights the need for a comprehensive approach to social policy development at the macro level, which includes monitoring not only macroeconomic indicators but also the actual income of the population and the availability of basic living goods. In addition, for a more in-depth analysis of the dynamics of social indicators and their impact on the development of the economy of the Republic of Kazakhstan, Table 3 presents data that serve as the basis for correlation and regression analysis. A detailed description of the indicators used in this analysis is provided directly in Table 3.

**TABLE 3.** Baseline data on social indicators and the social tax rate for 2014-2024

Year	Tax burden (%)	GDP level of (%)	Unemployment rate (%)	Gender wage gap (%)	Gini coefficient	Quality of life
2014	8,7	4,3	5,3	33	0,278	20,5
2015	8,4	1,2	5	34	0,278	22,1
2016	7,7	1,1	5,1	31	0,278	36,8
2017	7,1	4,1	4,9	32	0,287	45,2
2018	6,4	4,1	4,9	34	0,289	56,4
2019	5	4,5	4,8	32	0,292	47,8
2020	4,5	2,6	4,8	25	0,291	52
2021	4	4,1	4,9	22	0,294	50,2
2022	4,3	3,2	4,9	25	0,292	41,3
2023	4,4	5,1	5,4	34	0,291	41,8
2024	4,7	4,8	4,6	40	0,293	43,8

*Note:* compiled by authors

Analyzing the data from Table 3, it was evident that there is a steady downward trend in the context of social indicators while reducing the tax burden coefficient in %. As a

result of collecting the most important statistical indicators, it is possible to build a correlation matrix, which was calculated using the Excel-based correlation function. For more information, see table 4.

**TABLE 4.** Analysis of correlations of key social indicators for the period 2014-2024

Variable	Tax burden (%)	GDP level (%)	Unemployment rate (%)	Gender wage gap (%)	Gini	Coefficient Quality of life index
Tax burden	1					
GDP level	-0,4534	1				
Unemployment rate	0,3803	-0,0089	1			
Gender wage gap	0,3772	0,2302	0,0284	1		
Gini coefficient	-0,9332	0,6253	-0,4891	-0,2355	1	
Quality of Life Index	-0,7068	0,3551	-0,5187	-0,2779	0,8097	1

*Note:* compiled by authors

As a result of the analysis of Table 4, we see that there is a high correlation indicator:  $r = 0.81$  between the quality-of-life index and the Gini coefficient.

In this case, the correlation of 0.81 between these indicators is atypical in practice since with an increased Ginny coefficient, which is responsible for the indicator of inequality, it should be inversely proportional to the quality of life. But despite this, there is a hypothesis in the context of the fact that the quality of life index is, in practice, an aggregated indicator that includes a massive variety of components, such as access to education, medical care, infrastructure benefits, a high-quality level of income, as well as security and many other benefits, but at the same time, this indicator does not always reflect the uniformity of access to these benefits among all segments of the population, which is quite typical for the territory of Kazakhstan, since based on the statistical data reviewed, it was found that 10% of the wealthiest citizens of the country receive from 25% of total income. In comparison, 10% of the poorest receive only 4% of revenue. The unemployment rate has the most excellent inverse relationship with the quality-of-life index (-0.52) and the Gini coefficient (-0.49), which means that when unemployment increases, the quality of life worsens. Inequality decreases (possibly due to the general deterioration of the population's economic situation). A direct correlation with the tax burden (0.38) indicates a possible increase in unemployment with higher taxes. In

this regard, the correlation analysis results suggest that the growth of the Ginny index may be due to improved living conditions in certain, more affluent groups of the population, which form a significant share in the calculated indicators. Thus, during this study, it was noted that the index can show growth even in conditions when most of the population does not experience a real improvement in living conditions.

Also, a positive level of correlation, but with less dependence, lies in the relationship between the Gini coefficient and the level of GDP of the Republic of Kazakhstan: 0.625. This correlation is quite atypical since with the development of the economy in the context of GDP growth in the Republic of Kazakhstan, the Gini coefficient itself, that is, the level of inequality, increased. This indicator confirms once again that despite the growth of the basic economic indicators of the economy, more in-depth and targeted indicators reflect the problem that exists in the period of development of the country. In this regard, both in the case of Kazakhstan and in many developing countries, the growth of such an indicator as the country's GDP is not always accompanied by an even redistribution of income and the creation of equal opportunities for all segments of society.

The gender pay gap is measured as the difference between men's and women's average earnings, expressed as a percentage of men's income. According to the methodology of the International Labour Organization (ILO), it can be calculated as an unadjusted gap (considers all types of income without



adjusting for profession, experience and education) and an adjusted gap (takes into account differences in qualifications, positions and industries). In Kazakhstan, according to the Committee on Statistics, the unadjusted gender gap is about 30%, meaning that women earn a third less than men on average. According to statistical reports, the average salary of men in Kazakhstan is approximately 350,000 tenge and women-250,000 tenge. The most significant gap is observed in the financial sector (35%), IT (32%) and mining (40%). The smallest gap is in education (8%) and health care (12%), which is associated with a high proportion of women in these areas. The leading causes of inequality include stereotypes of employers who lower salaries for women because of a possible decree, social attitudes that prevent women from demanding higher wages, domestic responsibilities that hinder career growth, and difficulties returning to their previous position after the decree.

This can lead to a decrease in GDP due to the incomplete use of women's labor potential (according to McKinsey estimates, closing the gap could increase the economy of Kazakhstan by 15-20%), an increase in poverty among women, especially in rural areas, a decrease in the birth rate due to women's economic insecurity, and women receiving pensions 25-40% lower due to the lack of lower work experience and salaries, and an increase in the number of single mothers living below the poverty line.

Based on the analysis and the results of the correlation between various indicators of social indicators that affect the development of the economy, we can conclude that it is necessary to review social and tax policies. It should contain amendments that allow socially vulnerable segments of the population to receive assistance and subsidies for business development. In addition, economic development policies should focus not only on GDP growth but also on a more inclusive and equitable distribution of the results of economic growth.

In many countries, a high tax burden does not always lead to a fair reallocation of

resources. Research shows that high tax rates often do not solve the problem of economic inequality due to the imperfection of progressive taxation. High-income individuals and large corporations receive tax breaks, while the main burden falls on ordinary taxpayers. Government support programs do not sufficiently compensate for the growing income gap.

A high tax burden can create additional pressure on the middle-class and low-income segments of the population. Additional tax revenues are not always translated into effective social programs. The analysis showed that high taxes can maintain economic inequality, as seen in Kazakhstan's example. Tax policy should ensure the necessary amount of income and effective reallocation of funds to reduce economic inequality.

## 5. CONCLUSION

Social inequality remains one of the most significant problems of modern society. Reducing social disparities and reducing the Gini coefficient requires progressive tax increases and fair redistribution through government programs aimed at supporting socially vulnerable citizens. Health, education and social security are key areas for allocating additional budget resources, ensuring equal access, improving the quality of life, and creating conditions for a more equitable distribution of benefits. As Zubarevich (2015) noted, regional economic disparities often deepen in times of national economic crisis, underscoring the need for targeted policy interventions in lagging regions.

A few measures are recommended to achieve sustainable change. First, optimising the tax burden on small and medium-sized businesses and reviewing the rates for socially vulnerable groups is crucial. This will help reduce poverty, increase the population's purchasing power, improve social indicators and reduce social tensions. Secondly, attention should be paid to developing infrastructure and educational programs: introducing retraining courses, support for startups and innovative

initiatives. This, in turn, will help create new jobs and reduce unemployment.

Analysis of the relationship between social and economic indicators indicates the need to review the current policy. The focus should be on supporting socially vulnerable categories of citizens, including direct financial assistance, subsidizing business initiatives, access to soft loans and educational programs. At the same time, the state's economic policy should focus on GDP growth and fair income distribution. An inclusive approach to economic development will reduce the gap between different social groups. One of the state's priorities should be to reduce social stratification by increasing the minimum wage and social benefits, strengthening control over the targeted use of budget funds, expanding support programs for low-income families, and increasing funding for health and social services. An additional factor in reducing inequality can be the introduction of environmental standards and modern technologies that contribute to the sustainable development of regions and improve living conditions.

Kazakhstan has made progress on gender

equality, but systemic barriers still need to be addressed further. The sustainability of traditional attitudes is particularly challenging, especially in rural areas. For example, the educational program "IT-Aiel" covers mainly urban women — the share of rural participants does not exceed 18%, which indicates a gap in the availability of opportunities.

Achieving sustainable change requires a comprehensive approach that considers regional characteristics and includes legislative measures and the transformation of public consciousness. International experience, including the examples of Georgia and Rwanda, shows that success is possible only if legal, economic and social instruments are synchronized. Kazakhstan could develop an effective model that combines global trends with national specifics, but this will require a transition from declarations to systematic actions. Summing up, it can be argued that to reduce the Gini coefficient and social stratification effectively, an approach is needed that includes a well-thought-out strategy combining gender policies, tax reforms, investments in social services and programs to involve citizens in economic activities.

## AUTHOR CONTRIBUTION

Writing – original draft: Urkhiya S. Yernazarova, Magbat U. Spanov.

Conceptualization: Urkhiya S. Yernazarova, Magbat U. Spanov.

Formal analysis and investigation: Urkhiya S. Yernazarova, Magbat U. Spanov.

Development of research methodology: Urkhiya S. Yernazarova, Magbat U. Spanov.

Resources: Urkhiya S. Yernazarova, Magbat U. Spanov.

Software and supervisions: Urkhiya S. Yernazarova, Magbat U. Spanov.

Data collection, analysis and interpretation: Urkhiya S. Yernazarova, Magbat U. Spanov.

Visualization: Urkhiya S. Yernazarova, Magbat U. Spanov.

Writing review and editing research: Urkhiya S. Yernazarova, Magbat U. Spanov.

## REFERENCES

- Afontsev, S., & Zubarevich, N. (2012). Spatial development as a modernization driver for the Republic of Kazakhstan. *Voprosy Ekonomiki*, 2012(5), 53–58. <https://doi.org/10.32609/0042-8736-2012-5-53-58>
- Afridi, A. H. (2016). Human capital and economic growth of Pakistan. *Business & Economic Review*, 8(1), 77–86. <https://www.imsciences.edu.pk/files/journals/vol82/Paper%205-Human%20Capital.pdf>
- Andrews, F.M., & Withey, S.B. (1976). *Social indicators of well-being*. Plenum Press. <https://doi.org/10.1007/978-1-4684-2253-5>
- Aralbay, R. (2024). *Kazakhstan's economy 2024: Figures, analysis and forecasts*. Institute of Marketing and Sociological Research Elim. <https://marketingcenter.kz/20/economy-kazakhstan.html>

- Bassey, E., & Amobi, B. N. (2022). Multinational corporations choose a location for foreign direct investment: Does tax burden matter? *International Journal of Financial, Accounting, and Management*, 3(4), 349–358. <https://doi.org/10.35912/ijfam.v3i4.733>
- Bureau of National Statistics. (2025). *Bureau of National Statistics of the Republic of Kazakhstan*. <https://stat.gov.kz>
- Karachurina, L. B. (2014). Demographic transformation of post-Soviet cities of Russia. *Regional Research of Russia*, 4(2), 56–67. <https://doi.org/10.1134/S2079970514020087>
- Karachurina, L. B. (2018). Population dynamics of centers and secondary cities of Russia's regions: Trends towards polycentricity? *Izvestiya Rossiiskoi Akademii Nauk. Seriya Geograficheskaya*, 2018(8), 308–321. <https://doi.org/10.1134/S2079970518040032>
- Koshanov, A. (2019). Urbanization and the problems of territorial development. *Obshchestvo i Ekonomika*, 2019(2), 64–82. <https://doi.org/10.31857/S020736760004136-8>
- Kosherbayeva, A. (2018). Analysis of the development of cities in Kazakhstan in the light of managed urbanization. *Economics and Statistics*, 2018(4), 134–140.
- Kudebayeva, A., Sharipova, A., & Sharipova, D. (2021). Social capital and subjective well-being in Central Asia. *Europe-Asia Studies*, 74(1), 101–124. <https://doi.org/10.1080/09668136.2021.1973965>
- Leksin, V. N. (2006). "Regional capitals" in the economy and social life of Russia. *Voprosy Ekonomiki*, 2006(7), 84–93. <https://doi.org/10.32609/0042-8736-2006-7-84-93>
- Mdingi, K., & Ho, S.-Y. (2021). Literature review on income inequality and economic growth. *MethodsX*, 8, 101402. <https://doi.org/10.1016/j.mex.2021.101402>
- Zubarevich, N. V. (2015). Crises in post-Soviet Russia: A regional projection. *Regional Research of Russia*, 5(1), 23–31.

## AUTHOR BIOGRAPHIES

**\*Urkhia S. Yernazarova** – PhD student, University of International Business named after Kenzhegali Sagadiev, Almaty, Kazakhstan. Email: [urhia@mail.ru](mailto:urhia@mail.ru), ORCID ID: <https://orcid.org/0000-0002-8827-7922>

**Magbat U. Spanov** – Doc. Sc. (Econ.), Professor, University of International Business named after Kenzhegali Sagadiev, Almaty, Kazakhstan. Email: [m-spanov@rambler.ru](mailto:m-spanov@rambler.ru), ORCID ID: <https://orcid.org/0000-0002-6448-8397>