

# Reduction of Economic Disparities in the Regions of Kazakhstan Based on Inclusive Development

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Received: April 10, 2019 Revised: April 13, 2019 Accepted: April 20, 2019

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## Abstract

This study aims to explore the theoretical concepts of inclusive development in relation to the spatial context, assessment the disparities in the social and economic development of the regions of Kazakhstan and substantiate the main mechanisms for overcoming them. In this research, authors propose the methodological tools for presenting a standard form of evaluation of social and economic development in the regions of Kazakhstan. In this study used methods, which based on measuring disproportions between the levels of economic and social development of the regions, as well as disproportions between the republican and regional levels. According to the author's methodological approach, complex and integral indexes have calculated over the period 2012-2017 for a number of indicators adapted to the conditions of Kazakhstan. The calculated indexes proposed to use as instruments for measuring the level of the social and economic development. In addition, according the obtained indexes and the results of their ranking can be the basis for the development of regional programs and management decisions. This will improve the targeted support of the population in backward regions in order to ensure inclusive development and improve the quality of life of the population.

**Keywords:** Inclusive Development, Spatial Policy, Social Sphere, Inequality, Disproportions, Depressive Territories.

**JEL Classification Code:** J3, O31, R10.

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## 1. Introduction

The global challenges are the issue of inequality of social and economic development of countries, regions, certain territories within countries, as well as significant differences

in incomes of certain groups of the population. High degree of regional differences means the allocation of depressed regions, which can lead to serious social conflicts regarding the territorial distribution of resources and adversely affect the economic, social and political stability of the state.

The main idea of the researchers is to overcome the territorial imbalances and reduce inequality of people living in different regions of the country, it is necessary to implement the principles of inclusive development. In this article, the concept of inclusive development is considered in the context of the spatial distribution of the economy and society in the country.

In accordance with the authors' hypothesis it is predicted that implementation of the inclusive principles development will require enhancing the role of the government and local authorities in stimulating the creation of effective jobs, growth of employment and incomes of the population, and more uniform participation in economic processes. Thus, inclusive development will contribute to the achievement of social justice.

The purpose of this research is to study theoretical ideas about inclusive development in relation to the spatial context,

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assessment the disparities in the social and economic development of the regions of Kazakhstan and substantiate the main mechanisms for overcoming them. In obtaining a fair view of the level of social and economic development of regions, determining of the territory, that need government support for the purposes of inclusive development, the index method has been used. The research methods are based on measuring disproportions between the levels of economic and social development of the regions, as well as disproportions between the republican and regional levels. According to the author's methodological approach, complex and integral indexes have calculated over the period 2012-2017 for a number of indicators adapted to the conditions of Kazakhstan and characterizing the level of economic and social development of its regions.

The calculated complex and integrated indexes are proposed to use as instruments for measuring the level and disproportions of the economic development of the country's regions. This will make the right management decisions to ensure inclusive development in the country, in other words, achieve social standards for the population of backward regions.

The study divided into the following sections. The section 2 proposes to consider the theoretical reviews. Section 3 sets out the methods of scientific research. Section 4 presents analysis and estimation results. Section 5 is the concluding part.

## 2. Literature Review

In recent years, the concept of inclusive growth, which has a multifaceted nature, becomes widespread in world economic science. Despite many studies, scientists and practitioners have not considered the concept of inclusive economic growth in terms of the spatial development of the national economy. Nevertheless, in our view, it can explain many trends and phenomena in the context of spatial development. Despite the widespread use of the term "inclusive growth" in economic, social and environmental aspects in many countries and many international organizations, there is no common view among researchers on the main provisions of this concept. Many researchers argue that inclusive development means: improving the average standard of living of the population; increasing real per capita income; equal access of all segments of the population to public services and public goods; reducing the degree of property stratification; reducing extreme poverty (Smorgunov, 2017; Novikov & Vitkina, 2018).

Currently identified that sustainable economic growth that is comprehensive will ensure poverty reduction in addition decrease in inequality. While many developing countries

have witnessed rapid economic growth in the recent decades, relatively few of these countries have been able to ensure that the economic growth process has been inclusive of the poor (Ali & Zhuang, 2007). Inclusive growth is powerful coming a new definition in urban and regional policy. Its universality has been driven, in considerable part, by two connected tendencies. The first is widespread concern about the scale and consequences of inequality (Cavanaugh & Breaux, 2018). Nevertheless, inequality within countries has tended to increase, with incomes rising for the already affluent while living standards stagnate for much of the population (Benner & Pastor, 2015; Summers & Balls, 2015).

Some researchers highlight that the rise in inequality in the global community is due to the exclusion of certain groups of people from the development process (Harrison, 2012; Storper, 2013; Raniyar & Kanbur, 2010; Nurlanova & Brimbetova, 2017). Inclusive development involves overcoming such inequalities and ensuring that all groups have equal opportunities to benefit from and participate in decision-making. In other words, inclusive development implies the most equitable distribution of resources, benefits and benefits among economic agents.

The second tendency is the progressing economic and political significance of cities. Cities have seen as significant economic and political actors (Harrison, 2012; Storper, 2013). They are often where inequalities are starkest and clearest, and their political importance is increasing, with local government given new powers and responsibilities to drive economic growth (Rodríguez-Pose & Gill, 2003). Some definitions take these two components as a starting point but broaden out, adding extra components (Rauniyar & Kanbur, 2010).

The growth-poverty relationship is dependent on the nature of growth, in terms of its sectoral structure, and local context, such as initial inequality (Ferreira, Leite & Ravallion 2010). Lin notes, growing inequality is not inevitable, but the result of policy choices made as part of national development strategies (Lin, 2004). Kraay finds that improvements in the quality of institutions can lead to greater pro-poor growth (Kraay, 2006). While some scientists show that stronger property rights can exacerbate inequality (Amendola, Easaw, & Savoia, 2013). Therefore, the inclusiveness of growth processes that are caused by better quality institutions is a matter of conceptual and empirical debate.

Today, some researchers are critically considering the possibility of implementing the concept of inclusive growth. They believe that this theory is a fashionable trend, but is declarative in nature. It lacks clear mechanisms for achieving equitable economic growth and the distribution of social benefits (Lee, 2019). In addition, local governments

are often unable to make effective use of existing resources and ensure widespread economic growth. The inclusive growth can have several meanings, and can be used to justify various types of state intervention in economic development (Cornwall & Brock, 2005).

There are many other views on inclusive development. Thus, there is opinion that inclusive development provides economic growth, which is accompanied by a fair distribution of all the benefits and dividends of society. Thus, inclusive growth can provide a compromise between fairness and efficiency of economic development (Ranieri & Ramos, 2013). In modern conditions, the popularity of the concept of inclusive growth is not accidental. It is caused by the growing scale and negative consequences of inequality between different groups of the population of one country and inequality of socio-economic development of different countries and regions (Cavanaugh & Breau, 2018). Many international organizations are developing a new model of inclusive development. According to the new model, it is necessary to strive for comprehensive economic growth in all sectors of the economy. This comprehensive growth aimed to improve all parameters of the quality of life of the population: the growth of the educational level, improving the work of health institutions, creating new effective jobs and reducing unemployment, etc.

Inequality is linked with economic development and change of structure. In the process of structure transformation of the economy, there are new high-tech production and efficient jobs for highly skilled workers. This leads, on the one hand, to economic growth, on the other, to increased income inequality among workers in high-paying sectors of the economy and in traditional, conserving backward technologies. The idea that inequality is a side effect of development and economic growth contributes to poverty reduction is confirmed by Kanbur (2000).

In conditions of uneven development of the economy of different regions of the country, inclusive growth becomes a factor in ensuring social stability of society. Our previous studies have shown that in Kazakhstan, despite the decrease in the stratification of the population of the regions in terms of income, the difference in income remains significant (Nurlanova et al., 2018). In turn, the extent to which people's needs for goods and services are met depends on the scale of production, distribution and use of resources in the regions, as well as on the distribution of opportunities, particularly in the area of employment. Thus, the social stability of society depends on the level of economic development and is related to public administration. It should be concluded that the management of inclusive development processes is manifested in:

- Increasing investment in education, health and training in each region;

- Promoting the realization of human abilities and participation in the production and distribution of benefits through remuneration;
- Equitable distribution of national income and wealth throughout the country;
- Organization of state social expenditures in the context of spatial development.

Management of inclusive development involves social security of vulnerable segments of the population, providing benefits to the population of backward regions in the field of health, education, and other areas of the social sphere. Based on the above, we have formulated the main provisions of the concept of inclusive development in the spatial context:

- a) Improving living standards and real per capita income in all regions;
- b) Expansion and increase of equal opportunities of access of the population of all settlements of the country to social services and other public goods;
- c) Ensuring equal opportunities for the population of all regions with vital public infrastructure;
- d) Reduction of the degree of property stratification of the population in the regions of all types, in large, medium and small towns and villages;
- e) Reducing extreme poverty throughout the economic space.

Therefore, it should be concluded that the existing views on inclusive growth means not only sustainable and balanced growth in all sectors of the economy, but also equitable distribution of wealth and to poverty reduction.

### 3. Research Methods

There are different methods to measure the level of a country's development in the context of inclusive growth. For instance, some researchers suggest using groups of indicators:

- 1) Indicators measuring the scale of the economy - the volume of output, the number of firms and the number of jobs;
- 2) Indicators measuring the level of well-being of the population - average wages, incomes of the population, labor productivity;
- 3) Indicators reflecting differences between groups of people — wages of the middle class and the poor, etc.

Joseph Rowntree Foundation (JRF) has been monitoring the inclusive growth of 39 local partner companies in England to measure the relationship between poverty and growth. For this, the Foundation uses a set of 18 indicators. These indicators include: the ratio of GDP and investment, the share of people employed in various sectors, access to

economic infrastructure, indicators of poverty and inequality, the size of human potential (i.e education coverage, access to water, sanitation, health indicators), social protection areas (Beatty et. al., 2016).

Based on an examination of the existing bases, we have proposed author’s methodological approach, which to measure the following disproportions of regional development:

- Disproportions between the levels of economic development of territories and the development of the social sphere;
- Imbalances between the republican and regional levels of the main indicators of social development.

Measuring these disproportions in a number of indicators is necessary in order to get a general idea of socio-economic development in the regions and make the right decisions for inclusive development or, in other words, achieving social standards for the population of backward regions. The chosen method based on the calculation of complex and integral indices in the dynamics of a number of indicators proposed by experts and adapted to the conditions of Kazakhstan (Glushakova, 2011):

- Life expectancy at birth, years;
- The infant mortality rate under 1 year per 1,000 live births;
- Migration growth rate (migration balance per 1000 population);
- Number of registered crimes per 10,000 population;
- Unemployment rate, %;
- Provision of housing per 1 person, m<sup>2</sup>/person.

The system of indicators, which reflects social development in the regions, is presented in Table 1.

**Table 1:** The system of indicators characterizing of social development in the regions of Kazakhstan

Indicator	Characteristic
Life expectancy at birth, years	This indicator characterizes the state of the person’s living environment and health.
Infant mortality rate up to 1 year per 1000 live births	This indicator characterizes the level of development of the medical infrastructure, the quality and availability of medical services provided to women and infants.
Migration balance per 1000 people population	This indicator is an indirect reflection of the level of social and economic development of regions.
Number of registered crimes per 10 thousand people	This indicator indicates the quality of social space in terms of security of the individual.
Unemployment rate, %	This indicator reflects the share of the population not involved in the process of creating material and spiritual wealth and the level of disadvantage of social space.
Provision of housing per 1 inhabitant, m <sup>2</sup> /person	The indicator characterizes the standard of living of the population in the region, but does not reflect the affordability of housing for each individual.

Note : Compiled by the authors.

Further, to measure life expectancy at birth, the life expectancy Index in the regions is used according to the following formula:

$$L_n = \frac{x_c - x_{min}}{x_{max} - x_{min}}, \tag{1}$$

- where  $L_n$  – index of life expectancy;
- $x_c$  – average life expectancy in the country;
- $x_{min}$  – minimum life expectancy in the i-th region;
- $x_{max}$  – maximum life expectancy in the j-th region.

It should be noted that the higher the value of the index, the greater the difference between the maximum and minimum life expectancy. For a more complete description of the level and disparities of socio-economic development of the regions, a set of economic indicators have selected and calculated using the index method for the regions of Kazakhstan in the dynamics for 2012-2017 (Table 2).

**Table 2:** The system of economic indicators characterizing the possibilities of inclusive development of the regions of Kazakhstan

Indicator	Formula	Description
Index of per capita incomes of the population for the month	$\frac{I_{pr}}{P_r} : \frac{I_{pK}}{P_K}$ where $I_{pr}, I_{pK}$ – incomes of the population region and Kazakhstan; $P_r, P_K$ – population of the region and Kazakhstan	The index shows the ability of a person to ensure their reproduction on an extended basis. An index value of less than one indicates the worst position, and above 1 indicates a favorable one.
Index of fixed capital investment per capita	$\frac{I_{vkr}}{P_r} : \frac{I_{vkk}}{P_K}$ where $I_{vkr}, I_{vkk}$ – volume of investments in fixed capital of the region and Kazakhstan	The index reflects the investment attractiveness of the region.
Index of labor productivity	$\frac{GRP_r}{N_{eapr}} : \frac{GRP_K}{N_{eapK}}$ where $GRP_r, GRP_K$ – gross regional product of the region and Kazakhstan; $N_{eapr}, N_{eapK}$ – the number of economically active population of the region and Kazakhstan	The increasing values of the indices characterize the predominantly intensive path of economic development.
Index of the share of the population with incomes above the subsistence minimum	$\frac{P_{pilmr}}{P_{pilmK}}$ where $P_{pilmr}, P_{pilmK}$ – the proportion of the population with incomes above the lived minimum in the region	The indicator indicates the economic well-being of the regions and the level of economic development of the country.

Note : Compiled by the authors.

The application of methods for measuring social and economic imbalances in the regions was carried out according to the following algorithm:

- Calculation of private indexes by any means included in the study;
- Cross analysis of private indexes of social and economic development
- Calculation of complex indexes indicators obtained by averaging index values for all indicators;
- On the basis of complex indices, the calculation of the integral index characterizing the level of social and economic development of the entire territory of the country as a whole;
- Determining the ratings of regions in terms of social and economic development, based on integral indices.

#### 4. Analysis of the Level of Social and Economic Development in Kazakhstan

The analysis of the dynamics of life expectancy at birth in the regions of Kazakhstan has showed that over 6 years, the absolute value of life expectancy in the country as a whole increased by 3.4 years. In six regions, the indicator was higher than the national average. The analysis is the calculation of complex indexes based on private indexes (by life expectancy at birth, coefficients of migration growth, infant mortality, crime rates per 10 thousand people, unemployment rates, housing provision per 1 resident).

Complex indexes can be used to monitor the level of social development of regions and to manage this process (Table 3).

In particular, a higher life expectancy compared with the average national level observed in Atyrau, Aktobe, Mangistau, South-Kazakhstan regions and Astana and Almaty cities. In Akmola, Karaganda, Kostanay and North-Kazakhstan regions, women and people of old age use more medical services; their numbers prevail in the total population. At the same time, the death rate of men is higher than their birth rate. In Almaty, Zhambyl, West-Kazakhstan, Kostanay, Kyzylorda and Pavlodar regions, life expectancy is close to the national average. Base on the analysis of life expectancy at birth, we made the following conclusions:

- The indicator of the life expectancy of the population is basic for assessing the level of social development of the regions of the country;
- There is a tendency of increasing of life expectancy at birth in all regions of Kazakhstan, which indicates an increase in the standard of living of the population. At the same time, it is necessary to create conditions for the development of medical institutions to reduce infant mortality and support the health of the elderly and men of different ages.

The analysis is the calculation of complex indexes by averaging the indices of economic indicators that characterize the possibilities for achieving inclusive development (Table 4).

**Table 3:** Estimated indicators for assessing the level of social development in the regions of Kazakhstan

Region of Kazakhstan	Life expectancy at birth, years			The index of life expectancy in the regions	Migration balance per 1000 people			The crime rate per 10 thousand people		
	2012	2015	2017		2012	2015	2017	2012	2015	2017
Akmola	67,27	70,38	70,80	1,07	-3,4	2,6	-0,3	171	186	167
Aktobe	70,06	72,33	73,47	0,20	-2,8	-2,2	-1,7	178	218	157
Almaty	69,84	71,87	72,70	0,52	6,4	-9,6	-2,7	105	141	130
Atyrau	69,34	72,26	73,22	0,79	0,5	0,2	0,2	123	179	137
West-Kazakhstan	69,58	71,56	72,38	0,77	-1,4	-0,6	-2,0	160	212	176
Zhambyl	69,32	71,64	72,43	0,72	-6,4	-8,9	-17,3	113	161	112
Karaganda	67,40	70,55	71,57	1,16	-4,1	-4,2	-11,7	186	219	193
Kostanay	68,28	70,73	72,20	0,94	-2,4	-1,3	-6,3	264	267	171
Kyzylorda	69,29	71,80	72,60	0,72	-1,7	-3,3	-4,7	144	153	202
Mangystau	71,19	72,83	74,34	0,00	7,9	3,5	0,8	86	117	107
South- Kazakhstan	70,55	72,14	73,07	0,21	-7,5	-13,9	-13,8	87	129	93
Pavlodar	68,73	71,40	72,10	0,82	-2,8	-2,6	-6,9	194	234	146
North-Kazakhstan	67,37	70,39	70,86	1,05	-4,9	-3,6	-5,5	138	186	134
14.East Kazakhstan	68,41	70,83	71,97	0,91	-8,1	-7,7	-14,0	191	195	110
Astana city	73,64	74,67	76,21	-2,02	19,3	-2,5	33,5	301	504	331
Almaty city	72,52	75,39	76,01	-0,41	9,9	40,7	30,2	357	440	359

Note: calculated by the authors.

**Table 4:** Indexes of economic development of the regions of Kazakhstan

Region of Kazakhstan	Index of fixed capital investment per capita			Labor productivity index			The index of the share of the population with incomes			Comprehensive index characterizing the level of economic development		
	2012	2015	2017	2012	2015	2017	2012	2015	2017	2012	2015	2017
Akmola	0,60	0,67	0,88	0,61	0,63	0,60	1,07	1,05	1,08	0,79	0,80	0,90
Aktobe	1,68	1,05	0,97	1,17	0,84	0,90	1,15	1,05	0,95	1,25	0,96	0,96
Almaty	0,61	0,63	0,83	0,42	0,82	0,39	1,06	1,07	1,05	0,71	0,83	0,82
Atyrau	5,78	6,24	1,12	3,32	2,17	3,12	0,89	0,85	0,88	3,02	2,77	1,53
West- Kazakhstan	0,82	1,44	0,86	1,54	1,17	1,15	0,93	0,99	0,98	1,08	1,14	1,00
Zhambyl	0,44	0,44	0,85	0,40	0,61	0,42	0,80	0,78	0,80	0,58	0,62	0,79
Karaganda	0,73	0,62	1,06	1,00	0,86	1,05	1,33	1,23	1,26	1,03	0,93	1,11
Kostanay	0,57	0,46	0,91	0,73	0,67	0,59	1,02	1,01	1,02	0,79	0,74	0,90
Kyzylorda	1,09	0,78	0,90	0,90	0,79	0,70	0,97	0,80	0,83	0,95	0,78	0,86
Mangystau	2,18	1,86	0,90	1,63	1,26	1,91	0,71	0,80	0,70	1,51	1,36	1,12
South- Kazakhstan	0,37	0,37	0,86	0,39	0,67	0,44	0,71	0,75	0,73	0,52	0,58	0,74
Pavlodar	1,08	1,49	0,89	1,13	0,83	0,96	1,06	1,10	1,11	1,08	1,10	0,99
North-Kazakhstan	0,52	0,68	0,75	0,65	0,61	0,59	1,13	1,08	1,18	0,79	0,80	0,89
East-Kazakhstan	0,59	0,74	1,04	0,72	0,74	0,73	1,07	1,09	1,13	0,81	0,85	0,99
Astana city	2,49	2,26	0,93	1,88	1,39	1,83	1,07	1,05	1,07	1,77	1,66	1,20
Almaty city	0,96	0,80	0,97	2,18	1,33	2,09	1,29	1,33	1,31	1,53	1,28	1,33

**Table 5:** Integrated indexes and rating of the regions of Kazakhstan

Region of Kazkhstan	Comprehensive index characterizing the level of social development			Comprehensive index characterizing the level of economic development			Regions' rating in 2017
	Year			Year			
	2012	2015	2017	2012	2015	2017	
Akmola	34,2	37,3	33,7	0,79	0,80	0,90	7
Aktobe	35,4	42,0	31,6	1,25	0,96	0,96	8
Almaty	24,1	27,2	26,5	0,71	0,83	0,82	12
Atyrau	27,5	35,5	28,6	3,02	2,77	1,53	9
West-Kazakhstan	32,2	40,9	34,5	1,08	1,14	1,00	5
Zhambyl	23,7	30,8	20,9	0,58	0,62	0,79	15
Karaganda	37,0	42,0	36,4	1,03	0,93	1,11	4
Kostanay	50,6	50,7	33,8	0,79	0,74	0,90	6
Kyzylorda	31,1	30,9	38,6	0,95	0,78	0,86	3
Mangystau	21,7	26,0	24,0	1,51	1,36	1,12	13
South-Kazakhstan	19,9	25,1	19,3	0,52	0,58	0,74	16
Pavlodar	37,9	44,3	28,9	1,08	1,10	0,99	10
North-Kazakhstan	29,3	36,5	26,9	0,79	0,80	0,89	11
East-Kazakhstan	37,4	37,1	21,5	0,81	0,85	0,99	14
Astana city	60,1	90,1	67,1	1,77	1,66	1,20	2
Almaty city	68,2	86,9	71,4	1,53	1,28	1,33	1

Based on the analysis, it can be concluded that only the advancing pace of development of economic processes ensures positive changes in the social sphere of the regions and, accordingly, the achievement of inclusive development. Therefore, constant monitoring of the growth or decline of the social and economic development of the country's regions is necessary. The result of the analysis was the gradation of the regions in terms of their socio-economic development. Based on complex and integral indexes, we have determined the ratings characterizing the region's place in the economic space (Table 5).

The main reason for the disproportions between the economic and social development of the regions is that the

management decisions and programs that were adopted were not coordinated in terms, periods, and directions of implementation. These programs are in the competence of various authorities, and they are not joined during implementation. For example, this applies to the program "With a diploma in the village", which is carried out by the Ministry of Education and Science of the Republic of Kazakhstan, "Agribusiness 2020" by the Ministry of Agriculture of the Republic of Kazakhstan, etc. The results of Kazakhstan regions rating, their main characteristics and causes of imbalances are presented in Table 6.

**Table 6:** Main characteristics and problems of development of the regions of Kazakhstan according to the rating

Ranking	Region of Kazakhstan	Key Features and Problems
High Ranking	Astana city	Characterized by a high level of all indicators of social and economic development; concentration of investments in the development of digital technologies and housing; holding of the International Exhibition EXPO-2017 "Energy of the Future".
	Almaty city	Characterized by a lower index of investment in fixed capital per capita compared with Astana, comparable to the Karaganda and Kyzylorda regions. The key problem is the need to attract additional investments in the creation of effective jobs and the development of social infrastructure.
	Aktobe region	Imbalances in social and economic development, problems in achieving inclusive social development are very characteristic in rural areas. Measures are needed to stimulate economic diversification, increase the efficiency of investment and labor productivity, and increase the average per capita income of the population.
Middle Ranking	Akmola region	The middle place of the region in the economic space of the country is determined by the agricultural specialization of the economy, the high share of the rural population, the average investment per capita. Necessary: growth of investments in the regional economy, increase in labor productivity, reduction of the level of poverty of the population.
	Karaganda region	Characterized by a high level of industrial development, a middle place in terms of social sphere. The main problem is weak economic diversification. Necessary: technological modernization of basic production, the development of new sectors of the economy, the development of small and medium businesses.
	North-Kazakhstan region	The main problem is the low level of economic development. In strategic terms, it is necessary to restore industrial production on a new technological basis
Low Ranking	Almaty region	Characterized by a low level of development of economic and social processes, agro-industrial specialization, a high proportion of the rural population, poor provision of effective jobs. It is necessary to develop new sectors of the economy, technological modernization of production, the formation of new settlements, more intensive use of available resources, improvement of the management of the territory.
	Zhambyl region and South-Kazakhstan region	Characterized by a high population density, availability of sufficient production and human resources, agro-industrial specialization, and favorable natural and climatic conditions. At the same time, there are the lowest indicators of economic and social development. Necessary: improvement of regional management; creating institutional conditions for the growth of average annual incomes of the population and poverty reduction; the resettlement of the rural population to other regions of the country in the context of the land reform; the increase in the middle class and the development of small and medium businesses.

Thus, the analysis of the level of social and economic development of the regions on the basis of integrated and integral indices made it possible to determine the territory in need of state support for the purposes of overall development. Monitoring of complex indices reflecting the level of the social and economic space of the regions, the results of their rating can be used as the basis for the development of regional programs and management decisions. This will improve the targeted support of the population in backward regions in order to ensure inclusive development and improve the quality of life of the population.

## 5. Conclusions

This study marks a starting point for further research in the field of methodological approaches and approbation those for evaluation of social and economic development in the regions of Kazakhstan. It provides some suggestions for improvement of future studies dealing with subjects of the theoretical concepts of inclusive development, analysis of

disproportions between the levels of economic and social development of the regions. Based on these research findings of this paper, the practical implications listed below:

Firstly, it should be conclude that the existing views on inclusive growth means not only sustainable and balanced growth in all sectors of the economy, but also equitable distribution of wealth and to poverty reduction. As a result, it concludes that in order to ensure inclusive development from a spatial perspective, it is necessary to measure the existing imbalances in the development of the economy and social sphere.

Secondly, we proposed to use methods, which based on measuring disproportions between the levels of economic and social development of the regions, as well as disproportions between the republican and regional levels. In the EU countries, diversified set of tools and methods is used to promote the development of depressed, underdeveloped territories. These methods have made it possible to assess the social and economic development of regions based on complex and integrated indexes for inclusive development.

Thirdly, in each specific region and for each given set of public demand implementation of inclusive development may be fulfilled by various methods. The decision to provide state support should take into account the following conditions:

- Government support should be selective and carried out mainly for depressed, economically backward regions of the country;
- The provision of assistance to the region should be only if its further development is impossible at the expense of domestic resources;
- Assistance must be targeted, directed, in contrast to anonymized transfers;
- Methods of its implementation should depend on the depth of the depression of the regional economy.

Fourthly, in Kazakhstan it is need measures to develop the most backward areas in the eastern and southeastern parts of the country bordering China. For this, according to the experience of developed countries, it is necessary to develop a state program. For example, like a large-scale program for the social and economic development of the Tennessee River Valley (USA), a state aid program for the depressive region around the Appalachian Mountains (USA) or a program for the development of the northern underdeveloped territories of the new Nunavut territory in Canada. In Kazakhstan, it is advisable to develop a comprehensive program bordering with China under the conditional name “Shygysty Damytu”. In this program, it would be possible to envisage the implementation of specific projects in every region bordering on China, in every territory, in every village. At the same time, within the framework of this program, it is important to provide benefits and preferences to provide state support for small and medium-sized businesses, development of transport and production infrastructure, social facilities in underdeveloped regions bordering with China (Almaty and East-Kazakhstan regions).

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