

# Resource boom and inequality: Kazakhstan as a case study

Peter Howie, Zauresh Atakhanova

Graduate School of Public Policy, School of Humanities and Social Sciences

## Abstract

Our research investigates the impact of a major resource boom on income inequality within Kazakhstan's regions using household-level data across the entire income distribution and within the top and bottom halves of the income distribution. In addition, we evaluate the inequality dynamics separately in urban and rural areas. The theoretical foundation shows that a resource boom will decrease income inequality through the labor market if the non-traded sector is relatively intensive in its use of unskilled labor. Government transfers financed by resource income can further reduce inequality. Our regression analysis indicates that resource booms lower inequality when we control for the effect of changing labor income, institutional quality, education levels, and public health care spending. In addition, quality of institutions is an important equalizing factor for the lower income households in urban areas, but not in rural areas. Public health programs decrease overall inequality in the rural areas; however, they do not affect the bottom half of the income distribution. © 2013 Elsevier Ltd.

<b>Original language</b>	English
<b>Pages (from-to)</b>	71-79
<b>Number of pages</b>	9
<b>Journal</b>	Resources Policy
<b>Volume</b>	39
<b>Issue number</b>	1
<b>State</b>	Published - Mar 2014

Howie, P., & Atakhanova, Z. (2014). *Resource boom and inequality: Kazakhstan as a case study*. *Resources Policy*, 39(1), 71-79. DOI: [10.1016/j.resourpol.2013.11.004](https://doi.org/10.1016/j.resourpol.2013.11.004)