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Informal employment in Kazakhstan: scale and factors of spread

ABSTRACT. Informal employment in Kazakhstan remains one of the most acute and complex problems of the modern labor market. The absence of official employment contracts, non-payment of taxes and social contributions, and instability of employment and income pose risks not only to employees, but also to social and economic stability in the country. The relevance of the research is due to the need for a comprehensive understanding of the scale, structure and factors contributing to the spread of informal employment in order to develop effective public policy.

The purpose of the study is to analyze current trends in informal employment in Kazakhstan and identify key socio-economic and institutional factors influencing its development.

The paper uses methods of quantitative and qualitative analysis: processing of official statistics, data from international organizations, scientific research, expert assessments and inter-regional comparisons. The results of the study showed that informal employment is particularly prevalent in sectors such as agriculture, construction, trade, and consumer services. Gender and age analysis revealed a higher involvement of men in productive but informal industries, while women are more often employed in low-paid and socially vulnerable areas. It has also been found that even a high level of education does not always guarantee formal employment, which indicates structural inconsistencies in the labor market.

The practical significance of the work lies in the development of proposals to improve labor policy: stimulating the legalization of employment through tax and social measures, the development of retraining programs, improving the mechanisms for registering the self-employed and strengthening the institutional framework of employment. The results of the study can be used in the development of a comprehensive strategy to reduce informal employment and strengthen social protection of workers in Kazakhstan.

KEYWORDS: Kazakhstan, shadow labor market, informal employment, employment structure.

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Қазақстандағы бейресми жұмыспен қамту: ауқымы және таралу факторлары

АНДАТПА. Қазақстанда бейресми жұмыспен қамту қазіргі заманғы еңбек нарығының ең өткір және көпсалалы проблемаларының бірі болып қала береді. Ресми еңбек шарттарының болмауы, салықтар мен әлеуметтік аударымдарды төлемеу, жұмыспен қамту мен кірістердің тұрақсыздығы жұмысшылар үшін ғана емес, сонымен бірге елдегі әлеуметтік-экономикалық тұрақтылық үшін де қауіп төндіреді. Зерттеудің өзектілігі тиімді мемлекеттік саясатты әзірлеу үшін бейресми жұмыспен қамтудың таралуына ықпал ететін факторларды, құрылымды және факторларды жан-жақты түсіну қажеттілігіне байланысты.

Зерттеудің мақсаты - Қазақстандағы бейресми жұмыспен қамтудың ағымдағы үрдістерін талдау және оның дамуына әсер ететін негізгі әлеуметтік-экономикалық және институционалдық факторларды анықтау.

Жұмыста сандық және сапалық талдау әдістері қолданылды: ресми статистиканы өңдеу, халықаралық ұйымдардың деректері, ғылыми зерттеулер, сараптамалық бағалау және аймақаралық салыстыру. Зерттеу нәтижелері бейресми жұмыспен қамту әсіресе ауыл шаруашылығы, құрылыс, сауда және тұрмыстық қызметтер сияқты салаларда жиі кездесетінін көрсетті. Гендерлік және жас ерекшеліктерін талдау продукт өнімді, бірақ бейресми салаларға көбірек қатысатынын анықтады, ал әйелдер жалақысы төмен және әлеуметтік қорғалмаған салаларда жиі жұмыс істейді. Сондай-ақ, білім берудің жоғары деңгейі әрдайым ресми жұмыспен қамтылуға кепілдік бермейді, бұл еңбек нарығындағы құрылымдық сәйкессіздіктерді көрсетеді.

Жұмыстың практикалық маңыздылығы еңбек саясатын жетілдіру бойынша ұсыныстар әзірлеу болып табылады: салық және әлеуметтік шаралар арқылы жұмыспен қамтуды заңдастыруды ынталандыру, қайта даярлау бағдарламаларын дамыту, өзін-өзі жұмыспен қамтығандарды тіркеу тетіктерін жақсарту және жұмыспен қамтудың институционалдық базасын нығайту. Зерттеу нәтижелері бейресми жұмыспен қамтуды төмендету және Қазақстандағы қызметкерлердің әлеуметтік қорғалуын нығайту жөніндегі кешенді стратегияны әзірлеуде пайдаланылуы мүмкін.

ТҮЙІН СӨЗДЕР: Қазақстан, көлеңкелі еңбек нарығы, бейресми жұмыспен қамту, жұмыспен қамту құрылымы.

МҮДДЕЛЕР ҚАҚТЫҒЫСЫ: Авторлар мүдделер қақтығысының жоқтығын мәлімдейді.

ҚАРЖЫЛАНДЫРУ ЖӘНЕ АЛҒЫС: Зерттеу демеушілік қолдаусыз жүргізіліп, автордың жеке қаражаты есебінен орындалды.

ЖАСАНДЫ ИНТЕЛЛЕКТ ТЕХНОЛОГИЯЛАРЫН ПАЙДАЛАНУ ТУРАЛЫ ХАБАРЛАМА: Авторлар осы қолжазбаны дайындау барысында мәтінді тілдік редакциялау, грамматикалық қателерді түзету, стильдік жетілдіру және форматтау мақсатында генеративті жасанды интеллект технологияларының (ChatGPT, OpenAI) пайдаланылғанын мәлімдейді. Авторлар қолжазбада ұсынылған барлық материалдардың дәлдігі, толықтығы, бірегейлігі және ғылыми-этикалық стандарттарға сәйкестігі үшін толық жауапкершілік алады.

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Неформальная занятость в Казахстане: масштабы и факторы распространения

АННОТАЦИЯ. Неформальная занятость в Казахстане остается одной из наиболее острых и многосложных проблем современного рынка труда. Отсутствие официальных трудовых договоров, неуплата налогов и социальных отчислений, нестабильность занятости и доходов создают риски не только для работников, но и для социальной и экономической стабильности в стране. Актуальность исследования обусловлена необходимостью комплексного понимания масштабов, структуры и факторов, способствующих распространению неформальной занятости, для выработки действенной государственной политики.

Цель исследования – проанализировать текущие тенденции неформальной занятости в Казахстане и выявить ключевые социально-экономические и институциональные факторы, влияющие на ее развитие.

В работе использованы методы количественного и качественного анализа: обработка официальной статистики, данные международных организаций, научных исследований, экспертные оценки и межрегиональные сопоставления. Результаты исследования показали, что неформальная занятость особенно распространена в таких секторах, как сельское хозяйство, строительство, торговля и бытовые услуги. Гендерный и возрастной анализ выявил более высокую вовлеченность мужчин в продуктивные, но неформальные отрасли, тогда как женщины чаще заняты в низкооплачиваемых и социально незащищенных сферах. Также установлено, что даже высокий уровень образования не всегда гарантирует формальную занятость, что указывает на структурные несоответствия рынка труда.

Практическая значимость работы заключается в разработке предложений по совершенствованию трудовой политики: стимулирование легализации занятости через налоговые и социальные меры, развитие программ переподготовки, улучшение механизмов регистрации самозанятых и укрепление институциональной базы занятости. Результаты исследования могут быть использованы в разработке комплексной стратегии по снижению неформальной занятости и укреплению социальной защищенности работников в Казахстане.

КЛЮЧЕВЫЕ СЛОВА: Казахстан, теневой рынок труда, неформальная занятость, структура занятости.

КОНФЛИКТ ИНТЕРЕСОВ: Авторы заявляют об отсутствии конфликта интересов.

ФИНАНСИРОВАНИЕ И БЛАГОДАРНОСТИ: Исследование не имело спонсорской поддержки и было выполнено за счет собственных средств.

УВЕДОМЛЕНИЕ ОБ ИСПОЛЬЗОВАНИИ ТЕХНОЛОГИЙ ИСКУССТВЕННОГО ИНТЕЛЛЕКТА: Авторы заявляют, что в процессе подготовки данной рукописи использовались технологии генеративного искусственного интеллекта (ChatGPT, OpenAI) с целью языкового редактирования, исправления грамматических ошибок, стилистического совершенствования и форматирования текста. Авторы несут полную ответственность за точность, полноту, оригинальность и соответствие научным и этическим стандартам всех материалов, представленных в рукописи.

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INTRODUCTION

In the context of global economic uncertainty, digital transformation, and demographic shifts, labor markets worldwide are undergoing profound changes. One of the most persistent and least regulated phenomena is informal employment. According to the International Labour Organization (ILO), over 60% of the world's employed population works in the informal economy, with more than 90% of informal jobs concentrated in developing countries (International Labour Organization, 2018). This phenomenon significantly impacts economic sustainability, poverty levels, and the effectiveness of social protection systems.

In Kazakhstan, despite ongoing economic reforms and relatively steady economic growth, informal employment remains a key component of the labor market. According to the Bureau of National Statistics of the Republic of Kazakhstan, the share of informally employed individuals was approximately 22% of the total employed population in 2022 (Bureau of National Statistics, 2023). Particularly vulnerable groups include women, youth, and rural residents. Reports by the United Nations and the World Bank have emphasized the urgent need to develop inclusive and adaptive employment policies to reduce informality and expand access to social protection (United Nations Development Programme, 2021; World Bank, 2020).

The relevance of this study lies in the fact that sustainable labor market development is unattainable without a comprehensive understanding of the scale, structure, and determinants of informal employment. While statistical and analytical materials are available, a multidimensional analysis of the socio-economic and institutional drivers of informality in Kazakhstan is still lacking. In light of recent economic challenges, such as the COVID-19 pandemic and the rise of self-employment, the informal sector has become both increasingly flexible and increasingly vulnerable.

The research hypothesis suggests that the spread of informal employment in Kazakhstan is driven not only by economic factors but also by institutional and socio-demographic determinants, such as insufficient labor protection, weak regulatory enforcement, and limited access to formal employment opportunities.

The purpose of this study is to examine the scale and structure of informal employment in Kazakhstan and to identify key factors contributing to its prevalence.

The objectives of the research are:

- To analyze the dynamics and structural composition of informal employment in Kazakhstan.
- To identify the socio-economic and institutional drivers of informal employment.
- To assess the most vulnerable groups within the informal labor market.
- To propose policy recommendations aimed at mitigating the negative impacts of informality and improving the formalization of labor relations.

LITERATURE REVIEW

Informal employment encompasses economic activities that are not regulated by the state, often lacking legal protection and social security. Chen (2012) provides a foundational analysis, highlighting the heterogeneity of informal work and its significance in global labor markets. Neuwirth (2011) introduces the concept of «System D», emphasizing the scale and innovation within informal markets. Williams and Lansky (2013) provide a critical overview of how informality has been defined and measured, summarising competing views on its role in contemporary economies and how it can be addressed.

Informal employment disproportionately affects women, particularly in developing countries. The International Labour Organization (2018) reports that 58% of employed women globally are in informal employment, with the figure rising to 92% in developing nations. According to OECD (2024), breaking the cycle of informal employment requires comprehensive policy interventions aimed at expanding social protection, improving labor market institutions, and facilitating the transition from informal to formal employment. Meagher (2013) examines the interconnection between formal and informal economies in developing countries, challenging the notion that they operate in isolation. Hammer (2020) examines the socio-economic dynamics of informal and precarious work in the Global South, emphasizing the role of state policies in shaping labor market

conditions. Munro (2011) discusses the complex relationship between trade liberalization and informality, noting that outcomes are highly context-specific.

In Kazakhstan, informal employment remains a significant component of the labor market. Mussurov and Arabsheibani (2015) analyse factors influencing informal self-employment, noting that necessity-driven self-employment has persisted since the structural adjustments of the early 2000s. Tatibekov (2010) discusses policies aimed at facilitating the transition from informal to formal employment, emphasizing the need for comprehensive strategies. Taubayev et al. (2019) examine non-standard employment trends, highlighting the prevalence of temporary and part-time work. Kaliyeva et al. (2018) studied the factors and scale of precarious employment in the Eurasian Economic Union, including Kazakhstan, and proposed a classification of forms of precarious employment.

Based on the above, Table 1 provides a visual overview of the theories.

Table 1. Hierarchical relationships among the key research areas and themes of informal employment

No.	Key Areas and Sub-Nodes	Details and Authors
1	Definitions, Scope, and Global Trends	Informal employment as a multidimensional and evolving concept. High prevalence in developing countries; measurement challenges (Chen, 2012; ILO, 2018; Williams & Lansky, 2013; La Porta & Shleifer, 2014).
2	Drivers and Structural Determinants	Causes of informality: economic insecurity, weak institutions, limited access to formal labor markets, rural-urban differences. (Meagher, 2013; Neuwirth, 2011; Jütting & Laiglesia, 2009; Mussurov & Arabsheibani, 2015).
3	Gender, Vulnerability, and Social Exclusion	Informal employment is often gendered; women and youth face disproportionate risk. Gender-based segmentation and unpaid work (Carr & Chen, 2002; ILO, 2018; Slonimczyk & Gimpelson, 2015; Kaliyeva et al., 2018).
4	Policy Approaches and Formalization Efforts	National and international strategies to reduce informality: labor laws, social protection, digitalization, education (ILO, 2022; Williams, 2020; Taubayev et al., 2019; OECD, 2021).
5	New Forms of Informality and Technological Shifts	Growth of gig economy, platform work, and digital informality. Limited regulation and social protection in digital labor markets (Berg et al., 2018; ILO, 2021; Khalidov et al., 2024).
<i>Note: Compiled by the authors</i>		

An analysis of existing research suggests that informal employment is a complex and multilevel phenomenon driven by both economic and institutional factors. In the international literature, special attention is paid to the structural causes of the spread of informal employment, such as the lack of formal jobs, skills mismatch, weak labor regulation and lack of social protection. These aspects are also relevant for Kazakhstan, where a significant proportion of the population continues to work outside the formal sector.

The study of foreign experience also highlights the importance of taking into account gender differences in informal employment: women are more likely to find themselves in a vulnerable position without access to stable work and social guarantees. In addition, global trends such as digitalization and the growth of platform employment are creating new forms of informal work to which existing regulatory systems are not adapted.

Thus, the literature review confirms the need for an integrated approach to the analysis of informal employment in Kazakhstan, taking into account institutional, gender, digital and regional factors. This allows us to substantiate the relevance of the research and form more accurate

hypotheses and directions of empirical analysis.

MATERIALS AND METHODS

This study is based on a mixed methodological approach combining both quantitative and qualitative methods of analysis. The official statistical data of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (Bureau of National Statistics), the International Labour Organization (ILO), the World Bank, as well as analytical reports of the United Nations Development Program (UNDP) were used as the main basis for the analysis and the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan for the period 2022-2024.

Descriptive statistics methods were used to quantify the scale and structure of informal employment. The share of informally employed in the total number of employed, the distribution by gender, age, region and type of activity were calculated.

The qualitative analysis included a secondary review of the regulatory framework governing employment in Kazakhstan, as well as a content analysis of interviews and reports published by international organizations and research institutes. In particular, the practices of regulation and support of self-employed and informally employed citizens were studied.

The research methodology aims to comprehensively identify not only the scale and structure of informal employment but also the key factors hindering the transition to formal employment, taking into account the Kazakh context.

RESULTS AND DISCUSSION

Informal employment encompasses all types of paid activities – both wage employment and self-employment - that are not subject to official registration, are not regulated by current labor legislation, and are not provided with legal and social protection mechanisms. It also includes unpaid work performed as part of a family or individual business. Workers in the informal sector, as a rule, do not have formal employment contracts, access to social guarantees, protection of labor rights and representation in trade unions (ILO, 2015).

To better understand the structure and dynamics of informal employment, statistical data on various forms of informal work by gender for the period from 2022 to 2024 have been analyzed. Figure 1 shows comparative data on the number of men and women engaged in various types of informal employment over a specified period.

The most widespread form of employment remains individual labor activity: the number of men in this sector increased from 157,037 people in 2022 to 181,017 in 2024, and women, from 154,623 to 161,681. This indicates a steady increase in self-employment and entrepreneurial activity, especially among men, which may be associated with the search for more flexible forms of earnings in an unstable economy. The second most important area is employment in personal subsidiary plots. Despite a decrease in the total number of people employed in this type of activity (from 187,165 to 160,274 for men and from 191,140 to 164,964 for women), this sector remains an important source of employment, especially for the rural population. Women are consistently represented here in larger numbers, which emphasizes their important role in the agricultural sector and the household. Employment in organizations shows wave-like dynamics: in 2023, there was a short-term increase (up to 108,483 men and 99,779 women), but in 2024 the figures fell again to 90,759 and 78,416, respectively. This may indicate temporary measures to stimulate formal employment or changes in the structure of the labor market.

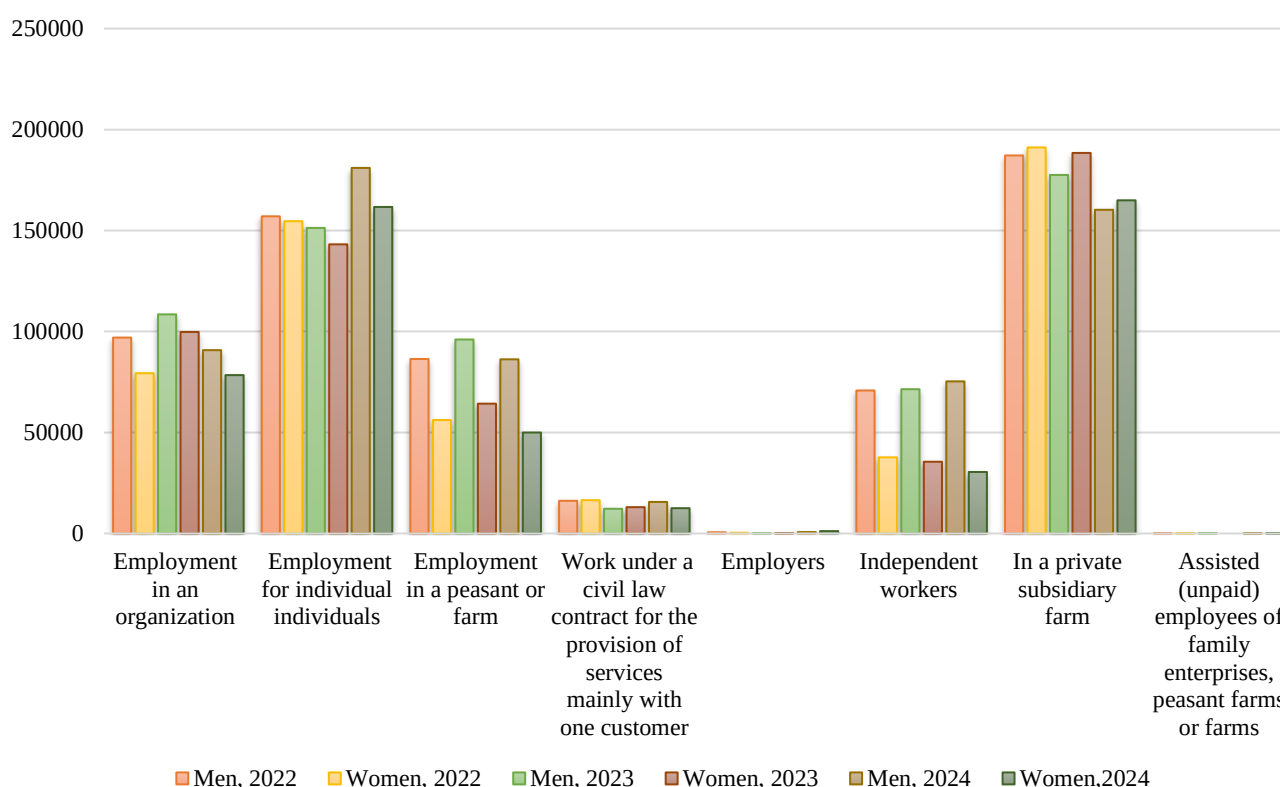


Figure 1. Informally employed by employment status for 2022-2024

Note: Compiled by the authors based on (Bureau of National Statistics, 2024)

Employment in peasant and farm households remains stable among men (about 86,000–96,000 in different years), while female employment in this sector is declining, from 56,160 in 2022 to 49,978 in 2024. This may be due to demographic shifts, female migration to cities, or a decrease in the need for manual labor. Of particular interest is the increase in the number of female employers: if in 2023 this figure was only 21 people, then in 2024 it increased sharply to 1175, which may indicate the development of female entrepreneurship and the effectiveness of its support programs. At the same time, among men, the number of employers remains unstable, fluctuating from 586 in 2022 to 692 in 2024.

Certain types of employment, such as work under civil contracts or assistance in family farms, cover a relatively small number of workers, but also demonstrate interesting trends. For example, in 2024, the number of women working under civil contracts decreased to 12,515 people compared to 16,466 in 2022, while among men, the values remained almost unchanged.

Overall, the analysis shows that the employment structure of the population in Kazakhstan remains diversified, with a pronounced gender division by type of activity. Men dominate in individual and agricultural employment, women in subsidiary farms and, increasingly, in entrepreneurship. These changes reflect both structural changes in the economy and the impact of social policies aimed at expanding women's economic opportunities.

Table 2 shows how informal employment is distributed across different types of economic activity.

In the period from 2022 to 2024, there is a pronounced gender segregation by type of economic activity. Men traditionally predominate in agriculture, construction, and transportation. Thus, the number of employed men in agriculture decreased from 312,688 to 276,455, and women from 264,641 to 228,980. The proportion of men in construction is consistently high (about 90,000), while the number of women has decreased from 20,171 to 12,209.

Table 2. Informally employed by type of economic activity for 2022-2024

Types of economic activity	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Agriculture, forestry and fisheries	312 688	264 641	306 397	269 232	276 455	228 980
Industry	29 727	20 271	38 018	25 862	32 581	17 749
Construction	90 376	20 171	82 410	13 933	91 891	12 209
Wholesale and retail trade; repair of cars and motorcycles	64 519	104 944	68 933	99 588	74 369	102 419
Transportation and warehousing	47 832	12 333	45 396	8 613	50 132	7 888
Provision of accommodation and catering services	13 888	31 518	15 224	31 525	15 147	32 855
Information and communication	4 340	2 954	5 155	3 541	5 912	3 286
Financial and insurance activities	2 185	3 659	3 095	4 561	5 245	4 483
Real estate transactions	3 754	5 945	6 496	6 996	4 155	5 245
Professional, scientific and technical activities	6 206	6 399	4 555	7 358	6 822	6 812
Administrative and support services activities	9 390	7 098	9 985	9 042	12 330	10 151
Public administration and defense; compulsory social security	699	1 621	828	1 555	1 054	1 169
Education	2 289	7 835	5 477	13 154	7 676	17 280
Public health and social services	4 340	6 966	3 690	8 114	4 286	9 669
Art, entertainment and recreation	3 109	3 913	4 209	4 378	4 801	4 738
Provision of other types of services	19 855	35 633	17 388	36 736	17 104	34 318
<i>Note – compiled by the authors based on (Bureau of National Statistics, 2024)</i>						

Women, in turn, are much more actively represented in trade, education, and healthcare. In retail trade, women's employment remains at over 100,000, while men's employment has increased from 64,500 to 74,369. In education, women's employment has almost doubled, from 7,835 to 17,280, while men's employment has increased from 2,289 to 7,676.

There is also an increase in female employment in the healthcare sector (from 7,000 to 9,700) and a stable predominance in the hotel and restaurant business (about 32,000 women versus 15,000 men). Thus, the employment structure by gender confirms persistent differences, where women predominate in sectors with a social orientation, and men in manufacturing and technical sectors.

Along with industry differences, the age structure of those employed in the informal sector is an important factor. The age distribution allows us to understand in more detail which age groups are most involved in informal forms of employment and how this involvement changes over time (Figure 2).

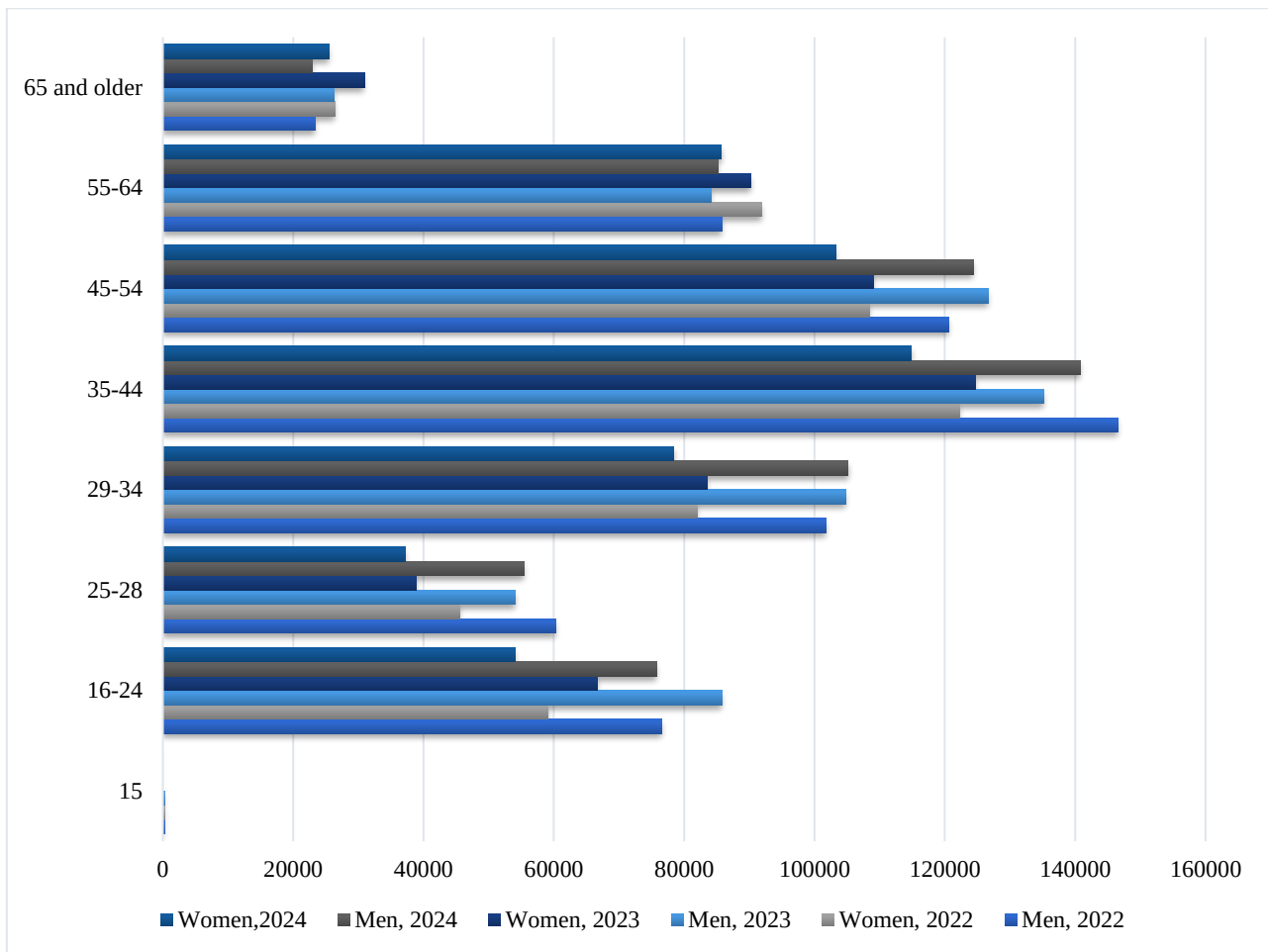


Figure 2. Informally employed by ages for 2022-2024

Note: Compiled by the authors based on (Bureau of National Statistics, 2024)

The diagram of the distribution of employees by age group and gender for 2022-2024 shows that the largest concentration of informally employed people is in the 35-44 and 45-54 age groups, both among men and women. This is especially noticeable among men in 2022 and 2023, and in 2024, there is an increase in female employment in these groups. Employment in the 29-34 age group also remains significant, especially among men in 2022 and women in 2024. Young people (16-24 years old) participate in informal employment to a moderate extent, but in 2024 there is an increase in the employment of women in this age category. The elderly groups (65 years and older) remain the least active, but some employment remains among them.

Age analysis shows that informal employment is most common among people of average working age, especially men, but the proportion of women across several groups is gradually increasing. These changes may be related to both economic factors and changes in social policy, access to education, and flexibility in labor practices.

In addition to age-related trends, the level of education also plays a significant role in shaping informal employment. Figure 3 presents data on the distribution of informally employed individuals by level of education and gender for the period 2022–2024, providing deeper insight into how educational attainment influences participation in the informal labor market.

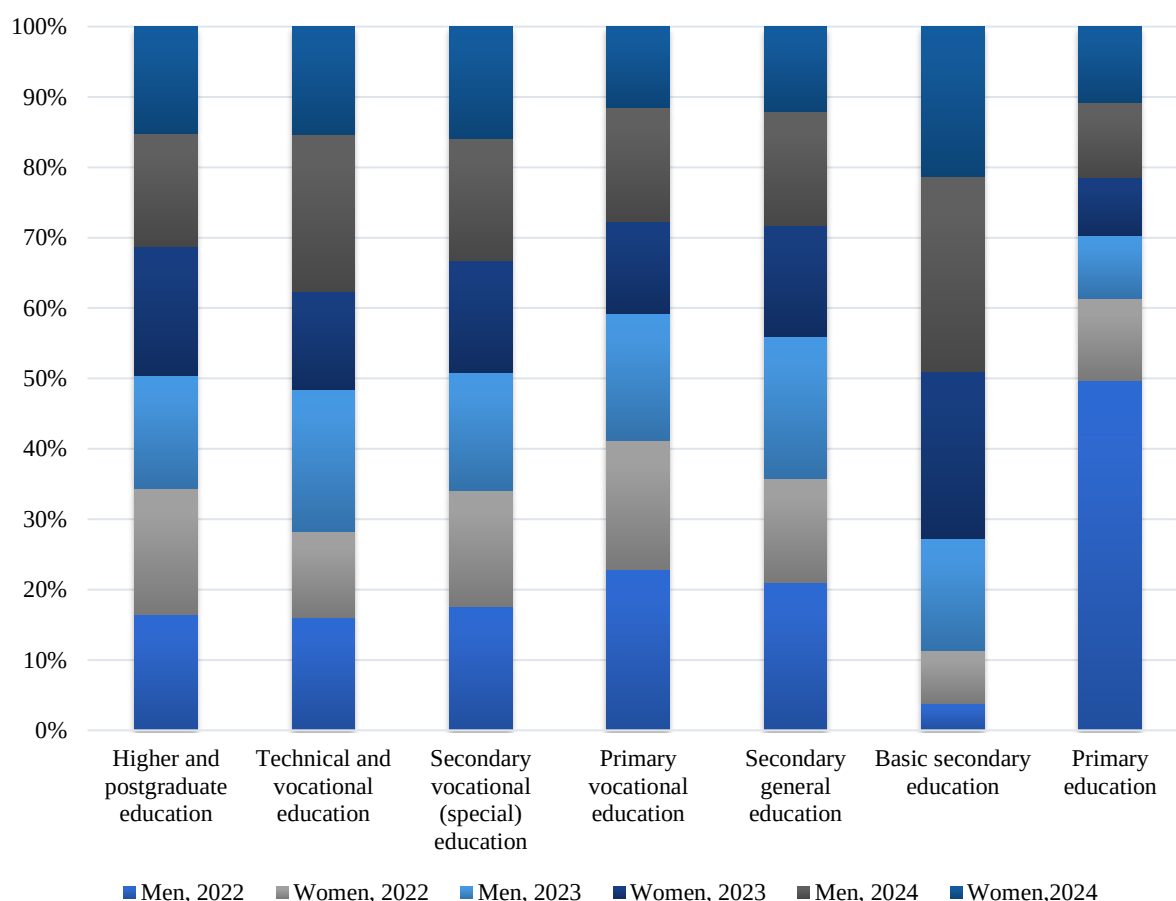


Figure 3. Informally employed by education for 2022-2024

Note: Compiled by the authors based on (Bureau of National Statistics, 2024)

The largest number of informally employed people is observed among holders of secondary specialized education: in 2022 – 184,991 men and 175,051 women; in 2024 – 183,777 and 167,451, respectively. This indicates that people with this level of education make up the bulk of the informal employment structure.

The second largest group is the group with technical and vocational education. Moreover, the number of men is growing from 111,680 in 2022 to 155,771 in 2024, while female employment is increasing more moderately, from 85,786 to 107,339. This may indicate an increase in the involvement of men with this level of education in the informal sector.

The group with higher and postgraduate education is characterized by relative stability among men (about 119 thousand), while among women, there is a decrease, from 136,410 in 2023 to 112,936 in 2024. This may be due to the transition of women with higher education to the formal sector or changes in labor demand.

Groups with primary and basic education are the least numerically represented. Nevertheless, the proportion of men with basic education is increasing from 525 in 2022 to 3,804 in 2024, which may indicate a growing involvement in informal forms of work among the low-skilled population.

The data show that informal employment is typical for various educational groups, but its greatest prevalence is observed among people with secondary specialized and technical education. There is also a persistent gender imbalance, especially in groups with a lower level of education, where men are represented in significantly greater numbers.

CONCLUSION

The analysis showed that informal employment in Kazakhstan remains a significant and stable phenomenon, covering a wide range of economic and social strata. The highest concentration of informally employed people is observed among middle-aged men (35-54 years old), especially in

such industries as agriculture, construction, transport and personal subsidiary farms. On the contrary, women are more often represented in informal employment in the fields of trade, hotel and restaurant business, education and healthcare. Despite the differences in sectors, the gender gap persists – men are more likely to work in more profitable but less protected areas, while women remain in more stable but low-paid jobs.

Special attention should be paid to the fact that the level of education does not guarantee an exit from informal employment: even among people with higher and technical education, a significant proportion of those who work outside of formal forms of employment remains. This indicates the structural problems of the labor market, the discrepancy between supply and demand, as well as the insufficient effectiveness of existing employment mechanisms.

The analysis identified the main problems contributing to the spread of informal employment. First, there remains a high proportion of people employed outside the formal sector in agriculture and among the self-employed, while access to social guarantees and pensions in these groups is extremely limited. Secondly, gender segregation in informal employment increases inequality and reduces women's opportunities for economic independence. Thirdly, young people and senior citizens often find themselves outside formal employment relationships due to the lack of flexible forms of employment and retraining. In addition, there is a low level of awareness among the population in rural areas about their labor rights, registration mechanisms and opportunities for legalizing labor activity.

An integrated approach is needed to solve these problems. The Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan should develop a national strategy to reduce informal employment with priority for rural areas and vulnerable categories of citizens. An important step will be the introduction of voluntary registration of the self-employed with simplified reporting and access to social guarantees.

It is advisable for the Ministry of Science and Higher Education to strengthen the development of professional retraining and short-term education programs for people with low qualifications, as well as to introduce elements of career counseling and financial literacy at all stages of education.

Tax authorities should consider the possibility of introducing preferential tax regimes for micro businesses and the registered self-employed, which will be an incentive for the transition to the formal sector. You can also offer a system of subsidies or tax deductions for employers who hire employees with employment contracts.

Finally, local executive authorities and non-governmental organizations can play an important role in disseminating information, providing advice, and setting up employment centers, especially in rural areas and small towns.

Thus, only with the cooperation of all stakeholders – the government, business, educational institutions and civil society – can we achieve a sustainable reduction in the level of informal employment and increase the social protection of workers in Kazakhstan.

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