Peculiarities of the Kazakhstani labor market

Aizhamal Aidaraliyeva[*], *Zamzagul* Sultanova, *Assel* Tapalova, *Yelnaz* Zhangaliyeva, and *A.D.* Ibyzhanova

NJSC «Zhangir Khan West Kazakhstan Agrarian-Technical University», Uralsk, Kazakhstan

Abstract. Essence and current condition of Kazakhstani labor market, its dominant problems, and the ways of their solution are considered in the article. The article explores the peculiarities of the concept, structure and types of employment among the population, the notion and essence of the labor market, and the methodology for evaluating the effectiveness of the state's labor and employment policies. The state policy in the sphere of employment and market relations is considered. The public policy analysis of labor market and employment is carried out, the main indicators characterizing the labor market are estimated, the problems that accompany the subjects functioning in it are summarized, the influence of unemployment on the efficiency of Kazakhstan's economy is shown. Despite the huge influence of informal employment on the social sphere, this problem has been little researched in our country. In the regions of Kazakhstan insufficient attention has been paid to the mechanisms of improvement of employment, including the labor market. In the conclusion of the paper it has been indicated by authors that metrics of employment and unemployment are used as the core macroeconomics aggregates for evaluation the economy pie in toto and for identifying its main tendencies.

1 Introduction

In the President's Message "Kazakhstan - 2030 Prosperity, Security and Improving the Welfare of All Kazakhstanis" the Cabinet of Kazakhstan noticed the set of strategic objectives which aim is to improve the Kazakhstani people's life quality and to increase a level of state's development [1].

Market relations demand and require a completely different level of labor relations in any organization. But, effective mechanisms of using labor resources have not been formed yet, in connection with this there are new and exacerbated former problems of employment, which causes the growth of unemployment.

Indeed, unemployment has a certain macroeconomic problem, which has a great impact on each person. When a person loses his job, it leads to a decrease in his standard of living and quality of life. Consequently, unemployment will always be a subject of political debate.

The country needs a state employment policy. This role of the state can be seen in the constant participation in balancing economic priorities.

---

[*] Corresponding author: aizhamal_a@mail.ru

The very meaning of unemployment is not only the lack of work. It poses difficult challenges to those who have been professionally engaged in social work. Because unemployment is a widespread phenomenon and causes a huge destructive impact on every person. [2, p. 5].

2 Materials and methods of research

Methods of dialectical analysis, system-structural analysis, fundamental works of Kazakhstan and foreign academic economists on the problems of labor and employment.

3 Results and their discussion

Kazakhstani labor market has its own features which can be traced by comparing the main labor market indicators for the republic and the city [3].

Table 1 shows the most important Kazakhstani labor market aggregates for 2017-2021.

Table 1. Key aggregates of Kazakhstani labor market's development for 2017-2021

	Indicator	Measuring unit	2017	2018	2019	2020	2021
1	Labor force	Thousands of people	9 027.4	9 138.6	9 221.5	9 180.8	9256.8
2	The employed population	Thousands of people	8 585.2	8 695.0	8 780.8	8 732.0	8807.1
3	Salaried employees	Thousands of people	6 485.9	6 612.5	6 681.6	6 686.7	6710.2
4	Self-employed population	Thousands of people	2 099.2	2 082.5	2 099.2	2 045.4	2096.9
Note - compiled on the basis of the reporting data of the National Statistics Bureau of Agency for Strategic Planning anf Reforms of the Rpublic of Kazakhstan							

Table 1 clearly describes that from 2017 to 2021, the workforce's volume increased by 2.54%, it can be evaluated as a positive factor. There was the upward trend in both the employed population (by 2.58% for 2017-2021) and the salaried workforce (by 3.46% for 2017-2021). At the same time, among the negative factors of change for Kazakhstan in the labor market, a decrease in the number of self-employed population (by 0.11% for 2017-2019) was noticed.

The data about the employed population according to the economic activity's type in the Republic of Kazakhstan for 2017-2021 are given in Table 2.

Table 2. Data about Kazakhstani employed population according to the types of economic activity for 2017-2021, thousand people.

№	Title	2017	2018	2019	2020	2021
1.	Working population, total	8 585.2	8 695.0	8 780.8	8732.0	8807.1
2.	Inter alia:					
3.	Agriculture, forestry and fishing	1 319.0	1 228.2	1 184.7	1175.1	1176.4
4.	Industry	1 090.4	1 097.8	1 094.9	1089.2	1098.0
5.	Inter alia:					
6.	Mining and quarrying	283.7	286.2	279.9	276.9	277.9
7.	Manufacturing industry	581.6	580.5	583.6	581.8	585.6
8.	Supply by electroenergy, gas, steam, hot water and air conditioning	151.0	150.6	150.2	149.0	150.1
9.	Water supply; waste treatment and disposal, pollution	74.2	80.4	81.2	81.5	84.3

	elimination activities					
10	Construction	614.0	629.1	635.6	630.9	641.4
11	Trade; repair of motor vehicles and motorcycles	1 334.9	1 396.7	1 431.1	1421.3	1451.9
12	Transportation and storage	608.0	624.7	637.9	617.5	609.5
13	Accommodation and food services	192.0	187.7	196.9	193.7	190.9
14	Information and communication	156.1	166.5	161.7	159.7	161.7
15	Financial and insurance activities	175.0	180.3	190.5	189.0	184.9
16	Transactions with real estate	162.5	157.6	154.5	158.4	168.4
17	Professional, scientific and technical activities	239.1	248.9	256.4	254.7	247.3
18	Administrative and accessory services	279.7	288.3	292.3	285.5	287.5
19	Public administration and defense; compulsory social security	479.3	500.5	495.3	489.3	484.1
20	Education	1 056.1	1 095.8	1 108.7	1109.5	1120.1
21	Health care and social services	482.4	498.8	502.7	512.4	526.0
22	Arts, entertainment and recreation	133.8	145.6	142.0	138.4	134.7
23	Other services	263.0	248.6	295.8	307.5	324.4
Note - compiled on the basis of the reporting data of the National Statistics Bureau of Agency for Strategic Planning anf Reforms of the Rpublic of Kazakhstan						

Table 2 shows that highesr level of the employment of Kazakhstani population are noticed in the economy spheres such areas as agriculture, forestry and fishing, industry, trade; repair of cars and motorcycles; education. Also for the analyzed period the analyzed indicators for spheres like agriculture, forestry and fisheries were decreased by 10.81%, this trand is evaluated by authors as a negative trend [4].

The dynamics of employment statuses for 2017-2021 is shown in Table 3.

Table 3. Kazakhstan's employed population by employment status for 2017-2021, thousand people

№	Title	2017	2018	2019	2020	2021
1	2	3	4	5	6	7
1	Employed population, total	8 585.2	8 695.0	8780.8	8 732.0	8807.1
2	Salaried employees	6 485.9	6 612.5	6681.6	6 686.7	6710.2
3	including the employed:					
4	at the organization (company)	5 796.3	5 857.4	5879.6	5 791.0	5811.4
5	by certain individuals	528.8	567.2	515.5	568.0	548.2
6	in a peasant (farmer's) farm	158.6	156.3	253.4	276.1	283.3
7	under a civil law contract for the provision of services	2.3	31.6	33.0	51.6	67.3
8	Self-employed workers	2 099.2	2 082.5	2099.2	2045.4	2096.9
9	Including:					
10	Employers	124.8	111.1	111.6	118.5	126.8
11	Independent workers	1 963.3	1 958.1	1975.2	1906.8	1948.0
12	Cooperative members	1.5	4.5	5.9	12.2	10.2
13	Helping (unpaid) employees of family businesses	9.7	8.8	6.5	7.9	12.0
Note - compiled on the basis of the data of the National Statistics Bureau of Agency for Strategic Planning anf Reforms of the Rpublic of Kazakhstan						

As seen from Table 3, the category of hired workers in the five years increased by 3.46%, including at the expense of growth in the share of workers employed in the organization 0.26%, by 3.67% for individual natural persons, employed in a peasant farm

by 78.63%. The category of self-employed workers decreased over five years by 0.11%, self-employed workers by 0.78%[5].

The employed population according to their location for 2017-2021 is described in the Table 4.

Table 4. Employed population according to their location in Kazakhstan for 2017-2021, thousand people

№	Title	2017	2018	2019	2020	2021
1	Employed population, total	8 585.2	8 695.0	8780.8	8 732.0	8807.1
2	In urban areas	4 932.0	5017.5	5 132.1	5 144.5	5222.7
3	In rural areas	3 653.1	3 677.5	3 648.8	3 587.5	3584.4
Note - compiled on the basis of the reporting data of the National Statistics Bureau of Agency for Strategic Planning anf Reforms of the Rpublic of Kazakhstan						

Workers employed in urban areas increased by 5.89% over the past 5 years. Employees employed in rural areas decreased by 1.88%. The main share in the structure of employment is occupied by workers in urban areas - 59.3% in 2021.

Employment of the population is directly related to income. The state regulation of the population's income is influenced by the MRP (Minimum Calculation Index, which increased in 2022 by 17.5 % compared to 2019 and by 4.76 % compared to the previous year. In Kazakhstan the people income's rate is increased, our average income per capita in the 4th quarter of 2021 has made 214, 5 thousand tenge[6].

According to data for the fourth quarter of 2021 in the regional context of the obvious increase in income levels is observed in the city of national importance Nur-Sultan: 307.6 thousand tenge, which is 16.6% more than a year earlier. The top three includes Karaganda region in which personal income amounted to 288.2 thousand tenge, an increase of 17.8% compared with the previous year, and Kostanay region, where the index reached 265.1 thousand tenge [7]. The lowest per capita income was recorded in Turkestan region, it amounted to 132 thousand tenge.

Income from labor activity made up a vast majority of population' incomes of the: on average in Kazakhstan - 150.2 thousand tenge, growth of 14.2% for the year. Of these, 130.5 thousand tenge were income from employment, 19.8 thousand tenge - other income.

Pension deductions Kazakhstan also increased. So for April 2022 the size of payments were increased from 46,302 tenge to 48,032 tenge, the basic pension payment from 19,450 tenge to 20,191 tenge, and the cost of living from 36,018 tenge to 37,389 tenge.

The minimum wage rose to 60,000 tenge in 2022, the monthly calculation index (MCI) to 3,180 tenge from 1 April 2022. Income per capita is growing, despite this there is a decrease in their growth rate. The Government is keeping under control the issues of social security and support of the population by increasing pensions and benefits, as a result of which social transfers form more than 31% of whole people' income. Relatively high nominal incomes per capita in the fourth quarter of the previous year are noted in the capital, as well as in Karaganda and Kostanay regions. Residents of the southern regions have the lowest incomes [8-9].

Thus, the analysis of the main directions of state policy in the sphere of labor and employment has clearly demonstrated that state measures to regulate the labor market are not effective enough. In addition, it should be noted that due to the fact that jobs are increasingly moving from rural to urban areas (such as services, trade, construction), employment in the agricultural sector is declining[10]. In this regard, the development of individual measures to improve the labor market in rural areas should be a priority[11].

Indeed, Kazakhstan's market will always be characterized by inefficient employment. Labour productivity in our country is lower in comparison with the level of same indicator in developed countries [12]. The low level of labor productivity is characterized by low qualification of the employed and limited opportunities to invest in advanced technologies[13].

The labor market will continue to tighten the requirements of employers to potential employees, in connection with this low competitiveness will remain[14].

4 Conclusion

It is clear that in the medium term the program which allows to increase the employment efficiency's level is necessary.

Set tasks including 6 stages were identified by the leader of the country[15]:

The first step means increasing the labor resources' efficiency. For this purpose amendments to the methodology of determining the criteria for classifying citizens as self-employed will be performed.

Improvement of the regulatory tools for the labor market focused on reducing regional disparities in employment and unemployment will be second step. Basic emphasis is placed on ensuring productive employment of rural residents[16].

The third step is increasing of productive employment which will be accompanied by the formation of working conditions allowing to maintain the ability to work of the employed population during his entire professional career [17].

The fourth step is to motivate productive employment of workers. Reforming and eliminating disparities in wages [18].

The fifth step will be performed as the organization of the social security system for the working population [19].

The sixth step has to be the improving of the social assistance system. It is planned to move from unconditional support to motivation of labor potential of representatives of various target groups of the population[20]. Targeted social assistance will be reformed

Thus, the level of unemployment is related to the current system of unemployment registration, insufficient unemployment benefits, low opportunities of qualification retraining of the unemployed and low level of subsequent employment, supply of low-paid jobs, which do not contribute to the entry of skilled labor in the labor market [21].

References

1. Kazakhstan - 2030 Prosperity, security and improvement of well-being of all Kazakhstanis, Message of the President of the country to the people of Kazakhstan.
2. N.A. Gorelov, *Economics of labor resources* (M.: Higher School, 2012) 305.
3. Zh. A. Kulekeev, *The labor market and employment in Kazakhstan*, (Kazstatinform, Almaty, 2016) 276.
4. Law of the Republic of Kazakhstan dated April 6, 2016 No. 482-V "On employment of the population" (with amendments and additions as of 07.03.2022)
5. N.G.Nurkenov, I.M. Tulegenova, *"Economics of the labor market"* (Semipalatinsk 2015) 561.
6. Sh.M. Valitov, *Efficiency of the macroeconomic system: theory and practice*, (M.: Economics, 2011) 189.
7. T. G. Talnishnih, *Economic theory,* (M.: Infra-M, 2015) 320.
8. S. M. Pyastolov, *Economic theory*, (M.: Academy, 2015) 240.

9. V. N. Iokhin, *Economic theory*, (M.: Yurayt, 2019) 354.

10. A. Duskaliyev, A. Tyumambayeva, A. Abdeshova, A. Dossanova, Z. Gabbassova, AIP Conference Proceedingsthis link is disabled, **2661,** 020008 (2022)

11. I. E. Zolin, Bulletin of the UNN, **4-1,** 282-286 (2013)

12. Ken Bartenshaw, Nick Mahon, Caroline Barfoot, *Labor market: studies. the manual* (M.: Tride Cooking, Ava Publishing, 2015) 25.

13. A.V. Volkodaeva, A.V. Balanovskaya, E.A. Rustenova, Lecture Notes in Networks and Systemsthis link is disabled, **304**, 583–592 (2022)

14. V. Babica, D. Sceulovs, E. Rustenova, *Digitalization of public procurement: Barriers for innovation,* WMSCI 2019 - 23rd World Multi-Conference on Systemics, Cybernetics and Informatics, Proceedings, **3**, 7–12 (2019)

15. M.A. Abisheva, R.T. Dulambayeva, Public administration in the context of a pandemic, (Under the scientific guidance of– Kazakhstan, Nur-Sultan, 2020) 150.

16. L.S. Tarshilova, A.J. Ibyzhanova, Z.K. Yerzhanova, A.U. Sultanov, Z.K. Amangalieva, Journal of Advanced Research in Law and Economics, **7(5)**, 1193–1206 (2016)

17. R. M. Sadykov, Scientific and methodological electronic journal "Concept", **8** (2019)

18. D. A. Tezadova, *Social policy in modern states: the main content, directions and models*, South Russian Journal of Social Sciences, 90-94.

19. B.S. Zhusipov, *Main directions of social policy of the Republic of Kazakhstan*, Social work in the modern world: interaction of science, education and practice, (M., 2015) 88-99.

20. A. Muftigaliyeva, T. Kuangaliyeva, A. Ibyzhanova, K. Baigabulova, N. Sargaeva, Journal of Advanced Research in Law and Economics, **7(4),** 851–861, 18 (2016)

21. S. A. Shapiro, E. A. Maryganova, *Fundamentals of economic theory* (M.: KnoRus, 2019) 264.