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The labor market and employment: analysis, development trend, modernization

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Еңбек нарығы және жұмысбастылық: талдау, даму тренді, модернизациялау

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Рынок труда и занятость: анализ, тренд развития, модернизация The labor market in the countries that still have it in a form stage has not been studied thoroughly. And Kazakhstan, as one of those examples, is a reasonable pick for the research. The country is a prominent world market supplier of hydrocarbons. In various studies, the focus is primarily on the interaction of resource wealth and economic growth. Social problems mainly relate to income and wages of citizens, but the issues of employment and labor market remain uncovered. The decline in oil prices makes all the employment issues become more visible. It is obvious that the established mechanism of labor market regulation needs to be adjusted. There is always a search for effective ways of ensuring employment in modern conditions. It is necessary to realize the potential of the self-correcting mechanism of the market economy. This requires the construction of an effective system of collective-contractual regulation of labor relations.

Key words: Kazakhstan, the economy, labor market, employment, regulation of social and labor relations.

Еңбек нарығы нарықтар қалыптасып жатқан елдерде жете зерттелмеген. Оның ішінде Қазақстан зерттеу объекті ретінде өзінің ерекшеліктерімен қызықты болып келеді. Әлемдік нарықты көмірсутекті шикізатпен елеулі жабдықтайтын ел болып келеді. Әр түрлі зерттеулерде басты акцент, ең алдымен, экономикалық өсімге ресурстық байлықтың әсер етуіне жасайды. Әлеуметтік мәселелер негізінен табыс пен азаматтардың еңбекақсына қатысты болады, ал жұмысбастылық пен еңбек нарығының қызметіне қатысты мәселелер жеткілікті деңгейде ашылмайды. Мұнайға баға төмендеумен байланысты жұмысбастылық мәселелері бәрінен бұрын алға шығуда. Еңбек нарығын реттеудегі қалыптасқан механизмін түзету керектігі айқындалуда. Заманауи жағдайында жұмыспен қамтамасыз етудің тиімді жолдары іздестіріліп жатыр. Нарық экономикасының өзін өзі түзету механизмінің әлеуетін іс жүзіне асыру қажет. Ол еңбек қатынастарын ұжымдық-келісімдік жолымен реттейтін пәрменді жүйені құруды талап етеді.

Түйін сөздер: Қазақстан, экономика, еңбек нарығы, жұмысбастылық, әлеуметтік пен еңбек қатынастарын реттеу.

Рынок труда в странах с формирующимися рынками изучен недостаточно. Среди них Казахстан интересен в качестве объекта изучения своими особенностями. Страна является заметным поставщиком углеводородного сырья на мировой рынок. В различных исследованиях акцент делается, прежде всего, на воздействии ресурсного богатства на экономический рост. Социальные проблемы в основном касаются доходов и заработной платы граждан, но вопросы занятости и функционирования рынка труда остаются недостаточно освещенными. В связи со снижением цен на нефть вопросы занятости выходят на первый план. Становится очевидным, что сложившийся механизм регулирования рынка труда нуждается в корректировке. Идет поиск эффективных путей обеспечения занятости в современных условиях. Необходимо реализовать потенциал, заложенный в механизме самокоррекции рыночной экономики. Это требует построения действенной системы коллективно-договорного регулирования трудовых отношений.

Ключевые слова: Казахстан, экономика, рынок труда, занятость, регулирование социальных и трудовых отношений.

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THE LABOR MARKET AND EMPLOYMENT: ANALYSIS, DEVELOPMENT TREND, MODERNIZATION

The value of the employment problem

Problems of economic growth, macroeconomic indicators dynamics, as well as stock markets are traditionally what all studies made about in Kazakhstan. Due to present conditions there is a serious need for adjustments for the country on the base of highlighting social and labor issues. International Labour Organization (ILO) states, that "employment and decent work should be fully integrated into the international debate on development" [1]. There is a long-term threat of deterioration in employment that requires ideological turn from achieving economic growth no matter what to the development for the benefit of man.

The UN Human Development Report 2013 emphasizes that the success of unsaturated markets requires substantial investment in people with the widest guarantees of access for all people and "rapid" spread of high-quality employment [2].

In general, in Kazakhstan a new model of employment was formed with the formation of a market economy in the country, and with development of the private sector. On January 1, 2014 the share of registered legal entities with private ownership was almost 87%, while the number of people employed at those structures exceeded 67.6% [3].

Industry accents in employment shifted from manufacturing to service industries: at present agriculture, forestry and fisheries are occupied at 18.9%, industry and construction -20.8%, services -60.3%. The center of attraction of labor resources are trading and brokerage, finance, management and social sectors (due to the introduction of paid education and health services).

Changes in employment became market-orientated with such things like hidden unemployment, lack of labor rights protection in the informal sector, negligence of the legal requirements and conditions discussed in the contracts and others.

The economic recession experienced by Kazakhstan in conditions of falling oil prices, is likely to affect the deterioration of the situation on the labor market. Deterioration can be expressed in enhancing the instability of labor relations, the growth of low-quality labor force, the emergence of a new type of labor relations called "precarization". At first glance, employment levels in the country have remained stable and even grown, but what are hidden behind them are unstable, low-paying jobs. Self-employment takes a major role here[4], the majority of self-employed is characterized by low unstable income, and lack of access to the public system of social protection. Many jobs do not bring professional satisfaction to individuals occupying them, as well as do not contribute to improve their skills, and to learn new ones. They are also characterized by lack of employment in terms of working hours.

Globalization and the introduction of new technologies can make a deterioration process

even worse. Globalization and modern technology jeopardize the least competitive contingent of workforce in growing market economy, due to insufficient quality of the labor force [5].

It should also be understood that the high politic and socio-economic efficiency is explainable due to "low base" of development. As the country's development level is rising it is likely that in the near future Kazakhstan will encounter the resource, institutional and sociopsychological limitations.

Furthermore, a substantial increase in labor cost may lead to the rapid unemployment growth. In Kazakhstan, the labor costs are growing extremely fast, as you can see from Table 1.

	2001	2002	2003	2004	2005	2006	2007
Cost of labor, tenge	243464	283350	327911	388023	466601	556695	710058
The index of the cost of labor to the previous year, %	85,9	116,4	115,7	118,3	120,3	119,3	127,5
	2008	2009	2010	2011	2012	2013	2014
Cost of labor, tenge	801727	877599	1 019 610	1185121	1329338	1 454 495	1 583 507,1
The index of the cost of labor to the previous year, %	112,9	109,4	116,2	116,2	112,2	109,4	108,9

Table 1 – The cost of labor per employee, tenge *

* compiled on the basis of data [3,4].

However, it is still low compared to developed countries. It slows down the modernization of oldfashioned production, keeping old-needed jobs just in terms of pay, safety and health.

The labor market situation may be complicated by the possible structural changes caused by the internationalization of economic activity (the creation of the Eurasian Economic Union) and the country's accession to the World Trade Organization. This can threat not only to economic growth but also to the social and political stability.

An effective solution to the employment problem requires a deep analysis of the labor market: first, in terms of its compliance with the traditional theoretical concepts, and, second, to identify the characteristics of its operations for the last period of time. We will be able to draw our first conclusions about fullfledged development of labor market reform, and the formulation of adequate employment policies if we have that analysis. Analysis of labor market realities, before and after 2000. There are two key indicators that are taken for analysis – working age employment rate (15-62) and the level (rate) of unemployment. In 1990s Kazakhstan's economy was experiencing an acute crisis, and unemployment became a reality. It showed up in the statistics of the country, by highlighting the levels of recorded unemployment rate and total (see Table 2).

The unemployment rate for the period of 1994-1999 increased consistently over the years from 7.5% to 13.5%, while the average annual unemployment rate was 11.62%, as well as the general average employment rate was at 58.7% for this period.

The dynamic growth of Kazakhstan economy from 2000 to 2007 (average annual GDP growth during this period was 10.0%) has a meaningful effect on the steady decline of unemployment rate. So the density of employment went to the opposite direction making up figures from 57.6% in 2000 to 65.3% in 2007.

	1994- 1999*	2000- 2007*	2008	2009	2010	2011	2012	2013	2014	2015 IV quarter
Registered unemployment rate	2,84	1,68	0,6	0,6	0,4	0,4	0,4	0,5	0,4	-
Unemployment rate	11,62	8,98	6,6	6,6	5,8	5,4	5,3	5,2	5,0	5,0
Employment rate, as a percentage of the population aged 15 years and older	58,7	63,13	66,35	66,1	67,1	67,8	67,9	68,0	67,1	67,6

Table 2 – Unemployment rates and employment rates in Kazakhstan,%

* the average annual value, calculated on the basis of data [6].

But low unemployment always goes with high inflation. Therefore, the inflation of annual consumer prices in 2000-2007 was at 8.8% (fluctuating between its minimum value of 6.4% and a maximum value of 18.8%). This was 1.2% lower than the average annual GDP growth by that time.

The global crisis of 2008-2009 has become a serious challenge for the country's economy. GDP growth fell sharply to 3.3% in 2008, and up to 1.2% in 2009. As a result, the growth rate of the employed population also fell and was at the level of 3.0% and 0.6% respectively. Although consumer price indexes remained high in 2008 and 2009: 109.5% and 106.2% respectively.

Thus, a relatively safe labor market position in Kazakhstan contrasted with other socio-economic characteristics. The main determinant of the labor market was the general economic trend. The dynamics of economic growth did not allow slowing down an employment rate and increasing unemployment. Employment growth in the precrisis period was significantly greater than it should have been as it can be seen from the traditional ratio of GDP and employment. On average, 1% of GDP growth caused 0.28% of employment growth. During the crisis of 2008-2009 only on 1% of GDP growth was 0.9% of employment growth in the first year, and 0.5% in the second, although it would have been logical to expect the opposite. This was possible due to the fact, that before the recession, companies were tending to have certain labor reserves that they can get rid of very easily, but were not doing that as were expecting a better market situation. These expectations, as we know, in this case were justified.

When making the labor market analysis it is very important taking into account not only the overall unemployment rate, but also its structure and duration for the individuals, especially for young people (see Table 3).

	2008	2009	2010	2011	2012	2013	2014	2015 IV quarter
Youth unemployment	7,4	6,7	5,2	4,6	3,9	3,9	3,8	4,5
Long-term unemploy- ment	2,8	2,5	2,2	2,1	2,5	2,5	2,4	2,3
The average duration of unemployment, months	10	8,7	8,9	7,8	8,4	7,4	7,3	-

Table 3 – Indicators of youth and long-term unemployment in 2008-2015,%

According to these indicators the situation in Kazakhstan is advantageous against the background of many OECD countries. [7] Relative prosperity in the labor

market even in times of unfavorable economic conditions has been achieved through the active participation of the state in the implementation of employment programs.

Formation of the market economy and the dynamics of GDP

Table 1 gives an idea of how GDP in Kazakhstan varied in 1991-2014 years. During this period, there was a sharp drop in production, which was

subsequently replaced by a period of dynamic and moderate GDP growth under the influence of various internal and external factors. We can identify four periods in the development of Kazakhstan's economy, as shown in Table 4.

Table 4 - Average annual GDP growth, in percentage *

	1991 – 1999	2000-2007	2008-2009	2010-2014	2015**
The Republic of Kazakhstan	- 5,0	10,0	2,2	4,5	1,2

*calculated on the basis of data [4,6].

**the annual growth rate

There was a decline between 1991 and 1999 and then a growth period in 2000-2007. In 2008-2009 the growth rate fell sharply due to the global economic crisis. Renewed growth of GDP in 2010-2014 was not as impressive as it was in 2000-2007. The average annual growth was only 4.5%, which also looked good against the background of the average growth rate in the OECD countries at the same time period [8].

Recent changes in the world hydrocarbons market make significant adjustments to the GDP of the country economy. The sharp decline in prices for the main export product - oil - is already beginning to affect the growth of GDP. Reducing the release means contraction of demand for labor. Therefore after a long phase of well-being Kazakhstan can experience a negative shock, the consequences of which will be the aggravation of employment problems.

The response (behavior) of employment to changes in GDP

The labor demand is always made on the demand for manufactured products, and the dynamics of the latter is translated into movement

of the labor market indicators, which manifests itself in a variety of combinations of price (wages), quantity (number of employees) and time (hours worked).

Labor market model of Kazakhstan in 1990 was characterized by a quantitative adjustment: a sharp decline in GDP strongly affected employment situation. In 1999 the population has decreased by almost 21%, the unemployment rate reached a peak of 13.5%. Due to the sharp drop in production employment declined at such a rapid pace that society could not adequately respond to the ongoing processes. Many citizens lost their jobs and found themselves below the poverty line. The labor market has been severely deformed; employment and unemployment statistics did not reflect the true process.

Table 5 shows basic labor market parameters increase or decrease based on a 1% change in output before the crisis, during (2008-2009) and beyond. A positive sign means that both parameters (GDP and related indicators of the labor market) were moving in one direction, and negative – in opposite directions (see Table 5).

Parameters of labor market	Employment			<u>Nominal wages</u> Real wages			Working hours		
Periods	2000- 2007	2008- 2009	2010- 2014	2000- 2007	2008- 2009	2010- 2014	2000- 2007	2008- 2009	2010- 2014
Average annual value	102,8	101,8	101,8	<u>120,4</u> 111,1	<u>113,3</u> 101,1	<u>112,4</u> 105,5	100,2*	98,9	100,7
The average annual value of GDP	10,0	2,2	4,5	10,0	2,2	4,5	10,0	2,2	4,5
The change per unit change in GDP	0,28	0,82	0,4	<u>2,04</u> 1,11	<u>6,04</u> 0,50	<u>2,76</u> 1,22	0,02	- 0,50	0,16

Table 5 - Changes in employment, wages, working time per unit of GDP changes *

*calculated on the basis of data [4].

As it can be seen from Table 5, time response during the crisis to a 1% change in GDP was significantly weaker than the employment rates and nominal wages. In the pre-crisis period elasticity of nominal wages and employment with respect to GDP growth also differed significantly, but the reaction of real wages was lower than that of employment. During the crisis (2008-2009) increased flexibility of working hours changed its sign to the negative (-0.50), and employment elasticity increased to 0.82. The response of working time was more than adequate to the dynamics of GDP, than the reaction of wages and employment.

In the crisis years, real wages and working time generally followed the dynamics of GDP. Real wages were the most strongly affected. The elasticity of real wages before the crisis was 1.11 and weakened in the crisis year to 0.50, but later it became high again (1.22). Employment reaction looks quite weak in this period, but the employment growth is only slightly behind the pace of GDP growth.

Thus, during the period of 2008-2009 recession nominal wages in Kazakhstan rushed up, and real wages, to some extent, kept a downward motion path. The economic downturn, observed in almost all countries, caused ambiguous effect on the change in real wages, increasing differences in their dynamics and the "response" to the crisis. In OECD countries the crisis and decline in GDP was not accompanied by a decrease in wages, as it was mainly dominated by quantitative adjustment in the face of reducing employment, and temporary adjustment with the reduction of working time. The background real wage growth contributed to the GDP contraction, first of all, because of the high prices of exported raw materials, particularly oil. Its role was played by the active intervention of the state in order to avoid mass layoffs. However, strict measures by the employment protection cause a mixed assessment of the state of the labor market adjustment, which prevails over the price adjustment. We can say that Kazakhstan's model is not the most important problem of employment sensitivity to economic dynamics but consequences affecting social spending are.

Currently, the vast majority of experts predict a prolonged crisis for the oil-producing countries. Under these conditions, soon there will be sufficiently resourced active employment policies and new jobs openings. Kazakhstan model, dependent on funding and budget expenditures is very basic. Kazakhstan still has considerable financial strength, but can be changed dramatically, and the implementation of significant spending on employment can be very problematic situation over some time.

Other factors affecting the dynamics of employment

Dynamics of GDP is not the only factor affecting the labor market. There are some other important factors:

1. The sectoral structure of the economy. Industry is usually very sensitive to fluctuations in market conditions including housing, manufacturing, the mining industry and financial intermediation. Our analysis results of an each sector dynamics impact on employment are presented in Table 6.

	2000- 2007*	2008- 2009*	2010	2011	2012	2013	2014	2010- 2014*
The economy as a whole	0,23	0,82	0,37	0,31	0,50	0,12	0,15	0,25
mining	- 0,19	0,13	-0,12	6,70	22,0	3,27	-60,7	3,70
constructing	1,01	-2,82	1,42	2,79	1,58	0,69	0,59	1,27
manufacturing	0,15	-1,04	0,29	-0,54	0,17	0,42	-0,22	-0,06
Financial and insurance	0,42	-0,82	-0,37	19,7	1,40	-0,04	8,91	4,96
agriculture	1,50	-0,44	-0,01	-0,16	0,06	-0,39	-28,2	-9,86

Table 6 – Indicator	s of employment	elasticity of ecor	nomic activity
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*average annual value

The data in Table 6 was obtained in the industry occurred differences in the ratio of output and employment. Thus, the average annual increase in output in the mining sector from 2000 to 2007 was 10.4%,

the average annual employment reduction -2.0%. In 2008 employment grew by 103.5%. But in 2009 and 2010 rate of employment in the sector fell drastically, that decline was respectively 2.4% and 0.9%. Average annual growth of output in the post-crisis period was 3.3%, but the average annual employment growth made up 8.5%.

These figures indicate a significant lag time between the start of the industry recovery and the increase of employment in it. Despite the insignificant proportion of people employed in the mining industry and in total, the growth in employment in recent years on almost 56 thousand people reduced the level of unemployment in the country. The share of the construction industry in Kazakhstan's GDP grew in 2000-2007 from 5.8% to 12.6%. For the second half of 2007 construction industry showed the first signs of the coming crisis, and it is way stronger comparing to others. Since 2008, its share has been steadily falling, and reached 6.9% in 2013. In contrast, employment in it during this period increased from 6.98% to 7.7%. This is a rather paradoxical phenomenon, the explanation of which you will find later below.

It is known that in the developed countries the manufacturing industry is very sensitive to fluctuations in economic conditions. In Kazakhstan this dependence is manifested peculiar: there was a surge of growth in output in 2008, but there was also a decline of 2.9% next year. In 2008 employment growth was practically not observed, but in the following year, the decline was 5.2%. In the post-crisis period of five years the average annual output grew on 5.5%, with a significant reduction in the rate of growth in the past two years. Reduced employment over this period was 0.3%. The low sensitivity of employment to the dynamics of production in the manufacturing sector can be attributed to the labor productivity growth in the industry.

Typically, the financial service sector was slightly affected by the crisis. It expanded rapidly in the pre-crisis period. During the crisis, the volume of financial services decreased by 1.3% in 2008 and 4.9% in 2009, which however did not result in reduction of employment, indeed there has been a marked increase in the number of people employed in this sector. In the post-crisis period the average annual growth rate and the volume of services and employment in the sector could not be restored to its former dimensions.

2. Continuous recession. The longer the period of low market conditions, the greater the loss of jobs it can cause. During the long period of low conditions for employment, employed population in Kazakhstan decreased from 7,716,200 in 1991 to 6,105,400 people in 1999, it decreased by almost 21%. In 2008-2009 the recession was short-lived, and it did not violate the general increase in the number of employed people.

3. Labor productivity. If productivity does not decrease in low conditions, or even increase, it will be accompanied by a reduction in employment and increase in unemployment. In Kazakhstan, the average annual labor productivity growth for the periods were as follows:

	2000-2007	2008-2009	2010-2014
The economy as a whole	7,5	0,4	4,4
Constructing	- 0,01	- 0,4	- 0,01
Manufacturing industry	9,2	4,8	5,3
Mining industry	- 0,58	3,4	- 0,57
Financial and insurance activities	- 0,1	- 0,14	- 0,1
Agriculture	- 0,02	5,3	8,2

Table 7 – Annual average productivity growth, in percentage*

The data in Table 7 gives us an answer to the previous question: why, despite the increase in the volume of construction works and services, does employment in the construction grow, but financial and insurance activities decrease at the same time. Interestingly that in the US one of the main reasons for the disproportionate increase in unemployment compared with the fall in GDP was improvement associated with increased competition and widespread use of new technologies in all spheres of the national economy.

4. The rigidity degree of labor market regulation. The degree of labor market regulation influences on the choice by way of adaptation to the crisis: a reduction of working hours, reduced productivity or reduce headcount. As has been revealed, reduction of wages is only method, which company is ready to use in extreme difficulties. The reduction of working time softens the impact of the crisis during the recession, but it can slow its absorption during lifting. It must been said, that in contrast to the Kazakh practice, American companies do not resort to artificially maintain the number of employees (labor hoarding), during the recession they characterized by another «offensive» policy for employees (aggressive labor shedding), and that was the reason for the high unemployment rate in USA. Layoffs thus perceived as evidence of the efficiency of management and not as a result of the financial and economic difficulties. This policy has proved its effectiveness: in the USA today with a positive economic growth rate of unemployment is 4.9% [9].

5. The level of economic activity of the population. In Kazakhstan during the crisis (2008-2009 gg.), the level of economic activity of the population (respectively 71.1 and 70.7%) was even slightly higher than in previous years, but it did not affect the increase in the unemployment rate. Raising the population's economic activity had continued in subsequent years, and the unemployment rate continued to decline. The explanation also lies in the active social policy of the state.

6. Regional disparities. Backward regions complicate the development of the country, they are characterized by greater severity of employment problems. In Kazakhstan, due to a migration, there is an intensive mobility of labor from backward regions to dynamic regions and towns. Therefore, there is no sharp contrast in unemployment rates between regions.

7. Long-term unemployment. In recent years, long-term unemployment and its average duration is small in Kazakhstan. In 2014, long-term unemployment was only 2.4%, and its duration -7,3 months. However, it occurs when an unemployed person can not quickly find a vacant place. The reasons, that make it difficult and elongate looking for work, are especially mismatches between the applicant and the employer's requests, which always exist. But in times of recession, it may acquire acute.

Thus, the employment dynamics in Kazakhstan depends on many variables. There are considered the ones that have the greatest impact on the labor market. The results of the analysis allow to state that the unemployment rate, and respectively employment, is the result of the impact of cyclical factors, they vary in accordance with the dynamics of economic growth, albeit with a certain lag time.

Regulation of employment in a changing environment

Intertwined, mutual complement and strengthen the processes, developing at the national and global level, largely explain the depth and diversity of employment problems in Kazakhstan. In conditions of low oil prices it is important that the labor market has contributed to workers to adapt to changing conditions, become flexible, dynamic and continuously optimized the structure of employment. It is necessary to aim the most of the instruments on the labor market to employment's restructure. We must resolutely abandon the maintenance of old inefficient jobs policy. It is necessary to get rid of phobias associated with an increase in the official unemployment rate.

The active participation of the state as a sponsor of the relevant projects destined to its social policy. The Government of Kazakhstan adheres to keynesian theory, from the very beginning of the reforms the government has sought to support demand through growth of budget expenditures. In order to maintain employment it was promoted the realization of investments using discretionary fiscal policy. Public expenditures were directed to subsidize new jobs and public works. There were allocated significant funds on the employment programs of the national budget. This feature of Kazakhstan's model of regulation of the labor market continues to persist. Currently, the Government developed and implemented "Employment Roadmap 2020" [10].

However, active state intervention in the labor sphere in order to achieve full employment, accompanied by high inflation. Inflation expectations of people additionally lead to an increase in salary, product prices, interest rates. This raises doubts about the effectiveness of discretionary policies, besides the economic possibilities of the state are not unlimited. All this is pushing the idea of a more complete use of self-correction mechanism features of the market economy, which provides an efficient allocation and usage of labor resources. In such circumstances in order to maintain employment and to achieve the required level of profitability, the firm may resort to a reduction in wages. Tensions in the labor market may increase due to the nature of the mechanism of wage changes. Wages above the level of economically justified (warranted wage) reduces equilibrium employment and, accordingly, unemployment increases. The most important condition for the withdrawal of the current

challenges is to diversify the economy. Government is trying to implement the restructuring of the economy structure through the implementation of the State Program of Forced Industrial-Innovative Development (SPAIID) [11]. The objective of SPAIID is to establish innovative economy in the country by overcoming the technological gap with the developed countries. The successful solution of this problem involves the emergence of new types of skilled labor. The withering away of the old, nonproductive jobs and skills shortages can lead to excess levels of unemployment over the newly created jobs. In this regard, one should not underestimate the risk of a possible conversion of cyclical unemployment into structural unemployment. And then it will be necessary a serious deliberate government intervention. The state in order to maintain political stability has been forced to intervene and to develop adequate conditions prevailing labor market regulation rules, and labor relations. In critical conditions of market economy there was the forced

nationalization of social risks. Employers have shifted much of his responsibility on the shoulders of the state. Employers and trade unions, as the classical side of social and labor relations, has not reached the proper degree of maturity. In the current conditions, the transition from "providing" and supportive social policies to active, boosting the individual responsibility of the people, politics becomes an urgent task. The new Labour Code of the Republic of Kazakhstan [13] made the first steps to overcome the regulatory lag of labor market regulations on the dynamic needs of modern industry. The withdrawal of the state from a hard impact on the social and labor relations, constructing an effective system of collective-contractual regulation should strengthen trade union structures. They have to be real representatives of the interests of employees in the pursuit of their social and labor rights. Despite the multidimensional phenomenon of employment and labor relations between main contractors employees and employers - are

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