

Kakizhanova T.I.,
Dildebaeva Zh.T., Yskakova G.S.,

Unemployment in Kazakhstan and its dynamics

Unemployment is serious problem that government faces. Unemployment rates of any country pose a complicated puzzle. The paper discusses the basic concepts of unemployment in the economic system, describes the basic terms and definitions are given and analyzed the causes and consequences of unemployment. The article presents statistical data, as well as highlighted the problem of development of Kazakhstan's labor market influences on unemployment, social and economic consequences of unemployment. Also there is a statistical review of the labor market of Kazakhstan at work.

Key words: unemployment, employment, economically active population, GDP, productivity.

Какижанова Т.И.,
Дильдебаева Ж.Т.,
Искакова Г.С.

Қазақстандағы жұмыссыздық жағдайы және оның динамикасы

Жұмыссыздық үкімет алдында тұрған ең маңызды мәселе. Кез келген елдің жұмыссыздық деңгейі өте күрделі қиындықтарды алға тартады. Бұл жұмыста экономикалық жүйедегі жұмыссыздықтың негізгі түсінігі, негізгі анықтамалары және жұмыссыздықтың себептері мен оларды шешу жолдары қарастырылған. Мақалада статистикалық мәліметтер көрсетілген, сонымен қатар Қазақстандық еңбек нарығындағы мәселелері, жұмыссыздыққа әсер ететін факторлар және жұмыссыздықтың әлеуметтік-экономикалық салдарлары анықталған. Сонымен қатар жұмыста ҚР еңбек нарығы жағдайына статистикалық шолу жасау көрсеткішінің экономикасына әсерін бағалау мақсатында эконометрикалық модельдер құрылды.

Түйін сөздер: жұмыссыздық, еңбекпен қамтылғандар, еңбекке қабілетті адамдар, ЖІӨ, өнімділік.

Какижанова Т.И.,
Дильдебаева Ж.Т.,
Искакова Г.С.

Безработица в Казахстане и его динамика

Безработица – серьезная проблема, которая стоит перед правительством. Уровень безработицы любой страны представляет сложную головоломку. В работе рассмотрены базовые понятия безработицы в экономической системе, описаны основные термины, даны определения и проанализированы причины и последствия безработицы. В статье приведены статистические данные, а также выделены проблемы развития казахстанского рынка труда, факторы влияния на безработицу, социально-экономические последствия безработицы. Также в работе присутствует статистический обзор состояния рынка труда РК.

Ключевые слова: безработица, занятость, экономическое активное население, ВВП, производительность.

UNEMPLOYMENT IN KAZAKHSTAN AND ITS DYNAMICS

Labor market is one of the most important markets, defining the economic stability of any state. Any Government seeks to find effective ways of development of the labor market and reduce unemployment. It is well known that any economic policy aimed at reducing unemployment, or should contribute to an increase of the level of employment, or reduced the rate of dismissal. Thus, the Government changes the natural rate of unemployment in the country. Unemployment – is unemployment in the national economy of the working population who wants to have a job. Able-bodied believe those who by age and state of health is able to work in the national economy (men aged 14 – 59 years and women aged 14 – 54 years). Unemployment – a socio-economic phenomenon, when a part of the economically active population, ie workforce is unemployed. This means that those who want to work can not find work in the normal wage rate [1].

Causes of unemployment:

1. Neoclassical consider voluntary unemployment and refusal to see reason for employees to work for lower wages.
2. Marxist theory sees unemployment as a necessary result of the accumulation of capital, when the growth of the organic composition of capital are above the needs of the physical capital (machines, equipment) compared with the need for labor because it has stimulated.
3. According to James. M. Keynes, full employment depends on aggregate supply, the propensity to consume and the size of investment, resulting in the forced nature of unemployment.

Socio-economic consequences of unemployment [2]:

1. Backlog volume of gross national product. Okun's law: an increase in the actual unemployment rate by 1% as compared to its natural rate leads to a loss of 2,5% of GNP.
2. The relative deterioration of the situation of the population and absolute impoverishment of the unemployed.
3. Reduction of total consumption, savings and investment.
4. The overall increase in the social burden and the unequal distribution of the costs of unemployment among various population groups.

5. Loss of qualifications of workers.

The labor market in Kazakhstan is characterized by its unique features. On average, the unemployment rate in Kazakhstan is 6-7%. This level is considered acceptable and normal in the world economy.

Factors affecting the dynamics of unemployment [3]:

1. Demographic factors – changes in the share of the economically active population as a result of changes in the level of fertility, mortality, sex and age structure of the population, life expectancy in the direction and volume of migration flows.

2. Technical and economic factors – pace and direction of scientific and technical progress, conditional on saving labor. The destruction of the high-end Russian production holding conversion without economic and social impact at all levels of threatened mass bankruptcy and the avalanche release labor.

3. Economic factors – the state of the national production, investment activity, financial and credit

system, the level of prices and inflation. As formulated by Oukenom law there is a negative relationship between the unemployment rate and the volume of GNP each «surge» of unemployment is associated with a reduction in real GNP.

The Government of Kazakhstan on the basis of annual Missives of the President develops special programs to create more jobs. Unemployment exists in all countries [4]. Low unemployment is considered to be 2-4% rate from 4% to 6% suffered more than 7%, it indicates stagnation of the economy. In the structure of unemployed in Kazakhstan every second – a woman. The proportion of people – aged 25-34 amounted to – 43.5% in the 15-24 year -9.6%. Among the unemployed have a higher education 131.3 thousand. People (27.9%), the mean total – 146.3 thousand. People (31.1%), secondary vocational education – 146.9 thousand. People (31.2%) [5].

The labor market in Kazakhstan is balanced in 2014 (see table 1)

Table 1 – The dynamics of unemployment in Kazakhstan

Month	dynamics	Unemployment million. people	Unemployment, %	For the quarter (on average,%)
January	↑	4,64	5,1	5,1
February	↓	4,63	5,1	
March	↓	4,63	5,1	
April	↓	4,62	5,1	5,06
May	↓	4,61	5,1	
June	↓	4,59	5	
July	↓	4,58	5	5
August	↓	4,57	5	
September	↑	4,58	5	
October	↑	4,58	5	5
November	↑	4,58	5	
December	↑	4,58	5	

The employed population was 10,3 million. According to statistics Committee of RK, number of unemployment rate people was 5,5% .

But in 2014 the unemployment rate fell deteriorate due to the difficult economic situation in the country, thus forcing enterprises and companies to cut back workers.

GDP is directly related to unemployment, because as soon as the GDP begins to fall, then this situation is immediately reflected on the citizens through a contracting labor market, which further leads to an increase of unemployment rate (figure 1).

Compared with the situation in 2014, according to the results of the Statistics Committee

unemployment rate in the country, provide following picture by details for each subject RK (see. figure 2):

The number of unemployed people amounted to 5525300 people, which is 1,7% less than in 2013.

Also the rate of the total number of employees fell – 3348. Number of people who are not involved in the workflow also decreased – 41,066 [5].

We present the unemployment rate in other countries for comparison. (see figure 3)

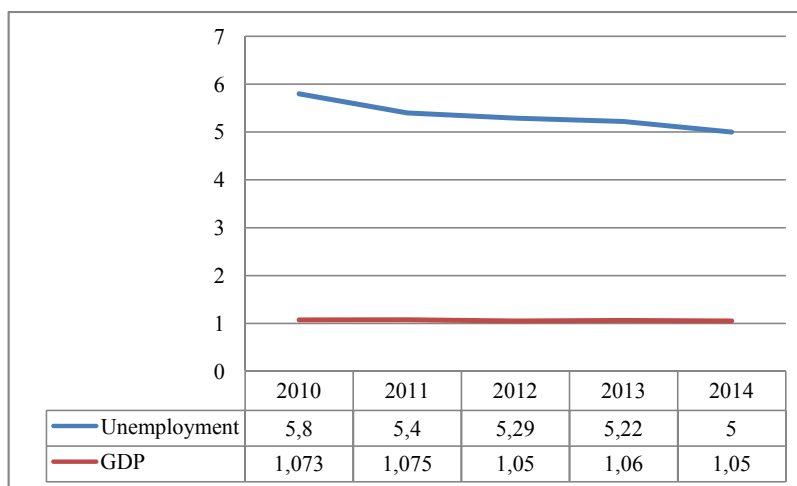


Figure 1 – GDP growth and unemployment in Kazakhstan

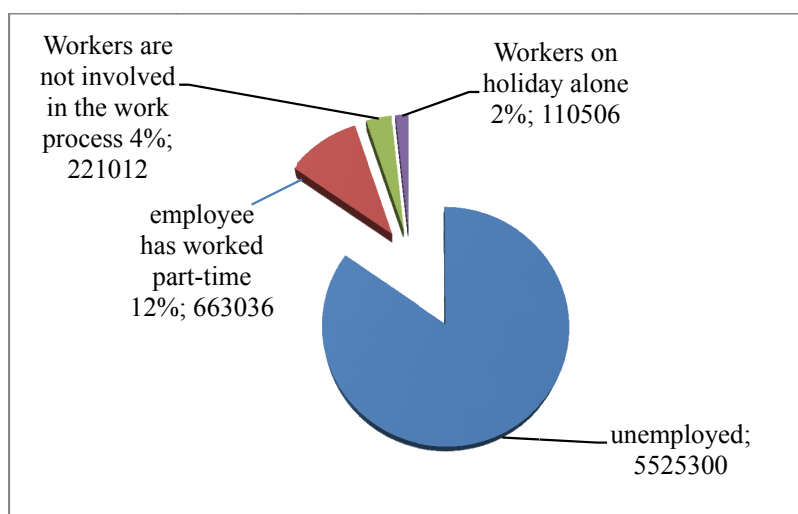


Figure 2 – The economically active population in Kazakhstan

Unemployment rates in almost all European countries is much higher than the normal value and the overall state of the economy is suffering a lot more from this serious problem.

Foreign governments began to fight with unemployment by innovative approaches. For example, in Sweden have started to implement the program «Journey to the work» (Job Journey)

offering citizens looking for a workplace to go to other countries. The main destination of this trip was the Norway. Wales came up with to solving this problem even more creatively. Wellbeing Company and Training Academy organized an action that allowed free access to all unemployed tanning salon.

Unemployment is a huge problem, from which the economy gets negative consequences

not only social but also major economic. The negative effects of chain will go one by one, since the fall of the material well-being level of citizens will entail lack of means of live, the demand for

food will decrease. Citizens will not be able to pay taxes, which will result in the consequences of falling GDP and it is only a small part of the damage.

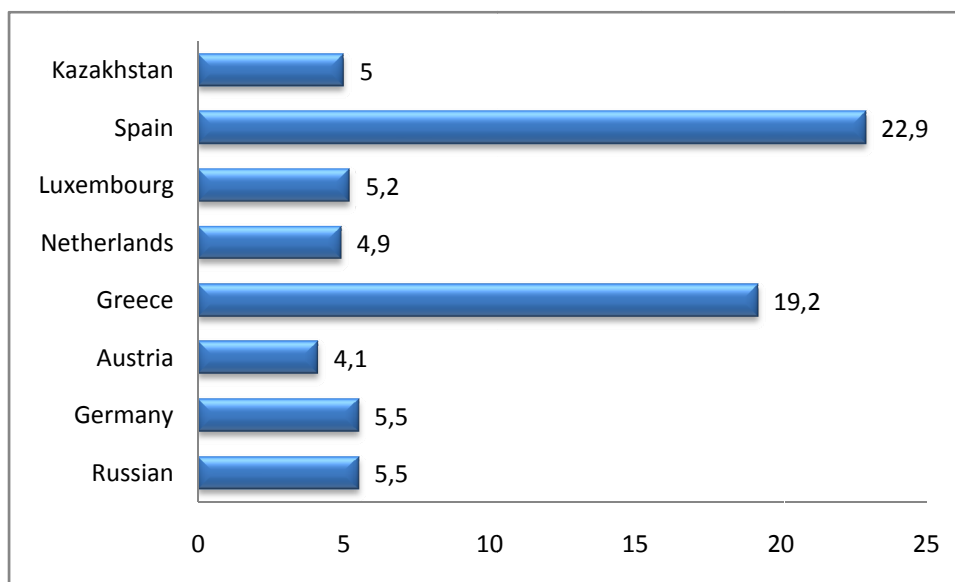


Figure 3 – Unemployment rate in other countries

In conclusion we can say that there are ways to eliminate or reduce its unemployment rate to a minimum, if with minimal «losses» and if we use smart approach.

In the last epistle «Socio-economic modernization – main direction of development of Kazakhstan ‘President of Kazakhstan Nursultan Nazarbayev have new priorities for the development of Kazakhstan. Kazakhstan is a young independent state, has made an economic breakthrough in such a short period of development. Message from the President not only accurately show the amount and quality of work done, but also provides for strengthening and growth of Kazakhstan’s economy in the long term. The Programme of the President provides for a number of industries that require immediate modernization and development [4].

The head of Kazakhstan’s Government has set clear targets and timetables for their implementation. The Government of Kazakhstan by 2020 should ensure GDP growth of at least 30%, to devise programs

to encourage businesses to its share in the GDP was 40%. Also by 2020, labor productivity is expected to increase by 4 times, and the unemployment rate was 5%. One of the main directions of development and improvement of selected labor market and employment in Kazakhstan Kazakhstan. This trend, given the current state of the world economy is a top priority. The President pointed out the importance of modernization of Kazakhstan education system and learning efficiency.

It is quality education, according to the Message of the President, should encourage the development of the labor market.

For the realization of all the goals set by the President must be not only effective functioning of the Government, but also the efforts of the society. An important feature of Kazakhstani people should be «innovative thinking» – a new, competitive mindset that will allow us to realize the strategic goal of Kazakhstan and bring our country among the world leaders.

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