Modern concept of labour redundancy in region: essence, factors and forms

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Abstract: Formation and development of labor market is a result of macroeconomic processes and the changes which happening in economic, demographic, migration, industrial, agrarian, investment and social policy of the state. Formation of the labour market in the regions with labour redundancy is result from its imbalance of supply and demand as on the both by quantity, and quality of labour. This is connect with human resources and social-economic problems. All this leads to that the main weight on regulation of employment moves to regions where it is necessary to resolve directly issues on support of temporarily unemployed, to regulation of release of workers, to realize programs for preservation and creation of workplaces, professional training and retraining of human resources [Madina Beisenova, Gulnara Moldogaziyeva, Marzhan Kalmenova. Modern concept of labour redundancy in region: essence, factors and forms. Life Sci J 2014;11(2):74-81]. (ISSN:1097-8135). http://www.lifesciencesite.com. 10

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1. Introduction:

The offer of labour is submitted by insufficiency of the qualified human resources when the demand is low and limited. There are insufficient optimal conditions for development of business, population migration, release of workers as a result of reduction in production, bankruptcy or production diversification, structural unemployment, imperfection of quality the training and retraining system of the professional workers, worsening health and poverty of the population.

In turn the demand on labour is defined by the low level of economic development, adverse investment climate, impossibility of economic independence realization, inefficient use of natural resources, backwardness of economics (branches and subsectors) and social infrastructure of regions and production development in dependence of the form of ownership, its technological development and requirements to quality of labor potential.

The aim of the paper is to develop the scientific study of the regional redundancy, realization of methodology on modern concept of the regional redundancy providing the optimization in using the labour resource

Objects of research: labour market in region with redundancy is a complex social - economical system in Kazakhstan

2. Material and Methods:

The theoretical basis of the research are the basic principles of economic theory, theory of management of labour and its reproduction. There are use the works of domestic and foreign scientists and economists on the principles, laws and methods of formation and development of labour market is given.

The basic methods of research are the methods of systems and situation and comparative analysis, methods of supervision and etc. The methods of grouping, applied sociology is used as special methods.

3. Results and discussion:

At the present stage of economical development of Kazakhstan the labour redundancy is showing in imbalance of supply and demand on labor. Imbalance of supply and demand is shown in the following:

− the labor level of quality is decreased because "the factor has to be highly specialized in relation to concrete needs of this branch" [Porter M., 2002];
− population health is worsened, incentives of labor productivity is fell;
− the education level, preparation and retraining of personnel on production is decreased; education existence in itself in modern conditions doesn't testify about to professional level and the more so it isn't competitiveness advantage of his owner;
− it is increased outflow of qualified personnel from real sector of economy;
− the labor began to be guided by an earning of "easy money" and all is less inclined to heavy, but to highly skilled work.

In economic literature the characteristic of labor markets types is submitted very much generally and concerns only its quantitative assessment (table 1).

First of all it is necessary to tell that a large number of the unemployed or surplus of the offer of labour is only final and not the only one indicator characterizing surplus of labour in the region.
Till 90th years the understanding of "labour redundancy" is socially-economic category found an explanation influence of demographic factor, as the region having labour redundancy in able-bodied age.

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<th>Deficit of labour</th>
<th>Surplus of labour</th>
<th>Equilibrium</th>
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The detailed social-economic analysis and placement of productive forces, demographic features, structures of production, gender and age characteristics of the population and human resources, their qualitative parameters is shows that the concept "the region with labour redundancy" is relative. In our opinion, the labour redundancy in the region is influenced by a depression of regions and a number of making social and economic factors. For regions with labour redundancy are characteristic:

1) low flexibility of able-bodied population;
2) different speed of advance to the market of various branches of economy;
3) high youth and female unemployment;
4) low capacity of a services sector and non-productive branches in absorption of considerable scales of released workers;
5) insufficient development of infrastructure of a labor market;
6) discrepancy of qualification of labor to requirements of workplaces, etc.

Labour redundancy is characteristic not only for Kazakhstan. So, the geographical niches of the long unemployment typical in some cities in the poorest regions of developed and developing countries where lives ⅋ of the planet population belong to regions with labour redundancy [Nagwa, 2010].

Population of the globe is distributed very unevenly on regions, they differ on levels of birth rate, mortality, age structure.

More than four of fifth population lives in densely populated regions. Overpopulation (population growth) in the regions with labour redundancy of developed and developing countries touches on issues of development, welfare and quality of life of human resources. Rapid growth of the population, especially, in the developing states such as India, Latin America, the African countries, the countries of Asia and China conducts to an aggravation of problems of employment, complicates achievement of acceptable standard of living, including housing, transport, sanitary conditions and social security, a low education level.

The region with labour redundancy are characterized by low life expectancy (in the countries with the low and average income – 64 years) and high infantile mortality (58 children on 1 thousand live-born) and the nursery (84 children on 1 thousand children).

Labour redundancy of these regions is influenced by a large number of the young population, children till 15 years make 40% of the population. The ratio of children of able-bodied age till 15 years to the number of able-bodied population is very great therefore working it is necessary to provide twice more children, than in the deficit of labour and the equilibrium markets. The number of children is more, than parents and when they reach majority quantity marrying is increases. Restriction or control of birth rate brings results only in decades.

One of the main features of Kazakhstan are regional distinctions and all its regions are labour redundancy despite it is characteristic big territory and shortage of the population defined by it on occupied area for Kazakhstan.

The economy the regions with labour redundancy is differs:

- strong deformation of the commodity and resource markets;
- lack of information for consumers and producers;
- in economy and society there is a process of radical structural transformations;
- it is prevail inequality situations when the prices, offers and demand aren't balanced [Twist Feng Hong, 2007];
- a low standard of living because of the low income, high degree of inequality, bad health of the population and education system is dissatisfaction;
- low productivity;
- considerable dependence from agricultural production and fuel and raw materials export;

In the regions with labour redundancy has the difficult social and economic situation because of proceeding decline in production. This is conduct to the structural unemployment when discrepancy between qualification of the unemployed and the requirement of free workplaces is formed.

Unemployment is caused by reduction of specific weight of employment in the industries and services sector, continuous renewal of material base of production, continuous change of volume and structure of demand for goods and services. It is
happened changes in existence of enterprises in quality and quantity of labour. In these conditions many specialties of educational institutions aren't demanded, at the same time in deficiency are technical officers and skilled workers with the high category and experience [Meldakhanova, 2009].

Labour redundancy on the market is open system. Many factors have impact on productivity functioning of a labor market which can be reduced in such groups as internal and external.

**Internal factors.** Internal factors of labour redundancy, in our opinion, can be presented in the form of blocks: demographic, social and economic development of the region with labour redundancy. These are such factors, as number, density and irregularity of population distribution.

![Diagram of Internal Factors of Labour Redundancy](image)

Backwardness of social infrastructure; backwardness of industries; inadequacy to requirements of a labor market training and retraining of personnel system; poverty and low income of the population of regions; involvement of unskilled illegal migrants; economy structure, preservation of technological backwardness; mentality of the population (figure 2).

**Number, low population density and uneven distribution.** Overpopulation for Kazakhstan isn't a predominating factor. Here, on the contrary, there is a factor of low density and irregularity of the population distribution and of a labour forces, when it is rich natural resources.

The Southern Kazakhstan has average by the sizes economy but it is a large region with share 15% of the population of the country. Population nearly a half (47%) lives in rather poor agricultural areas whereas in industrial areas not extracting oil and in oil-extracting areas lives 23,1% and 18,1% of the hole population, respectively. In two municipal districts lives 12,4% of the population.

Backwardness of the social infrastructure belongs to one of internal factors of labour redundancy providing basic needs of society, being shown in health deterioration, desolation of an illness, premature death, a low standard of living, a part-time and unemployment.

In Kazakhstan this factor is aggravated with discrepancy and backwardness of social infrastructure in particular, shortage of school and preschool institutions, frequent blackout, traffic jams in big cities.

Important value has a factor - training and retraining of personnel system, the level of knowledge reflecting labor capacity of the country. It is professional level of human resources.

In Kazakhstan the problem of illiteracy isn't necessary. The problem consists in quality of gained knowledge which and expansion of qualification experience though the volume of the services rendered by establishments of education of RK in 2008 rather 2003 increased by 3 times, but quality of labor in the regions with labour redundancy is low, and therefore full use of economic resources and increase of effective work of the enterprises are very difficult.
Recently the system of formal education is gained distribution. However in the regions with labour redundancy the situation doesn't improve, expansion of formal education of training isn't surely accompanied by growth of knowledge, Certificates and diploma about leaving school and higher steps of education not always serve as a guarantee of the best work.

The majority people seeks for education not by reason of internal motives and first of all its receiving opens a way to work in modern sector. People correlate benefits expected thus to costs of training.

In Kazakhstan in 2007, 2008 the general share of the poor population which is living below the poverty line, by estimates made over 12%. Thus in 2007 in Mangystau and Kyzylorda areas which rich with oil, the level of poverty exceeded 24%, and in two other grain-producing areas – Akmola and North Kazakhstan are 16%. In rural areas a population share with the income lower than a cost of a food basket is 2,8 times more, than in the cities. Poverty level in rural regions of Mangistau area was leading and made more than 56% in 2007.

It is observed high infantile (till 1 year) – 14,57 and the nursery (till 5 years)-17,91 mortality on 1000 been born. In 2007 in Kyzylorda area infantile mortality reached 20,59; and the nursery – 25,04 on 1000 been born. In the Southern Kazakhstan area infantile mortality (till 1 year)-19,29; the nursery (till 5 years) – 24,16; in Mangistau area infantile mortality (till 1 year) – 17,21; child mortality (till 5 years) in East Kazakhstan – 18,49 and Northern Kazakhstan – 18,61 on 1000 been born.

Structure of Kazakhstan economy. High extent of regional specialization are reflected in regional structure of employment of human resources which consist in a high employment rate in agriculture – 30,2%, being characterized by low labor productivity; insufficient development of manufacturing industry and dependence from oil sector.

One of the main features of the regions with labour redundancy is unemployment. Unemployment scales in this regions are much higher, than in other one. It is highest among youth and women. High unemployment in the regions with surplus of labour conducts to poverty humiliating the personality and deterioration of a living standard.

Especially growing social and negative phenomenon is rural unemployment. Almost all the regions with labour redundancy are in stagnation conditions in the agrarian sector, growing rural unemployment. Features of rural unemployment is slow increase in demand for labor in traditional agrarian sectors in comparison with increase in the offers. In is leading to migratory streams from rural areas.

In Kazakhstan in the large cities, especially in Almaty are created "illegally constructed". Inflow of villagers becomes a problem the increase in number of labor isn't reflected in data on employment. The majority of them are independently occupied: grinders, shoemakers, confectioners, cooking at home, sale and a food rating on flea markets and markets, seamstresses, tenants, drivers of public transport, offtakers, construction repair, etc. Own-account workers in informal sector are usually semiliterate, have no specialty and access to financing sources, productivity of their work is lower, than in formal sector. Working in informal sector are deprived of social protection, pension. Most often they should live and work in uncomfortable, insanitary conditions, without observance of standards of safety measures at production, without medical care.

Migration of human resources from the regions with labour redundancy soften a little this problem, however often most qualified professionals create the factor of "brain drain" reducing the general skill level of labor and labor productivity, deprives these regions of the most valuable (highly skilled) workers [Makkonell K. R, 1998]. And the increase in the population in Astana is explained by transfer of the capital and development of this territory.

Involvement of unskilled illegal migrants. Migrants in 90 cases from 100 occupy niches in the market not demanded from Kazakhstan citizens. Generally it is citizens of China, Kyrgyzstan, Tajikistan and Uzbekistan. There are decree in force adopted the new order of attraction of a manpower from abroad in Kazakhstan. The list of various documents which the employer has to prepare, about 10 units of various ones. Therefore the labor from the neighboring Central Asian states is very cheap and workers are more favorable for the companies who have illegally driven in RK. They can pay less and thus not to bear responsibility according to social programs. Now their number in RK fluctuates between 500 thousand and one million.

Migrants prefer to go to the construction sphere (Kazakhstan citizens demand a salary from 400 dollars and above, citizens of Uzbekistan agree to work for 100-150 dollars), trade and services. In particular, Uzbekistanis willingly go for buildings, Chinese and citizens of Kyrgyzstan – in trade, Tadzhikistan's – in a public catering. Other Kyrgyz are involved at seasonal agricultural works in Almaty area, Uzbekistanis – in South Kazakhstan region (nearly 90% of collecting cotton) (Shymkent,2012). At the same time it should be noted that on the southern regions (Almaty, Zhambyl, Kyzylorda and South Kazakhstan) the greatest number of economically active population of the republic –
more than 30% of total is necessary. This factor promotes an imbalance on a labor market.

**Shortage of the labour force offer.** The acute shortage of the qualified experts is available at many levels of a manpower. Because of short coming or lack of qualification of a local manpower generates attracted of foreign labor on such specialties, as: carpenters, fitters, welders, etc. it is easy for them to train the local population. However, to prepare the Kazakhstan shots, it is necessary to collect groups of people, to pay for their training and to incur the corresponding expenses. In this case employers consider that it is simpler to get ready labor and take the big profit.

The aforesaid factors, in our opinion, lead to contradictions between increase in employment of own population from the state and certain employers who act on the contrary.

**Technological backwardness.** In our opinion, it is necessary to take into account structural risks for all Kazakhstan economy. Using cheap labour of the guest workers, many types of production are made on the outdated equipment. There where labor is expensive, the employer is necessarily compelled to improve production. Because only qualified labour can give more high productivity and bring down costs. As far as on the behavior of people influenced belonging to this. Attraction of unskilled labor from the outside leads to preservation of the technological backwardness. It is connected by that the employer, seeking to get the maximum profit and less thus to pay, isn't interested to enter technological innovations. While work of guest workers allows it to receive the superincome, it isn't interesting to improve technology and seriously concern oneself with labor protection issues.

The mentality of the population in labour redundancy regions is shown both in economic activity, and in choice of profession and self-employment. For example, professions of the cook, producer of national bread (a lepeshchelnik), the vegetable grower are generally widespread in the countries of Asia (Uzbekistan, Tajikistan, China). Not prestigious work of the yard keeper, the dustman, the cleaner is considered for youth. In other cases, for example, in regions of the Southern Kazakhstan cases when the credits of banks are used on family actions, weddings, anniversaries instead of using them on adjustment of the business.

**External factors.** External factors have impact on the labour redundant regions: globalization and integration processes; legislative base; ecology influence; economy-geographical position; investments and migration policy (figure 3). Difficult and inconsistent processes of globalization carry out deep transformations in social and economic systems regions with labour redundancy. The labor market in social-economic system is the reliable indicator of all changes. Due to the process of globalization there are changes in labour activity, in the organization, in employment structure, in the labor relations. Migration and problem strengthening in the labor relations, distribution and use of a manpower is cross-border character.

The globalization caused of the strengthening of movement of labor force from regions with labour redundancy into more developed countries in aim of getting of earnings [Zhijun Liu, 2013]. The foreign companies use local cheap labor, don't trouble itself with safety measures and labor protection problems, environmental pollution and ecology.

Change in ecology in connection with activity of industrial branches of economy have negative influences with development of human resources, causing destruction of environment and worsening population health. More often than not in the regions with labour redundant various ecologically polluting productions are developed. There are plumbic, chemical and the petrochemical enterprises are located in the most densely populated Southern Kazakhstan area.

The ecological factor is important for our republic In the country are particularly acute questions of pollution by industrial wastes, degradation of soils, desertification and nuclear heritage of the Semipalatinsk region. Though it is possible to consider that Northern Aral's ecological situation considerably improved thanks to dam construction, regulation of the bed of the Syr-Darya River and some improvement of a condition of northern part of the Aral Sea, but after all ecological threat is remains.

One of the important external factors is the economical geographical position of the regions with labour redundancy. All regions pass through the period of a long economic crisis. Essentially situation regions with labour redundancy having different structure of production, various level of expenses for production of agricultural production, different rent advantages, low level of the market infrastructure, insufficient extent of participation in foreign economic activity, small volumes of an investment in economy of the region of foreign investments differs. Disproportionality of development, raw structure of the export branches, essential isolation from the world economy, the insufficiently developed the commodity-money relations have influence.

The geographical arrangement has impact on a situation in the labour redundancy regions. Domination of rural territories, backwardness of agrarian sector and the market infrastructure, so for
example, border regions of the South Kazakhstan area are more subject to the labor migration, sometimes having illegal character with following negative consequences.

In monoprofile settlements dependence on the city-forming enterprise in the small cities, such as Kentau, Temirtau, Zyryanovsk, Balkhash, Ore, etc. brings to the narrow sphere of employment, limits possibility of maneuver for lost work, high and stagnant unemployment, decrease in a standard of living of all population, folding of social infrastructure, deterioration of moral and psychological climate, and also reduction of taxable base of local budgets.

Traditionally regions with labour redundancy always feel "investment hunger". There is a factor the quantity of workplaces depends from recreated enterprises. Annual capital investments per capita in depressive regions with labour redundancy usually below, than as a whole about the country.

It is direct dependence of development of the population and human resources from results of economic activity of regions, own financial and investment sources. Such condition follows from the principle of self-sufficiency and the self-financing. This assumes development of regions at the expense of the self-earned income. The size of the income depends on effective management of regional economy, i.e. on the end results of activity of all managing subjects located in the territory of the region, including human resources. However, assignment for creation of the workplaces which will be adequate to requirements at labor forces and their use developed disparate and strongly differ. In the worst situation there are, first of all, those regions where rates of job demand low and high unemployment rate, and scales of investments into fixed capital significantly lag behind them.

In the conditions of economic transformations the problem of labor migration even more became aggravated it is strengthened process of migration. Problems of a labor market led to mass outflow of villagers to the cities, there were considerable changes in formation of territorial distribution of human resources. In this regard a number of acts on reforming of regional policy of economy is accepted. Specific features of labour redundancy not always are considered that naturally leads to strengthening of violations of pursued policy.

Except internal and external factors have impact on a modern labour redundancy the quantitative and qualitative factors.

**Quantitative factors.** In our opinion, it is possible to carry group of indicators of demographic movement to quantitative factors: birth rate, mortality, life expectancy; economic activity of human resources, number of able-bodied population of the republic, size of the gross internal revenue (gross domestic product) per capita, educational level, employment.

The main demographic situation in the country is played by a natural increase of the population. Besides, demographic indicators are influenced by visitors Oralmans, where family traditionally have many children. Oralmans make one third of an increase in population. However situation in a root can't change only because of Oralmans.

Though in Kazakhstan there is no situation when the number of the dead exceeds number been born, the European part of the population promptly grows old, mortality exceeds birth rate. As a whole the population problem already developed into a problem of national security. Owing to the huge territory and economy
lifting the republic needs human resources. Besides, Kazakhstan is under the demographic pressure and potential threat from the adjoining states with the numerous population, such as: China, Uzbekistan. Potential threat make not only amplifying labor migration, but also unauthorized settling of the territory of our country.

Experts predict population of the republic till 2020 increase to 20 million people, however it isn't enough to solve the forthcoming huge economic problems of modernization and industrial and innovative development of national economy.

According to statistical data the expected life expectancy (ELE) of the population is annually increases. In 2008 it is 67,1 years (male-61,9 of years and the female-72,4 of years).

According to the current registration of mortality of the expected duration of live (EDL) for Kazakhstan is about 7 years lower than a similar average indicator for Evr-V+S (68,7 years). However, by World Health Organization (WHO) estimates, the EDL level in Kazakhstan is about 7 years lower than average value of the countries Evr-V+S. Thus, the EDL level in Kazakhstan is about 18 years lower, than on the average on EBP-A (79,0 years). Therefore, taken by Kazakhstan concerning EDL, in comparison with other countries, are less favorable, than according to official statistics.

The EDL loudspeaker closely depends on gross domestic product indicators. Rates of gross domestic product increase since 1999, having a little worsened an indicator at the time of crisis in 2007. The gradual increase in rates of gross domestic product reduces poverty of the population. However, relative poverty in the country is much more widespread phenomenon in comparison with absolute.

Extent of cumulative coverage by education of the population of Kazakhstan in 2008/09 made 75,3%, including in rural areas of 51,2%. Still there are a problem in the country a coverage and a lack of preschool education. The qualitative characteristics of labor are: education level, competitiveness, skill level, professionalism, susceptibility to innovations, knowledge of computer technology, language skills degree, etc.

Recently in the regions with labour redundancy demand for skilled work exceeds its offer. The present stage of scientific and technical progress led to high-quality change of a role of human resources in economy, now it is a decisive factor of development of production. The competition in market economy demands development of human resources as the success of production depends on their relation to work, qualification, creative from intellectual level.

The competitive companies before introducing new equipment and technology, carry out reorganization of methods of the organization and management, change personnel policy, prepare professionally competent staff. The enterprises are interested in that as a part of the personnel the increasing place was taken by workers with the analytical skills, inclined to search new in the sphere of the activity, initiative, more independent in decision-making. The worker has to be guided well not only in work of the site, but also the enterprise as a whole.

In modern firms has interest to "strategy of joint actions" which recognizes that successful development of the enterprise already grows can be reached in that case when workers to learn independently "to make the diagnosis" and to solve own problems. Thus competitiveness of the worker, education level, a skill level, professionalism, a susceptibility to innovations, knowledge of computer technology, extent of foreign language skills become key factors on a labor market.

In return for production by key systems are: formation and development of labor capacity of the enterprise; increase of competence of shots; integration of training and enterprise development, stimulation of creative activity of workers.

The labor market in the regions with surplus of labour isn't balanced: with unemployment vacancies remain. It is connected with discrepancy of quality and vocational structure of labor to needs of employers, and also with low labor mobility of human resources. There is no qualified personnel first of all.

The need for professional qualities of labor is influenced by dynamics of environment, emergence of new equipment and technology, change of strategy and organization structure, need of development of new kinds of activity.

Qualitative factors of a labour redundancy need to be considered from the point of view of professional development of human resources.

At modern conditions education system can't guarantee receiving the corresponding education and training of the qualitative expert. Besides the contingent of the specialties which are required on a labor market as training of specialists is focused only on humanitarian specialties is limited; the inappropriate material resources, don't suffice modern computers and computer classes; not enough hours are allocated for training of foreign languages.

The humanitarian orientation of training of specialists speaks not only backwardness of industrial production in these regions, but also that it is very expensive: it is required new modern expensive technological, technical, chemical, etc. the equipment, devices for training and carrying out laboratory works.

The system of a secondary special education (technical training college), colleges aren't developed to this day. Low level of teachers; the capable and
more qualified aren't late in an education system and sciences in regions. There is a situation when not the best of teachers to teach and edify. The system of increase of training is put on drift, quite often plans of professional development (FPD) are fictitious, aren't paid by the enterprise, FPD at own expense compel to pass workers, and they, in turn, bring fictitious certificates. Thus, on the hand the labour redundancy is excess of able-bodied population at able-bodied age over the number of workplaces provided in the region, on the other hand - a lack of the offer of work and increase in demand at skilled work.

4. Conclusions
Taking into account the above, it is possible to formulate concept of a surplus of labour of modern conditions: the labour redundancy is the phenomenon resulting an imbalance of supply and demand on labor, both by quantity, and on quality according to requirements of the workplaces, characterizing a level of development of productive forces, scales of territorial division, branch structure of production, number occupied, rates of a natural increase of the population.

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