

## Classification and assessment of a labor market in regions of Kazakhstan

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**Abstract:** The transformational processes proceeding in economy as a whole, have essential impact on formation of a labor market of human resources which is one of the most difficult elements of market economy. Here not only intertwine the interests of the worker and the employer but also all social and economic phenomena occurring in society are reflected practically. The modern social and economic situation is characterized by an aggravation of consequences of one of the deepest world crises, had serious impact on a state and prospects of employment of the population. Rather low level of production, low labor productivity, inflation, labor migration and unemployment, falling of a standard of living, strengthening of social differentiation of the population at which there is an underexploitation of human resources represent serious threat for social and economic safety in all regions.

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### 1. Introduction.

The negative phenomena are most sharply shown in depressive regions. Most often the economy of depressive regions often has one-sided specialization in preparation of raw materials or getting of resources. Such productions are poorly focused on replenishment of the local consumer market and the budget income. These regions have no own production and financial base which would be sufficient to provide the quantity of workplaces adequate to a growing demand which without active assistance from the outside, i.e. supports from the state, are doomed to further lag in social and economic development.

Features of placement of productive forces and workplaces, prospects and specifics of employment of the population also increase the importance of problems of effective using and regulation of human resources in regions of Kazakhstan.

**Aim of paper:** research of a labor market and its regulation in depending from integrated indicator of imbalance in regions of Kazakhstan

**Object of research:** labour market in region as a complex social - economical system in Kazakhstan and its ranging.

### 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.

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.

The table 1-Classification and ranging of regions on the specific weight of population

Regions having high specific weight (<6,25)	Regions having average specific weight (>6,25)	Regions having low specific weight (>3,1)
Almaty	Akmola	Atyrau
Zhambyl	Aktyube	Mangistau
Karaganda	The West - Kazakhstan	
The South Kazakhstan	Kostanau	
The East Kazakhstan	Kyzylorda	
Almaty city	Pavlodar	
	The North - Kazakhstan	
	Astana city	

### 3. Results and discussion:

Each region is characterized by a number of social and economic, natural and geographical,

historical, ethnic and other factors which define features of its development [Meldakhanova, 2009 ]. In this regard formation and functioning of labor market

in regions has to be characterized not only common features, but also features of social and economic development of this region that enters certain specifics into the system of regulation of a regional labor market.

The crisis phenomena in economy of Kazakhstan, unevenness of development of its separate territorial educations directly affect on condition of regional labor markets, conduct to their differentiation. The

differentiation of regions, in turn leads to their classification on socially - demographic and economic signs.

Among the regions with the high share of number belongs for the South Kazakhstan – 15% and Almaty – 10,65% areas, and low - Atyrau – 3,1% and Mangistau -2,6%. If we range regions on population density, the picture will be another.

The table 2 - Distribution of the population of regions on density

The high (<5,6)	The average (>5,6)	The low (2,8)
Almaty	Akmola	Kyzylorda
Zhambyl	Aktyube	Atyrau
Karaganda	The West - Kazakhstan	Mangistau
The South Kazakhstan	Kostanau	
Kyzylorda	The East Kazakhstan	
Pavlodar		
The North - Kazakhstan		
Almaty city		
Astana city		

Seven regions belong to regions with a high natural increase of the population:

Mangistau -23,46;  
The South Kazakhstan - 22,52;  
Kyzylorda– 18,53;  
Atyrau– 16,56;  
Zhambyl– 16,42;  
Astana city– 15,16;  
Almaty city – 13,45.

Five areas belong to the second average level:

- Akmola -2,31;  
- The West - Kazakhstan -6,26;  
- Karaganda – 2,85;  
- Pavlodar – 3,42;  
- The East Kazakhstan -2,02;

It is possible to carry two areas to the third level with a negative indicator of a natural increase:

- Kostanau - (-0,63);  
- The North - Kazakhstan – (-1,32);

Life expectancy of the population increases in recent years in all regions of the republic. This is leads to increase of number of economically active population. Meanwhile, growth of number of economically active population can result at approach of certain events in unemployment.

Regional distinctions of the unemployment measured on methodologies the ILO, depend on set of three factors: demographic (dynamics of able-bodied population), economic (a level of development and economy structure) and geographical (agglomerative advantages or raising the price factors of remoteness, weak familiarity of the territory.

According to official statistics unemployment rate is higher national average in Akmola; Atyrau;

Zhambyl; West Kazakhstan; Kyzylorda and Mangistau areas.

As a part of the working population for 1995-2013 there were changes.

In the period 1995-1999 there was an increase in the working population at 5%; in agriculture, hunting and forestry – 38,8%; trade, car repairs and products of house using – 13,8%; operations with real estate, rent and services to the enterprises – 80,8%; transport and communication – 13,5%; public administration -1,5%. Thus considerably number in the industry decreased by 24,9%, construction from 26,8 thousand people to 15,7 thousand people.

The positive phenomena are noted only in two branches in the period of 1995-2000: agriculture, hunting and forestry – 83,4% and operations with real estate, rent and services to the enterprises for 23,1%.

There was a significant increase from 1995 to 2002: agriculture, hunting and forestry twice, the mining industry of 28,6%, transport and communication of 24,2%, operations with real estate, rent and services to the enterprises for 23,1%, other municipal and social and personal services - 7,6%.

The period about 1995-2013 is characterized by increase in number increase in number of the working population at 26,0%. Growth rates also are noted in financial activity for 23,1%.

There are prevail the labour redundancy , scarcity of labour and equilibrium market in conditions of financial and economic crisis [Twist Feng Hong, 2007] In Kazakhstan the labor market is characterized by a supply and demand imbalance in this market . Types are leveled because of streams of a manpower in the capacious markets both within the country, and abroad.

In Kazakhstan the labor market is characterized by a supply and demand imbalance in this market [Beisenova, 2014]

In these conditions it makes sense to allocate the markets with high, average and low degree of an imbalance of supply and demand in the market. Carrying out similar gradation for regions of Kazakhstan in the conditions of economic crisis is represented very actual.

System approach to management of labor market in the conditions imbalance of a supply and demand on the market, development and approbation of new methodological decisions, approaches on regulation of employment are happens in the course of reformation of the labor market [Twist Feng,2007]. It is polarized owing of considerable distinctions of regional labor markets which specificity is caused by a complex of natural, social and demographic, economic and other factors. In this regard the regional factor of development as economy, and labor markets becomes the most significant.

The main accent to regulate of employment moves to regions. There are necessary to resolve directly issues on support temporarily unoccupied, on regulation of being released workers , on realize programs for preservation and creation of workplaces, vocational training and population retraining.

It is various techniques of assessment of national economy disbalance and its regions. It is possible apply a technique of the World economic forum, the Lozansky technique, a technique to them "Atlas" of the World bank, methodology of OECD, UN methodology, etc. [Valras, 2000]

We used ideology of the parametrical analysis by drawing up a rating of regions disbalance. Standard conclusions were made on the basis of quantitative comparison.

It was count off cumulative mark assessment of regions on the basis of the chosen indicators (coefficients) which it was "weighed" on their relative importance. It was base for definition of a final place of the region in rating . Calculations were carried out by analogy to a technique of country ratings on way of aggregation (verification) of a number of private indicators (criteria) in more general indicator This indicators characterize the relative positions of the region on this indicator.

Distinctive feature of offered approach is scaling of the indicators. Essence of scaling is lead of the indicators which measured in different units (as a percentage, monetary and other units) to the immense sizes "-", "+" and "0". Interval "-2 and below" corresponds to the best result, i.e.to the minimum disbalance in a regional labor market (low degree of disbalance), an interval "-1,+1" - to average result (an

average disbalance of the destroyed as leveling of each other.

Calculation of a rating of regions was carried out by transformation on formulas (1) and (2):

$$I_j^i = \frac{X_i^j - X_{min i}}{X_{max i} - X_{min i}} \quad (1)$$

$$I_j^i = I - \frac{X_i^j - X_{min i}}{X_{max i} - X_{min i}} \quad (2)$$

$X_{ji} - i$  - indicator of  $j$  - region,

If great values correspond to the best result the transformation on a formula (3) is carried out:

$$I_{aggregate} = \frac{I_j^i}{N} \quad (3)$$

The rating of competitiveness of regions was defined by three aggregated indicators (indexes):

- "the economic block" –consist of a subindex of investments development into fixed capital; subindex of number of the active enterprises of all forms of ownership; subindex of a share of the region on industrial output in RK (%);

- "the social block" - consist of a subindex of an average salary; subindex of size of a living wage; subindex of the monetary income of the population;

- "the demographic block and employment" - consist of a subindex of a pure gain of the population; - subindex of level of the employed population (%) from the addressed; population density subindex on 1 sq.km.

After calculation of a rating of regions for each indicator the technique of tretilny (kvartilny) splitting a number of distribution on three groups with the corresponding values of immense sizes was applied: 0-0,33 (+); 0,33-0,67 (0) and 0,67-100 (+).

The results of ratings transferred to immense sizes, have given in table 3.

One of the main issues is the assessment of degree of influence of economic factors or social demographic factors on level on the current labour disbalance.

We will carry out a rating of the major economic indicators of regions.

1) On level of creation of gross domestic product of RK (percent of a contribution of the region) :

The first group of the regions making over 9% for gross region product consist of: Almaty city (18,2%), Atarau region (12,6%) and Karaganda region (9,1%). Into the second group from 6-9% entered: East Kazakhstan (7,2%) and Astana city (6,5%). From gross region product shares lower than 6% are included into the third group Southern Kazakhstan (5,9%), Pavlodar (5,4%), Kostanay (5,0%). This areas have share in gross region product more than 5% and the remained

regions which share in the total amount of gross region product makes no more than 5%.

Table 3 – Values of immense sizes for calculation of an integrated indicator of a trudoizbytochnost of regions

Regions	Economic block (one million tenge)			Social block			Demographic block and employment		
	development of investments into fixed capital	number of active enterprises of all forms of share of the volume of industrial production in pk (%)		average salary, tenge	size of a living wage, tenge	monetary income of the population, tenge pure gain of the population	monetary income of the population, tenge pure gain of the population	level of the employed population (%) from the addressed	population density on 1 sq.km (people)
Akmola	+	0	+	+	0	0	-	-	0
Aktube	0	0	-	0	0	0	0	-	-
Almaty region	-	0	0	+	0	+	+	0	+
Atyrau	-	+	-	-	+	-	+	0	-
East-Kazakhstan	+	-	0	0	0	0	-	+	0
Zhambul	0	+	+	+	-	+	+	+	+
Western- Kazakhstan	0	+	-	0	0	0	0	-	-
Karaganda	-	-	-	0	0	0	0	0	-
Kostanay-	-	0	0	+	0	+	0	-	0
Kuzul-Orda	-	+	-	0	0	+	0	-	-
Mangistau	0	+	-	-	+	-	+	0	-
Pavlodar	+	0	0	0	-	0	-	-	+
North-Kazakhstan	+	0	+	+	0	+	-	-	+
South- Kazakhstan	0	-	+	+	0	+	+	+	+
Astana city	0	-	+	-	+	-	0	+	0
Almaty city	-	-	0	-	+	-	0	+	0

The notes are developed by the authors

It is possible to create the following classification of regions of RK (table 4) from the point of view of region labour disbalance degree on the basis of the offered technique of the integrated assessment.

Table 4 – Classification of regions of RK by criterion " labour disbalance degree "

Regions with low degree of labour disbalance	Regions with average degree of labour disbalance	Regions with high degree of labour disbalance	Integrated indicator of labour disbalance
Karaganda			-4
Aktube			-3
Almaty city			-3
Atyrau			-2
Western- Kazakhstan			-2
Kuzul-Orda			-2
	Mangistau		-1
	Pavlodar		-1
	East-Kazakhstan		0
	Kostanay		0
	Astana city		0
	Akmola		+1
		Almaty region	+3
		North-Kazakhstan	+3
		South- Kazakhstan	+5
		Zhambul	+6

The notes are developed by the authors

2) On level of diversification: monobranch areas (the enterprises of one branch make over 50% of all regional industrial output) - Atyrau, Aktyube, West Kazakhstan, Kyzylorda and Mangistau ; well diversified areas (all industries are rather evenly presented) - Aktyube, East Kazakhstan, Karaganda, Kostanay, Pavlodar; poorly diversified areas or

agrarian and industrial (two-three branches make over 70% of all industrial output) - North Kazakhstan, Akmolinsky, Almaty, Zhambylsky and South Kazakhstan.

3) On the specific weight of the regional industry: the first group (over 10%) included Atyrau, Mangistau and Karaganda areas; the second group (from 5 to

10%) included the Aktyube, West Kazakhstan, Kyzylorda, Pavlodar and East Kazakhstan areas; the third group (to 5%) included the remained seven regions.

4) On degree of involvement into the foreign trade activity: there are allocated regions which had higher degree (export potential) – Atyrau, Karaganda, Mangistau areas; average degree of involvement – East Kazakhstan, West Kazakhstan, Pavlodar, Kyzylorda, Aktyube areas; the low – North Kazakhstan, Akmola, South Kazakhstan, Zhambyl, Almaty areas.

So, the rating of regions on the major economic indicators is adequate to a rating of their labour disbalance. Almost linear correlation of ratings of the major economic indicators of regions with labour disbalance rating that specifies on prevailing impact of economic factors on a regions labour disbalance and about their domination over social and demographic, often which are being consequences of the first.

On the other hand, the assessment of capacity of the regional industry revealed that possibilities for increase of ratings, including and labour disbalance, are available practically for all regions to what the strategic regional economic and social reference points provided within strategic development of each region testify. Paramount value has to be given to these aspects of regions development by the regional management.

#### 4. Conclusions.

The analysis macro - and microindicators of social and economic development of the country shows the essential importance of economic crisis on their dynamics and growth rates.

Despite of great difficulties with definition of the reasons and factors of present crisis, in what specialists of world financial and economic institutions openly admit, Kazakhstan undertakes persistent and, in the majority, effective efforts on decrease in its negative consequences to national economy.

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