

## HUMAN RESOURCE DEVELOPMENT TENDENCY IN THE REPUBLIC OF KAZAKHSTAN

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Tendencies of human resource development in Kazakhstan in the period 1991-2014 have been shown. Author states that strengthening of market economy in the country allows to outline them as a priority direction in socio-economic sphere and determines the needs in the required professional knowledge and specialties.

Показаны тенденции развития человеческих ресурсов в Казахстане в 1991-2014 гг. Автор констатирует, что укрепление рыночной экономики в республике позволяет выделить их как приоритетное направление в социально-экономической сфере и определяет потребность в необходимых профессиональных знаниях и специальностях.

Қазақстандағы 1991-2014жж. адам ресурстарын дамыту үдерісі көрсетілген. Автор, республикадағы нарықтық экономиканы нығайту, оларды әлеуметтік-экономикалық саладағы басымдық бағыт ретінде бөліп көрсетуге мүмкіндік береді және қажетті кәсіби білімдер мен мамандықтарды анықтайды деп көрсетеді.

**Keywords:** human resources, human development index, globalization, social and economic development, education, quality of life.

**Ключевые слова:** человеческие ресурсы, индекс человеческого развития, глобализация, социально-экономическое развитие, образование, качество жизни.

**Тұтқалы сөздер:** адам ресурстары, адам дамуының индексі, жаһандану, әлеуметтік-экономикалық даму, білім, өмір сүру сапасы.

The main purpose is to overview development tendencies in the field of human resources in Kazakhstan since its independence until the present time, outlining challenges and trends. The internationally recognized HDI framework was applied for viewing the changing dynamics in Kazakhstan's human resources.

The novelty and significance of the proposed overview is that the framework of two economists Harbison and Myers was applied for analyzing the status of human resources development of Kazakhstan in the context of complex socio-economic societal transformation, which enabled to provide an overview of human resources development from 1991-2015.

In 1991 the fall of the USSR involved rapid disruption of socio-economic bonds, termination of state financing of factories, bankruptcy and closure of numerous manufacturing enterprises, unemployment, low salaries, deterioration of living standards, health and education systems. In the meantime, an economic decline destroyed many formal and informal links between collec-

tive farms, employing organizations, factories and schools, which had supplied manpower because most of farms and factories went bankrupt or were downsized.

Transitional process to the market economy underlined serious disadvantages of the previous Soviet system. Being rich in natural resources and minerals, Kazakhstan was turned into a raw-materials producing appendage of the Russian Federation. Kazakhstan's vast territories with diverse flora and fauna were allowed to successfully develop agriculture and animal breeding, mining and heavy industries. In addition, the northern region of Kazakhstan was used for nuclear testing, aerospace experiments and space shuttle launching. Kazakhstan has a well-developed agriculture which specialized mostly in grain (wheat), cotton and livestock. There are also a number of well-established industries such as oil, coal, iron ore, manganese, chromite, lead, zinc, copper, titanium, bauxite, gold, silver, phosphates, sulfur, iron and steel;

tractors and other agricultural machinery, electric motors, and construction materials.

In this mode, the centrally planned economy created a unique phenomenon in human resource development in one of the biggest and most powerful states of the world of that time. Such a phenomenon was characterized by a distinct trend of "disproportionate" human resource development across the vast territory of the Soviet Union at that time. Since the Soviet economy mandated that each Soviet Republic specialize only in a few areas/industry/or economic sectors, it consequently resulted in a lack of knowledge and expertise in those spheres that were not part of the Republic's economy. The situation differed from one Republic of the Soviet Union to another. However, one commonality the Republics shared was that most of the economic sectors and industries were undeveloped or partially developed. Therefore, this factor determined a significant lack of knowledge and expertise in some strategically important areas.

Logically, since the Soviet political and socio-economic system was centralized and operated by Moscow, Kazakhstan as well as other former Soviet Union Republics developed a deep socio-economic dependence. Such socio-economic dependence was characterized by a narrow specialization in certain fields of economic activities practiced by each Union Republic. As a result, Kazakhstan successfully developed agricultural sector, animal breeding, mining and natural resources extraction along with oil and gas industry. However, the other sectors of economy in Kazakhstan were under-developed or partially developed and depended on other Republics of the Soviet Union.

In a pursuit of building a new independent state, the government of Kazakhstan has undertaken multifaceted reforming initiatives aimed to eliminate the socio-economic dependency established by the Soviet centralized system, which had created not only significant economic deficiencies, but resulted in a shortage of high skills level manpower and underutilized manpower in the sectors, which had been historically underdeveloped in Kazakhstan.

In the first decade of Kazakhstan's independence the socio-economic shift to the market based economy significantly affected the state of human resources in the country. According to the international Human Development Index (HDI) ranking of 175 countries established by UNDP, there are four categories that characterize the level of HRD development: underdeveloped, partially developed, semi-advanced and advanced. Historically, Kazakhstan, as a part of the former Soviet Union, belonged to the advanced category of HRD. In terms of the HDI, after collapse of the USSR Kazakhstan's rank changed from the 54<sup>th</sup> in 1993 to 73<sup>rd</sup> in 2000

and to 76<sup>th</sup> in 2005 among the 175 countries in the world [1].

During the first decade of independence, Kazakhstan remained in the group with medium HDI largely due to high education levels and the relatively satisfactory condition of the health of its population. According to the UNDP report on Kazakhstan in 1998, the main reason for decrease in the HDI was the economic decline, which accounted for 84% of the decrease [1]. In sum, the first years of independence were characterized by a struggle with severe economic decline in all spheres, attempts to master the basic concepts of market-based economy and the creation of executive and legislative bases. Needless to say, in the process of transition, Kazakhstan has experienced tremendous shifts in its economic, political, social and cultural frameworks, which required substantial efforts on behalf of the nation and the government as well.

For the purpose of understanding and overview of the changing dynamics in human resource development in Kazakhstan, the framework of economists Harbison and Myers was applied. Harbison and Myers composite index of human resource development (HRD) provides a comprehensive and systematic approach for viewing the socio-economic development status of Kazakhstan in comparison with other countries in the world. The composite index determines the development level of a given country based on the HDI (Human Development Index) which distinguishes the four levels of HRD: (1) underdeveloped; (2) partially developed; (3) semi-advanced and (4) advanced. HDI analysis suggests measuring the country's stock of human capital and measuring the gross or net additions to this stock [2].

In order to comprehensively do that, it is necessary to examine the levels of educational attainment within formal levels of education (primary/elementary, secondary and higher education), number of persons, in relation to the population or labor force, who are in high level occupations and number of selected strategic occupational groups such as scientists, engineers, managers, teachers (all levels), doctors, dentists, scientific & engineering technicians, nurses & medical assistants and skilled worker category [2].

According to the socio-economic indicators and HDI analysis informed by Harbison and Myers, Kazakhstan has characteristics of both semi-developed (advanced) and partially developed countries. Therefore, Kazakhstan encounters challenges related to human resources, which are common for this category. In fact, there are two major challenges requiring attention. The first is related to the shortages of "high-level" manpower with critical skills and compe-

tence, and the second one is related to the redundant or underutilized manpower.

Understandably enough that the identified human resources challenges of Kazakhstan represent inevitable consequences of a profound societal shift from a socialist to a market based economy. At the state level, the challenges in terms of the human resources occurred as a result of challenges related to the deficiencies in economy, underdeveloped structures and a lack of expertise in the most important strategically critical areas required for further societal development.

Given the complexity of Kazakhstan's transition to a market-based economy and world globalization context, the government comprehensive approach included multifaceted national socio-economic development strategies that targeted internal and international domains.

Comprehensive measures and actions undertaken by the government to fulfill numerous strategic development plans for Kazakhstan's socio-economic development and sustainability include a wide range of laws, policies, development strategies and reforms such as Industrial Innovation Development Strategy for 2003-2015, Kazakhstan Strategy 2030 Strategy and Strategy 2050, National Conception for Education Development (2005-2010; 2010-2020), which encompasses areas of economics, politics and education. The main goal behind the strategic development for Kazakhstan is to enter the list of the top 50 developed countries in the world by 2030.

International domain represented the globalization, which influences the internal human resources development trends in Kazakhstan as well as its development on a larger scale. Therefore, Kazakhstan's economic development is directly linked to the nation's ability to acquire and utilize technical and socio-economic knowledge, whereas the globalization tendency for knowledge based society enables the expediting such processes.

In order to successfully achieve nationwide strategic plans and goals in all socio-economic spheres, the government reforming initiatives largely focus on developing human resources in Kazakhstan. Needless to say, the importance of a knowledge-based economy through utilization of competitive knowledge and advanced technology becomes vitally import for Kazakhstan's positioning in global arena and strengthening the free market economy through embracing international standards of practice at all levels.

On one hand, human resources become the driving force behind all profound transformations and government multifaceted initiatives in the country and the challenges associated with human resources development in the country have been addressed at the state level. On the other hand, higher education in Kazakhstan becomes the so-called mechanism for educating

and preparing highly qualified experts and professionals, who will be implementing such profound socio-economic transformations.

In large part, the higher education reforms focus on strengthening the liaison between higher education institutions and industry/ business, enabling innovations of different types. Owing to its nature, higher education institutions bear the responsibility for dispensing knowledge, producing highly skilled labor and research output to meet the economic needs which promotes progress. Historically, in the periods of social transformation, higher education institutions take on the key role in the processes of social change and development through facilitation of new cultural values, training and socializing members of a new civil society.

In such manner, higher education in Kazakhstan is viewed as the most foundational liaison between academia, research and innovation in industry and business of the country. Integration of these three components represents the concept of a national innovation system which will allow Kazakhstan to successfully establish its own competitive advantage in the global arena. In this mode, the higher learning, research and industry implications act as essential components of cultural, socio-economic and environmentally sustainable development of individuals as well as the country in general at various levels.

In relation to this, many surveys on technical innovation in the US show that US producing companies emphasize the strategic importance of academic research in the development of new industrial products and processes. According to Chapman and Austin on average, 19% of new products and 15% of new processes were directly based on academic research. The proportion was even higher, 44% and 37% respectively, in high technology industries much as drugs, instruments and information processing [3]. There is a relation between academic research and industrial applications because there is an impact of universities and spillover effects of academic research on industrial research and technology as well as innovations. As a result, the higher education system bears the responsibility for sustaining appropriate national development in a society in the context of various environmental factors both domestic and international.

According to Harbison and Myers, human resource development is the process of increasing the knowledge, the skills, and the capacities of all people in a society, whereas the primary level of human resource development (HRD) is the formal education which includes various forms of secondary education and higher education institutions [3]. Being the first-level of HRD, the significant role and importance of higher education for the national development worldwide

has given proof of its viability and of its ability to change and to induce change and progress in society. The higher education system happens to be a multifaceted phenomenon that combines a variety of institutions, systems, and diverse people, which serve multiple purposes for the progress of any society.

One of the most important government initiatives focused on addressing issues of human resources development is joining the Bologna Convention in 2010. The Bologna Convention is the initiative of leading European countries, which agreed to establish and design a framework ensuring comparability in the standards and quality of higher education qualifications. The Bologna declaration was signed in the Bologna University, Italy, in 1999 by the Education Ministers of 29 European countries, which was part of strengthening the European Union integration. In the light of globalization, the process of opening up of the Bologna process to the countries from other parts of the world began in Prague (2001), Berlin (2003), Bergen (2005), London (2007), and Leuven (2009) [4].

The Bologna process provided Kazakhstan with an opportunity for integration into the international education and research arena. The Bologna Convention was signed by 49 countries and aims to reform the higher education system in order to create overall convergence at an international level. The purpose is to establish a common framework of academic programs, credit system and equivalent degrees to enable cooperation in teaching and research, and enhance the mobility of students, faculty and researchers as well as increase the employability of graduates

More specifically, this includes: adoption of comparable degrees and introduction of three academic levels of higher learning system (bachelor, master and PhD programs); transition to the credit hours system; promotion of student and faculty mobility through international cooperation; promotion of cooperation in academic quality assurance and lifelong learning; and promotion of students participation in the HE administration [4].

The efforts of Kazakhstan's government multidimensional initiatives focused on elimination of the socio-economic dependence through restructuring the centralized economy and creating its own self-sufficient socio-economic economic system. In order to perform such profound shift from one political and socio-economic order to another, the country urgently needed highly qualified manpower with updated knowledge in various fields.

In addition to the internationalization of higher education and reforming of all educational and research system in the country, other government measures were undertaken. In an attempt to address the shortage of highly quali-

fied manpower and expedite the transition process, in 1993 the government established the Presidential scholarship "Bolashak" for young citizens of Kazakhstan which provided an opportunity to receive education in USA, Europe and Asia. This scholarship was intended to improve and bring young and qualified people of a new generation to Kazakhstan. In 2005 the quantity of Bolashak recipients was increased to 3,000 each year. It has been a success, and the inflow is significant since more and more students return home and start working in various spheres.

However, one program aiming to fill in the gaps for highly qualified specialists in all fields is far from being sufficient. In fact the program addresses only short term HRD problems by providing highly educated graduates with Western type of education directly to the labor market, so they can start contributing to their country's development now. Nevertheless, the shortage of highly qualified specialists in all priority fields for Kazakhstan requires an approach that is capable to encompass the "roots of the problem" which involves reforming and restructuring the system of higher education.

Thus, the strengthening of human resources of Kazakhstan is a challenge that involves gradual process and cannot be fully accomplished fast. In reality, Kazakhstan's socio-economic shift to the market economy involves a profound deconstruction process of socio-cultural identity of all social actors at the individual, professional and organizational levels.

Thanks to consistent and comprehensive government measures, after twenty four years of independence Kazakhstan gradually is becoming self-sufficient in the high-level manpower. However, it is still not sufficient in terms of scientific and technical manpower. Therefore, the government deals with the problems when advanced countries export high-level manpower to Kazakhstan to establish certain functions, and at the same time they tend to lure high-level manpower away from the country. A dependence on expatriate manpower in oil and gas industry, technical, petroleum and chemical engineering, computer and information sciences is especially evident. The country needs to develop a solid knowledge base in these fields in order to progress economically in the nearest future.

Despite abovementioned challenges, the efforts of Kazakhstan's government multifaceted initiatives focused on elimination of the socio-economic dependence through restructuring the centralized economy and creating its own self-sufficient socio-economic economic system have started paying off. More qualified and skilled human resources are well prepared for working in strategically important fields like computer science, communications technology,

microbiology, physics, chemistry, applied math, all types of engineering specializations.

According to the recent Human Resources Development Report issued by the UNDP in 2014, Kazakhstan's HDI for 2013 HDI demonstrates a significantly positive tendency increasing HDI value of the country. As a result, "in 2013 Kazakhstan was placed in the 70<sup>th</sup> position in comparison to the 73<sup>d</sup> position in the years of 2011-2012". In other terms, Kazakhstan's progress is evident "between 1990 and 2013, indicating that HDI value increased from 0.686 to 0.757" [5].

Given the fact that in terms of the HDI, Kazakhstan's rank changed "from the 54<sup>th</sup> in 1993 to 73<sup>rd</sup> in 2000, to 76<sup>th</sup> in 2005, to 73<sup>d</sup> position in 2012 and reached 70<sup>th</sup> position in 2013", largely underlines the progress of Kazakhstan in improving development patterns of its human resources and laying out a solid foundation for the

further successful socio-economic development of the country [5].

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## ХАЛЫҚАРАЛЫҚ ИНТЕГРАЦИЯ ШАРТТАРЫНДА ҚАЗАҚСТАН АГРАРЛЫҚ СЕКТОРЫН ДАМУ