

GOVERNMENT REGULATION OF EMPLOYMENT
IN AGRICULTURAL SECTOR OF KAZAKHSTAN

ҚАЗАҚСТАННЫҢ АГРАРЛЫҚ СЕКТОРЫНДАҒЫ
ЖҰМЫСПЕН ҚАМТУДЫ МЕМЛЕКЕТТІК РЕТТЕУ

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ЗАНЯТОСТИ
В АГРАРНОМ СЕКТОРЕ КАЗАХСТАНА

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Abstract. The measures of State regulation and support of employment in agricultural sector of the republic are considered, the current problems of the modern labor market in agricultural sector are investigated. The ways of their solution in the framework of state programs for the development of productive and rational employment are shown. The indicators of employment and unemployment of the rural population are studied, their indicators are analyzed at the macroeconomic level. The urgency of the problem of rural unemployment, including youth, is presented. The expedient and efficient use of labor resources at the stage of industrial-innovative development of the economy and diversification of agro-industrial complex of Kazakhstan is the main factor for increasing the employment of the rural population. The labor market in agricultural sector is a wide range of problems of socio-economic relations, affecting the issues of increasing the efficiency of agro-industrial production and researching the labor potential of rural areas. Public support for employment in agricultural sector is one of the important priorities of economic policy.

Аңдатпа. Республиканың аграрлық секторындағы жұмыспен қамтуды мемлекеттік реттеу және қолдау шаралары қарастырылған, аграрлық саладағы қазіргі заманғы еңбек нарығының өзекті мәселелері зерттелді. Оларды нәтижелі және ұтымды жұмыспен қамтуды дамытудың мемлекеттік бағдарламасы шеңберінде шешу жолдары көрсетілді. Ауыл халқының жұмыспен қамту және жұмыссыздық индикаторлары зерделенді, макроэкономикалық деңгейде

Аннотация. Рассмотрены меры государственного регулирования и поддержки занятости в аграрном секторе республики, исследованы актуальные проблемы современного рынка труда в аграрной сфере. Показаны пути их решения в рамках государственных программ развития продуктивной и рациональной занятости. Изучены индикаторы занятости и безработицы сельского населения, проанализированы на макроэкономическом уровне их показатели. Показана актуальность проблемы сельской безработицы, в том числе молодежи. Целесообразное и результативное использование трудовых ресурсов на этапе индустриально-инновационного развития экономики и диверсификации агропромышленного комплекса Казахстана – основной фактор повышения занятости сельского населения. Рынок трудовых ресурсов в аграрной сфере – это широкий круг проблем социально-экономических отношений, затрагивающий вопросы повышения эффективности агропромышленного производства и исследования трудового потенциала сельских территорий. Государственная поддержка занятости в аграрном секторе – один из важных приоритетов экономической политики.

Түйінді сөздер: агроөнеркәсіптік кешен, мемлекеттік реттеу, ауыл тұрғындары, жұмыспен қамту, еңбек нарығы, еңбек көші-қоны, жұмыссыздық.

Ключевые слова: агропромышленный комплекс, государственное регулирование, сельское население, занятость, рынок труда, трудовая миграция, безработица.

The labor market is one of the most accurate detectors of the social situation of a given population. Today, there are the legal, methodological, and organizational elements of regulating employment and unemployment, which do not fully reflect the necessary sys-

The versatility, complexity and inconsistency of the processes of formation of the labor market in the agrarian sector of the economy are determined by the solution of economic tasks ensuring the national economy with labor resources. The formation of the Kazakhstan model of the labor market and the formation of its main parameters for the medium term until the 2020 year should take into account not only the current situation in the labor market of the agrarian sector but also the changed situation in the world labor market in the post-crisis period.

Labor relations, closely related to subjective factors, a more inert system and

insufficiently effective functioning of the labor market are due to the absence of an effective mechanism for its regulation in the context of the country's entry into the global space. Therefore, in modern conditions labor mobility is one of the most important economic parameters. Labor mobility is characterized by real opportunities for workers and their families to move to other areas to choose a place to live, where they can have more profitable job offers. Suchwise, labor mobility contributes to higher efficiency and productivity in the national economy.

President Nursultan Nazarbayev in the next Missive to the people of Kazakhstan «Growing Kazakhstan Welfare: rising income and quality of Life» dated October 5, 2018, noted that it is important to radically reorient the entire agro-industrial complex to a cardinal increase in labor productivity and export growth of processed agricultural products. In the Missive, the President instructed to increase labor productivity in the AIC and the export of recycled rewrited agricultural products at least 2.5 times over the course of five years.

Results and their discussion. In the future, The Agro-Industrial Complex (AIC) of Kazakhstan in many respects can become one of the world's largest producers of agricultural exports. New global economic challenges and the instability of the conjuncture in the commodity markets dictate the need to address the primary task - the diversification of the economy. In achieving this objective, the key role is played by the agrarian sector, which is considered as one of the drivers of structural reforms of the economy and its growth.

The mechanism of functioning of the labor market in the agrarian sector should be contemplated as a set of forms, methods for implementing the economic laws of reproduction of the labor potential of the village, the relationship between supply and demand of labor, the result of which is the determination of the market price of a commodity – salaries and the equilibrium volume of employment of the able-bodied part of the rural population [1].

Currently, the agro-industrial complex (AIC) of Kazakhstan is one of the most important, strategic and developing sectors of the national economy. The state is taking all necessary steps to ensure a favorable investment climate in the agrarian sector, support agricultural producers, create conditions for increasing the competitiveness of agricultural products, improve the financial condition of agrarian entities, as well as develop land relations and improve the social sphere of rural areas. However, a major obstacle to the

implementation of the accommodation function of the labor market and increasing in the number of rural residents is the low level of social infrastructure development, the partial absence of the housing market, poor working conditions in agriculture and its poor motivation. In general, the study shows that the formation of labor resources in agriculture is becoming more difficult in market conditions, and employment in agriculture is connected not only with demographic and migration processes, but also with the level of employment in agricultural enterprises [2].

The report of the First Vice-Minister of Agriculture of Kazakhstan A. Evniev on the issue of the Program for the development of productive employment and mass entrepreneurship for 2017–2021 «Enbek» (Labor), announced on 30.10.2018 at the Government meeting of the Republic of Kazakhstan, noted the following: «Enbek» (Labor) programs The Ministry, through subsidiaries of KazAgro, works to provide loans / micro loans for business projects in rural areas and small towns. For these purposes in 2018 a budget loan was allocated in the amount of 44.7 billion tenge, including 13.9 billion tenge of additional funds allocated in the framework of the fourth initiative «Five Social Initiatives of the President». The budget loan is allocated to the City Halls of the regions, which distribute them between «Agrarian Credit Organization» JSC and «Agrarian Financial Support Fund» JSC. Loans are granted to unemployed, self-employed, budding entrepreneurs, agricultural cooperatives, participants of anchor cooperatives. Also, the Ministry, in the framework of the «Enbek» (Labor) program, is implementing the «Bastau Business» project on business skills training for start-up entrepreneurs. Education is free, with the provision of scholarships during training. At the expense of funds allocated in 2018, it is planned to issue 11,000 microloans, including 2,200 microloans to start-up projects. As of 10.26.2018, development in the republic is 30.9 billion tenge (or 69%) with the issuance of 8778 micro credits (or 80% of the planned figure) (<http://www.mgov.kz>).

During the implementation of the «Roadmap for Formalizing and Involving Informally Employed Populations in the Country's Economy», the Ministry of Agriculture of the Republic of Kazakhstan, being the Operator of the second direction of the «Enbek» Program, that works to involve the self-employed population and the unemployed who are in the status of private farms in productive activities and to the formal sector, through the provision of

The analysis has shown that in world practice, active programs on the labor market (then - ALMP) are used to solve such problems. ALMPs are carried out through the development of labor resources (vocational training and retraining), increased labor demand (wage / employment subsidies, public works), improved labor market regulation (creation of employment services, information support), a combination of increased labor efforts and a social support system carried out by the state. In economic terms, ALMPs suggest an increase in the likelihood of productive employment, an increase in labor productivity and wages, in a social context, a decrease in unemployment, an increase in labor activity and the development of human potential. Initially, such programs were used during times of economic depression and high unemployment, currently being used to mitigate the negative impact of industrial restructuring in countries in transition and the integration of vulnerable people most distant from labor markets [4].

The positive results achieved on this basis make the development and use of ALMPs on the Kazakhstan labor market topical. Our capabilities in this regard are enhanced by the experience accumulated during the implementation of the Roadmap for managing risks in the labor market.

The main directions of the state policy in the field of the labor market include such as: social, regional, national, demographic, legal, youth, economic, migration, and women. All of them together represent a complex of organizational measures for regulating the labor market in the agricultural sector of our country. The mechanism for regulating the labor market in the AIC should include the following elements of regulation: stabilization and reduction of rural unemployment; the creation of a socially oriented labor market; effective functioning of the labor market [5].

The analysis of the current state of employment of the working-age population in rural areas for the study period (2007-2017) showed us an upward trend in the direction of increase (from 2,489 to 4,679.7 thousand people). Compared with the total population, the average annual growth rate was 5-6%, which indicates an increase in the level of their labor activity. There have been significant structural changes in the distribution of the employed population according to the method of their involvement in labor activity. The current age structure of the employed rural population creates favorable prerequisites for improving economic well-being and productive employment.

Transformations in the agro-industrial sector, accompanied by the privatization and development of peasant and farm enterprises, formed a new category of employees – the

self-employed population, whose number in rural areas is 1.7 million people or 48.8% of all employed. In the structure of the self-employed rural population, employers accounted for 2.8%, members of production co-operatives – 0.5%, and employed on an individual basis and employees of family enterprises – 8.6% [6].

Currently, state programs aimed at improving the employment system of the population of the Republic of Kazakhstan, as well as preventing unemployment, promoting the growth of productive employment, improving the quality of the workforce and protecting the national labor market, continue to be implemented. Among them, it is important to note the Employment and Retraining Strategy of the «Employment – 2020» Program, aimed at providing employment, preventing substantial growth in unemployment, and preserving and creating new jobs. The goal of this Program is to increase the income level of the population by promoting sustainable and productive employment.

More macroeconomic, strategic, and socio-economic importance, as we indicated above, is the Program for the Development of Productive Employment and Mass Entrepreneurship for 2017-2021, the purpose of which is to promote productive employment of the population and the involvement of citizens in entrepreneurship. According to operational data provided by local executive bodies of regions and he. Astana and Almaty, within the framework of this Program, in 2017 applied for participation in the Program 595.7 thousand people, of which 572.9 thousand people or 96% were included in the list of Program participants.

Table presents the results of the implementation of state employment programs adopted in Kazakhstan from 2011 to the present.

Table - Results of the implementation of state employment programs (th.pep.)

Indicators	All	2011	2012	2013	2014	2015	2016	2017	2018
Number of program participants	1737,1	59,2	102,4	106,4	194,4	136	198,3	572,9	367,5
Covered by training	362,7	69,4	63,2	48,6	35,7	14	7,2	92,2	32,4
Received microloans	54,2	1,4	6,5	11,2	9,6	4,4	9,7	7,2	4,4
Employed for jobs	857,6	6,3	13,8	13,2	87,3	102	122,1	315,5	197,4
Directed to social jobs	153,8	16,3	27,6	24,3	18,7	10,4	14,3	24,1	18,1
Aimed at youth practice	135,3	0	24,9	23,5	17,5	10,3	15,1	25,8	18,2
Employed in infrastructure projects	106,2	0	7,2	23,6	23,8	8,6	40,6	2	0,4
Relocated:	26,5	0,2	7,9	4,6	3,5	1,2	2	4	3,1

* Source: Data from the official web site of the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan (<http://www.enbek.gov.kz>)

Социальные проблемы села

As can be seen from the data in Table 1, from 2011 to the present, as part of the implementation of measures to promote employment of the population, 1.7 million people have been covered (as of August 1, 2018, 367 thousand people), of which:

- ❖ 363 thousand people received vocational education;
- ❖ 54 thousand people received microloans to open or expand their own business;
- ❖ 858 thousand people employed at permanent jobs without providing additional measures of state support;
- ❖ 154 thousand people are employed at social jobs;

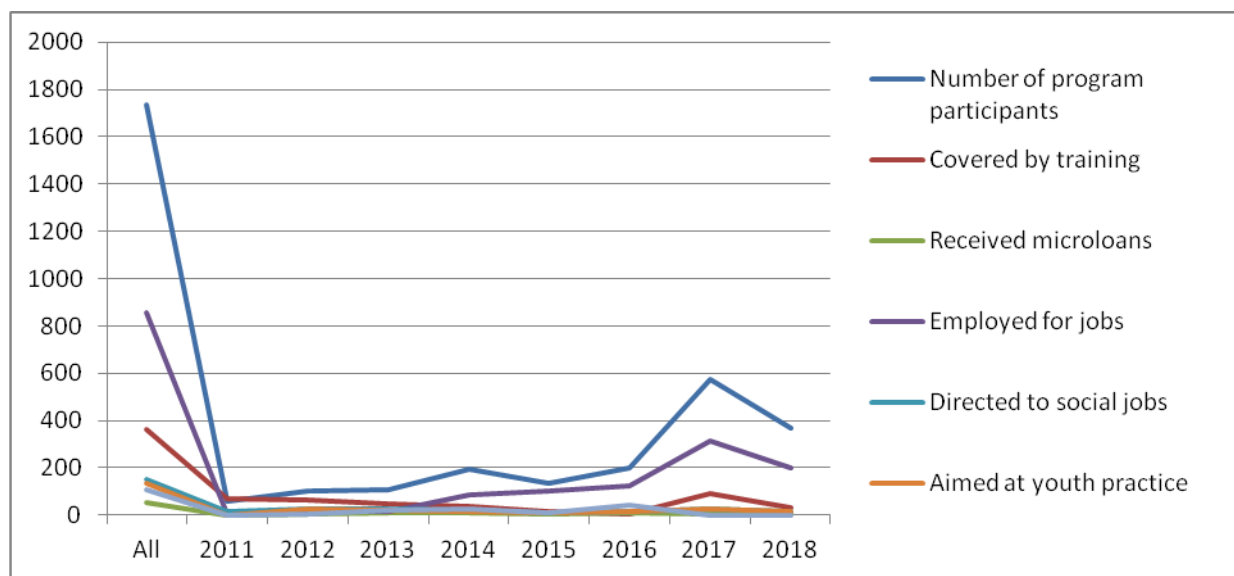
❖ 135 thousand people aimed at youth practice;

❖ 106 thousand people employed in the framework of infrastructure projects;

❖ 26 thousand people relocated to a new place of residence.

Despite the systematic work of the state in moving the population from the labor-surplus regions to the labor-deficient ones, there are certain problems during the implementation of the Program.

The same data is interpreted in the form of a diagram in Figure.



*Note: Operated by authors

Figure - Dynamics of indicators of the implementation of the state employment programs

Thus, despite the systematic work of the state in moving the population from the labor-surplus regions to the labor-deficit, there are certain problems in the course of the Program implementation.

Actually, the share of self-employment in the structure of the employed population is high - 24.2% or 2064.4 thousand people. The majority of self-employed people live in rural areas and are employed in private farms, the income from which is often low. Mostly self-employed are not fully covered by the system of social protection and support. The most acute problem of self-employment is in rural areas, where their share is close to 40%. Of particular concern is the unemployment of rural youth, which, due to limited access to vocational education, is almost noncompetitive in the formal labor market [7].

The mechanism of regulating the labor market in the agro-industrial sector is an

adaptive response of production relations, directed at regulating the contradictions in the functioning of the labor market at various levels: macro-, micro-, international, regional. Specific forms of the labor market regulation mechanism in the agrarian sphere are forms of balancing the contradictions in the functioning of the labor market, which develop under the influence of ongoing changes in productive forces and production relations that are often violated, which leads to the manifestation of new forms of labor market regulation in the agro-industrial complex.

Human capital – is a stock of intellectual abilities and practical skills acquired in the process of education and practical human activities, and in economics - the ability of people to participate in the production process. Currently, the most effective investments are in «human capital». Human capital becomes such a strategic resource of

the country, the accumulation and preservation of which ensures the sustainability of its economic development [8].

Perspective employment models must be resilient to market conditions, provide incomes for the rural population, professional growth, and most importantly - jobs. Efficient use of labor potential as the main driving force of modern agrarian transformations and an objective factor for the sustainable development of agricultural production, along with the development of rural social and labor spheres, labor potential, are of particular importance in the field of employment in rural areas. The spread of self-employment in the world is quite high, for example, in Romania, Turkey, Greece, their share exceeds 30%. In terms of industry, the share of self-employed reaches 40% in agriculture in Poland, 20% in construction in the UK, 40% in trade in Spain, 20% in professional, scientific and technical activities in Sweden, 18% in humanitarian services in Germany. It is important to note that all self-employed people in Western countries pay taxes after paying social contributions [9].

The analysis shows that in Kazakhstan for self-employed persons, except through individual entrepreneurship, there is still no working model for paying taxes due to low incomes of self-employed. In this case, there is a problem of sufficiently expensive administration of this kind of activity. At the same time, from 2018, a local government budget is being introduced at the level of a city of district importance, a village, and it is possible at this level it will be more effective to identify the self-employed, including through the outsourcing of individual types of work themselves. Employment programs of the population are based on strategic development plans of the state and in many respects take into account the features of modern development. Measures to reduce unemployment, including youth, support the development of small and medium-sized businesses in order to obtain additional jobs, the organization of an effective system of vocational training and retraining of the unemployed, taking into account the needs of the labor market, the creation of jobs in the implementation of infrastructure projects ensure optimum employment in present conditions.

Conclusion:

1. The current position of the country's labor market is characterized as a result of active state support with relatively high employment rates and relatively low

unemployment rates. At the same time in the formation of the supply and demand of labor there are some negative trends.

2. The formation of the Kazakhstan model of the labor market and the formation of its main parameters for the medium term until 2020 should take into account not only the current situation in the labor market of the agrarian sector, but also the changed situation on the world labor market in the post-crisis period.

3. One of the exogenous factors in the development of the labor market is the innovative development of the agro-industrial complex, which means its qualitative, technological transformation achieved due to the growth of the productive forces while improving the organizational and economic mechanism of agriculture, as well as the industries interacting with it and the agro-industrial complex as a whole. It is ensured by the ever-expanding use of more advanced technologies for the production and processing of agricultural products, animal breeds, improved crop varieties, new machines, equipment, progressive organizational and economic models, modern information technologies and other.

4. Government regulation and support of employment in the agrarian sector presupposes, in economic terms, an increase in productive employment, an increase in labor productivity and wages, and in the social sector, a decrease in unemployment, an increase in labor activity and the development of human potential. Therefore, the planned measures within the framework of state programs in this area will contribute to solving the identified problems through promoting productive employment of the population and stimulating labor by increasing the potential of labor resources and engaging citizens in entrepreneurship in accordance with the best practices of the countries of the Organization for Economic Cooperation and Development.

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