

EMPLOYMENT ISSUES OF THE RURAL POPULATION  
OF KAZAKHSTAN AND THEIR SOLUTIONS

ҚАЗАҚСТАННЫҢ АУЫЛ ХАЛҚЫН ЖҰМЫСПЕН ҚАМТУ МӘСЕЛЕЛЕРІ  
ЖӘНЕ ОЛАРДЫ ШЕШУ ЖОЛДАРЫ

ПРОБЛЕМЫ ЗАНЯТОСТИ СЕЛЬСКОГО НАСЕЛЕНИЯ КАЗАХСТАНА  
И ПУТИ ИХ РЕШЕНИЯ

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**Abstract.** The current state of employment of rural population in the republic is characterized by reduction in the sphere of application of labor and concentration of a considerable part of labor potential in agricultural sector of economy. Ensuring productive employment in the industry is a strategically important matter. The directions connected with diversification in agro-industrial production and development of non-agricultural kinds of activity in the village have been determined. A model of growth prospects of the rural population has been shown, and forecast calculations have been done. The indicators of economically active population and unemployed, as well as the dynamics of changes in their numbers have been considered. The factors significantly influencing on the development of this sphere were revealed; employment trends of workers by age group were identified. The structure of the employed rural population was presented. The main categories of employed people among hired workers and self-employed were identified. The correlation between the number of hired workers and registered legal entities has been presented. The indicators of the rural unemployed population by education level were analyzed. The main causes of unemployment in rural areas have been identified. Solutions of these problems have been shown.

**Аңдатпа.** Республикадағы ауыл халқын жұмыспен қамтудың қазіргі жай-күйі еңбек ету саласының қысқаруымен және экономиканың аграрлық секторында еңбек әлеуетінің едәуір бөлігінің шоғырлануымен сипатталған. Осы салада өнімді жұмыспен қамтуды қамтамасыз ету стратегиялық маңызды болып табылады. Агроөнеркәсіптік өндірісті әртараптандыруға және ауылда аграрлық емес қызмет түрлерін дамытуға байланысты бағыттар айқындалған. Ауылдық жерлердегі халықтың өсу перспективасының моделі көрсетілген, болжамдық есептер жүргізілген.

**Аннотация.** Современное состояние занятости сельского населения в республике характеризуется сокращением сферы приложения труда и сосредоточением значительной части трудового потенциала в аграрном секторе экономики. Стратегически важным является обеспечение продуктивной занятости в данной отрасли. Определены направления, связанные с диверсификацией в агропромышленном производстве и развитием на селе не аграрных видов деятельности. Показана модель перспективы роста населения сельской местности, проведены прогнозные расчеты. Рассмотрены показатели экономически активного населения и безработных, а также динамика изменения их численности. Выявлены факторы, существенно влияющие на развитие этой сферы; тенденции занятости работников в разрезе возрастных групп. Представлена структура обеспеченного работой сельского населения. Определены основные категории занятых среди наемных работников и самостоятельно занятых. Дана корреляционная связь между количеством наемных работников и зарегистрированных юридических лиц. Проанализированы показатели сельского безработного населения по уровню образования. Выявлены основные причины безработицы в сельской местности. Показаны пути решения данных проблем.

**Түйінді сөздер:** аграрлық сектор, ауылдық жер, еңбек нарығы, еңбек ресурстары, жұмыспен қамту, жұмыссыздық, экономикалық белсенді халық, жұмыс беруші, үй шаруашылығы.

**Ключевые слова:** аграрный сектор, сельская местность, рынок труда, трудовые ресурсы, занятость, безработица, экономически активное население, работодатель, домохозяйство.

Employment in agriculture has its own characteristics. They are related to the economic conditions of distribution of labor in the industry. In agriculture, the labor is closely connected with the land [2]. In agriculture, the

**Material and methods of research.** The methodological basis of the work is the research of foreign and domestic scientists related to the problems of the theory and practice of labor support in rural areas and the problems of the labor market in the region. In

the course of the study, system analysis, expert assessments and other scientific methods were used.

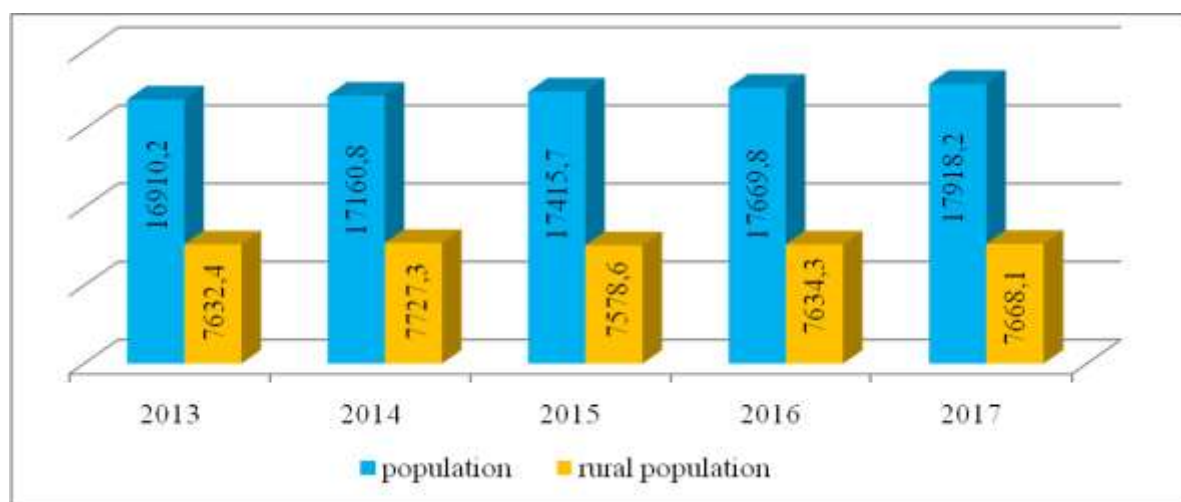
In the course of the study, information data were formulated by intersectoral normative legal acts of the Republic of Kazakhstan, data of the committee on statistics of the Ministry of national economy of the Republic of Kazakhstan, accounting materials of enterprises and organizations, information collected by the author in the course of research of domestic and foreign scientists in periodicals and scientific publications.

In recent years, the growth of the economically passive population in rural areas has been of concern. Economically passive (inactive) population - persons at the age, established for measuring the economic activity of the population who are not employed or unemployed during the period under review [4]. The level of economic passivity of the population is the share of the economically passive population, measured

as a percentage of the total population aged 15 and over.

The increase in the dismissal of workers as a result of over-employment can rapidly increase the flow of labor to the labor market and, as a result, reduce the number of economically active, unemployed and officially registered populations. Since the nominal salary agriculture occupies the last place in the economy. The reduction in the number of employees in agriculture is due to a decrease in the total labor force, lagging behind the growth of salaries in other industries.

**Results and their discussion.** The economic crisis that has occurred in recent years in the domestic economy has had a strong negative impact on the social development of the village and the standard of living of the rural population [5]. As a result, there was a problem of mass resettlement from rural areas. Despite the population growth in the Republic, the number of rural population has decreased in the last year. Rural population of the Republic is shown in the figure 1.



Note: compiled by the authors [6]

Figure 1 - Population of the Republic, thousand people

The population growth in the country is about 1.5% per year, the number of rural residents decrease up to 1.9% by 2015. In recent years, it's increased by 0.7 % and 0.4 %. This, respectively, led to a decrease in the share of the rural population in the total population of the Republic. In 2013 the share of rural population accounted for 45.1 %, in 2014 by 45 %, 2015 by 43.5 %, 2016 by 43.2 % and in 2017 to 42.8 %. Hence, it should be taken into account that in rural areas there is a tendency of population decline.

Based on the indicators of the table, it is possible to calculate how much the rural population will change in the future [7]. As a result of the calculations, the following equation is obtained:

$$y = -2.16x + 7654 \quad (1)$$

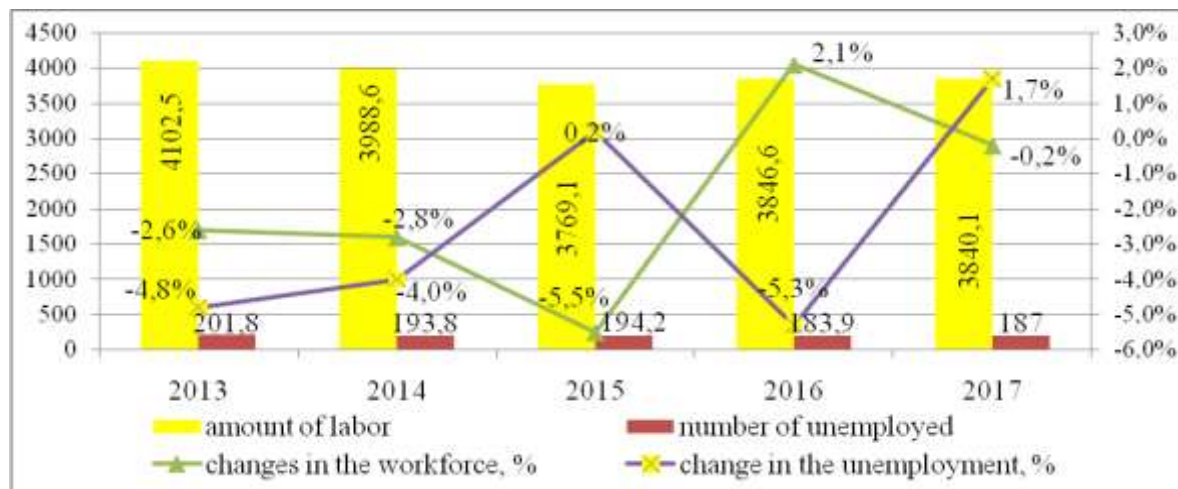
Using this equation, we can see that in the next five years the rural population in the country reaches 7632.4 thousand people. This situation affects both the future and the number of economically active people in the current situation. The number of economically active population is decreasing in rural areas

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of the Republic. Economically active population in rural areas is shown in the figure 2.

Thus, the change in the number of

economically active population in rural areas indicates a close connection with the development of the mining industry in the country.



Note: compiled by the authors [Ik. 6]

Figure 2- Economically active population in rural areas

Along with the demand of exporting raw materials on the world market, their high price has led to the outflow of the working-age population in rural areas. Optimal situation in mining industry in 2015 has led to job growth. However, the economic crisis that began that year showed how much the economy of these industries depended to each other. Due to the global economic crisis in the country,

alongside with a decrease in the mining industry production and the reduction of jobs made the economically active population turn to agriculture. As an example it can also be attributed the growth of economically active population in rural areas in 2016. Table 1 shows the number of economically active and employed population according to the age groups.

Table 1 - Number of economically active and employed population according to the age groups, 2013-2017 years, thousand people

	2013		2014		2015		2016		2017	
1	potential	real	potential	real	potential	real	potential	real	potential	real
15	1,3	1,3	3,3	3,3	1,0	1,0	0,4	0,4	0,4	0,4
16-19	93,4	91,9	92,9	89,3	79,8	77,1	72,5	70,7	57,9	56,3
20-24	491,2	473,3	582,0	564,2	499,9	480,4	473,3	456,1	410,4	395,4
25-29	634,0	591,6	596,4	566,1	584,8	557,9	604,8	577,3	594,5	566,0
30-34	633,9	586,8	571,6	529,0	542,3	504,1	573,7	531,8	631,4	583,1
35-39	446,3	425,4	439,5	417,8	426,4	401,3	431,2	407,5	433,8	411,9
40-44	445,6	426,7	454,4	433,1	422,6	403,3	437,9	419,7	444,6	422,6
45-49	462,6	447,9	435,1	415,3	415,5	395,8	420,0	401,9	421,3	403,9
50-54	465,3	443,2	438,1	419,9	411,8	391,0	415,3	396,6	411,8	395,9
55-59	284,8	271,8	254,4	239,1	262,9	243,2	275,9	261,9	292,3	279,0
60-64	115,4	112,2	97,7	94,2	95,8	93,6	109,2	106,5	104,3	101,2
65 years and older	28,7	28,7	23,4	23,4	26,2	26,1	32,5	32,3	37,4	37,3

Note: compiled by the authors [Ik. 6]

In rural areas, the majority of the economically active population is between the ages of 30 - 34, 25 - 29, and 35 - 44. The level of activity of the population at this age is the

highest. However, there is a high degree of general employment.

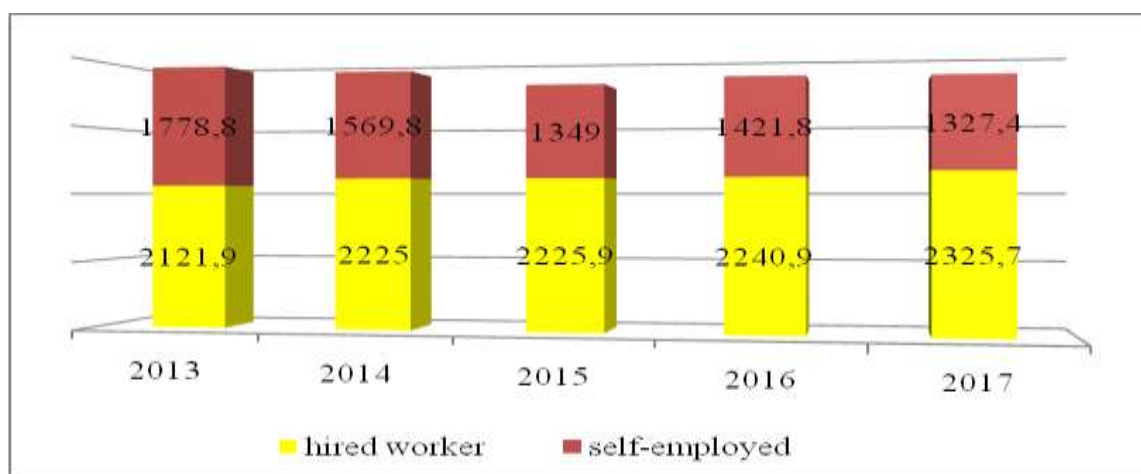
However, in rural areas there is an ageing trend of the economically active population. Since 2013-2017, the share of young

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people has been decreasing. The proportion of the economically active population under the age of 54 has decreased since 2015. And on the contrary from 55 years old the share of able-bodied population has increased.

Most of the rural in migrants were well prepared for the city life and the surrounding areas. These in migrants were able to solve the problems of their housing and everyday problems. Nevertheless, there are many people who cannot find a job. Most of these in migrants hope for state targeted social assistance [8]. Half of the recipients of targeted social assistance in the city are in migrants from the districts and regional villages. Most in migrants are registered in the employment center [9].

Measures taken by the state for the development of rural areas in the last three years can reduce the transition of the rural population to the regional center and stabilize the agricultural production. In recent years, the number of employed people in rural areas has increased as evidence. The number of employed population in rural areas was 3900,7 thousand people in 2013, in 2014 their number is 3794,8 thousand people and in 2015 decreased to 3574,9 thousand people. However, in 2016 the number of employed amounted to 3662.7 thousand people and in 2017 increased to 3653,1 thousand people. Rural employment is shown in the figure 3.



Note: compiled by the authors [Ik. 6]

Figure 3 - Rural employment

The majority of employed people in rural areas are freelancers. From year to year their number increases. If in 2013 the share of employees was 54.4%, in 2017 it increases to 63.7 %. The number of self-employed is reduced. In 2013 their share is 45.6%, in 2017 it reduced to 36.3%. The reduction in the number of self-employed has led to a decrease in small businesses in rural areas. But this led to the growth of medium and large businesses. The number of registered legal entities in 2013 was 12989, in 2016 it reached 14548, in 2017 it increased to 16867.

In rural areas, freelancers work mainly in enterprises and farms. Most of the employees work in organizations and enterprises. They form 85%. Others work in individual (8.5 %) and private (peasant) farms (6.5 per cent).

It should be noted that the correlation between employees and the number of

registered legal entities is 0.77. This indicates the relationship of these indicators.

In rural areas, self-employed workers are predominantly self-employed (including work in private households). The share of self-employed workers is 94.4 %. However, the share of employers among self-employed workers has decreased. If in 2013 their share amounted to 5.6%, in 2015 it was 4.5 % and in 2017 it was 4.8%. These numbers have largely changed at the expense of self-employed workers.

The majority of the economically active rural population has advanced education, general secondary education and higher education. In order to reduce unemployment in rural areas, the state is implementing a number of programmes. As a result, the unemployment rate in the regions decreased in rural areas. In terms of education, most of the employed population has advanced education (table 2).

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Table 2 - Employed and unemployed population by level of education in rural areas, 2013-2017 years, thousand people

	2013		2014		2015		2016		2017	
Education/Work	have	out	have	out	have	out	have	out	have	out
higher	716,0	22,0	777,7	28,1	776,6	23,8	816,7	26,9	871,1	28,4
incomplete higher	146,7	17,1	57,2	3,8	46,9	2,2	41,9	2,3	35,8	1,5
secondary professional (special)	1103,7	52,8	1242,8	58,1	1136,4	61,7	1194,3	59,9	1283,8	64,6
primary professional	330,6	12,2	221,5	11,4	203,0	11,4	253,4	14,2	198,8	10,5
overall average	1517,8	91,5	1392,2	84,2	1316,7	85,1	1248,0	70,5	1167,6	73,4
common core	76,8	5,3	95,6	6,6	89,0	7,0	100,8	7,9	91,1	7,1
general initial	9,1	0,9	7,9	1,1	6,2	0,8	7,6	0,8	5,0	0,6

Note: compiled by the authors [lk. 6]

Then those who have general secondary education and higher education. The share of those with secondary special education in 2017 reached 35.1%. At the same time, the number of people with higher education has increased too. From 2013 to 2017 it increased from 18.4% to 23.8%. Employment of people with higher education in rural areas is growing steadily every year. But the number of unemployed is growing too among them. In addition, the number of persons with specialized secondary education is increasing. People with secondary education among rural population are provided with jobs and their number is decreasing every year.

The employment of persons with core education, primary and basic secondary education is decreasing. It should be noted that the level of economic activity of the population of this category in rural areas has decreased.

The greatest number of unemployed in rural areas is due to the lack of opportunities to find job. However, for this reason, the number of unemployed has been decreasing in recent years. In 2017 by this reason 57.6 thousand people do not work. In 2013 this figure amounted to 83.4 thousand people and in 2015 to 59.6 thousand people. In second place voluntarily dismissal from the job. By this reason in 2013 21 thousand people resigned, in 2015 it reached 31.4 thousand people. However, in 2017 this number decreased to 23.7 thousand people. The next serious reason is the refusal to work for the purpose of housekeeping. The number of unemployed is increasing by the reason now. In 2013 there were only 13 thousand people, in 2015 23,2 thousand people, in 2017 it reached 23,5 thousand people. The number of dismissed is also high due to family circumstances. Only in 2013 it has decreased to 31.6 thousand, in 2016 to 23.3 thousand people, and in 2017 28.6 thousand people were dismissed. In connection with the liquidation (bankruptcy) of

the enterprise, the reduction in staffing or dismissal in different years is uneven and depends on the economic situation of the country. In 2013 14.1 thousand people were dismissed, in 2015 23 thousand people, in 2017 10.3 thousand people. The number of persons who cannot find a job after graduation is equal. In 2013 it reports about 8 thousand people, in 2015 9.2 thousand people and in 2017 7.1 thousand people. This is the result of the implementation of the state programme. But if we consider the number of unemployed people by the level of education, the situation is different. In recent years, the number of dismissed for health reasons has increased. In 2013 its amount was 1.3 thousand people, in 2015- 5.5 people and in 2017 it increased to 7.1 people. The number of unemployed varies due to the seasonal job. In 2013 it was 7.9 thousand people, in 2015 4,8 thousand people, in 2017 4.8 thousand people. In addition, there are persons dismissed in connection with the termination of the contract (agreement, contract), dismissal, retirement, the end of business, but their number is not significant.

The low level of salary in the rural labor market is the reason that young people have not remained in rural areas. At the national level, the average salary for all economic activities is 1.5 higher than the average salary in agriculture. In 2017, the average salary for all activities amounted to 150827 tenge, but in agriculture, forestry and fisheries the average salary is 91084 tenge. However, the difference is decreasing every year. In 2013 the average salary for all activities amounted to 109,141 tenge, the average salary in agriculture, forestry and fisheries amounted to 58,304 tenge. In those years, the difference was 1.8.

The presence of such a negative trend is one of the reasons for the outflow of highly qualified personnel from the industry, the influx of employees with a low level of knowledge and skills and, accordingly, led to a



decrease in labor productivity in the industry as a whole and a weakening of the industry's attractiveness for investors [10].

An important factor in the growth of the country's population engaged in agriculture is the stimulation of young professionals [11]. For this purpose, such measures as the creation of additional jobs with high salaries, the construction of houses, the development of infrastructure are implemented in villages, rural cities and urban-type villages.

**Conclusions.** Agriculture needs a highly skilled workforce. Today, the unemployment in rural areas, low motivation, high labor in migration, etc. are a number of problems. To ensure economic growth in agriculture, the following measures should be implemented:

1. Improving the efficiency of employment of the rural population and the formation of its optimal structure. In accordance with the structural changes in the agrarian economy, special attention should be paid to improving the structure of the labor force, creating optimal conditions for the development of small business, increasing the competitiveness of the labor force on the basis of a developed system of professional training and retraining.

2. Orientation of the state social policy to improve and stabilize the standard of living of the rural population. It is necessary to ensure the growth of monetary incomes of the population, as well as to increase their real value, to minimize the gap between the minimum social guarantees and the subsistence minimum, to differentiate the incomes of different groups of the population and to reduce poverty.

3. Increasing the role of salaries as the main source of population monetary income, maintaining economic activity of the population, ensuring the necessary standards for the creation of conditions and consumption of fair wages.

4. The main inflow of labor into agriculture is provided by the following:

- target distribution of young professionals;
- return of the local population who moved from the village for various reasons.

5. However, it should be borne in mind that most of the employed people, aimed to work at agricultural enterprises and institutions, return to the city because of the end of the mandatory service, as currently the agricultural sector does not have much authority.

6. At the same time, the decline in the number of self-employed people in rural areas contributes to employment in rural areas,

which is mainly due to the increase in the number of workers with advanced education.

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