

**PECULIARITIES OF DEMOGRAPHIC PROCESSES AND LABOR  
MARKET DEVELOPMENT DURING THE TRANSITION PERIOD  
IN KAZAKHSTAN**

**TATIBEKOV, Bolat Latipovich**

**Head of Department of Labor Market and Employment  
Institute of Economics, Ministry of Education and Science of the  
Republic of Kazakhstan**

With the acquisition of independence in the year of 1991 and the beginning of the transformation of Kazakhstani economics into the marketing one, the functioning of the national labor market comes to be related to different factors. Among them first of all it is necessary to mention the impact of political, economic, social and demographic factors. The importance of the degree and significance of each of them is rather difficult to define and overestimate, however, the major part of the demographic factor can not be unnoticed. It is necessary to note that the influence of demographic processes on functioning of the labor market and employment in the Republic of Kazakhstan should not be viewed unilaterally. It is necessary to note that the processes themselves, which took place and are taking place now in functioning of the labor market had made and are making a considerable impact on the demographic changes, which took place and are taking place now. It means that by revealing genetic relations between demographic processes, on the one hand, and the processes taking place in the sphere of the labor market and employment it is rather difficult to state one-to-one and indisputably which one of them was and is the original cause in the republic. Of course, quite logically sounds the statement that with the decrease of the number of the population lowered the number of labor force on the labor market. But also quite logical is another statement, which says that with the change on the labor market of procedures of hiring and discharging conditions of women the demographic situation has changed and is changing, the birth rate, in particular. These interinfluencing each other processes basically were and are taking place in the Republic of Kazakhstan. However, for the purposes of simplicity and

convenience we will show in the present article the processes that had taken place in the Republic of Kazakhstan in demographic changes and in the sphere of labor market and employment in the following order. At first we will show the picture of changes that had taken place in demographic processes and then the changes that had taken place in the sphere of the labor market and employment.

## **I. Demographic Processes of the Population of the Republic of Kazakhstan during the Transition Period**

### **1.1. Factors influencing the demographic processes in the Republic of Kazakhstan**

The demographic processes in the country during the transition period have been influenced by a considerable number of factors. In general they may be divided into 4 major groups:

- political;
- ethno-cultural;
- social-economic;
- natural-climatic, ecological.

The impact of this group of factors on the demographic situation in the country in various periods was not the same and much depended upon the region of residence of a definite group of ethnos. Their influence was connected with space and time aspects.

Thus, for instance, at the end of 80-ies and the beginning of 90-ies, with the democratization of the society in Kazakhstan the greatest influence on the demographic situation was rendered by the political factor. Various inter-governmental agreements, opening of frontiers, free coming and going, that is the political reforms made it possible for a significant number of Germans to leave Kazakhstan to their historical homeland from places of their compact residence.

Leaving for their historical homeland of Tartars, Germans, Belorussians, Ukrainians, and Jews points to the fact that alongside with political factors a certain share in the demographic situation in the Republic of Kazakhstan was made and are making by ethno-cultural factors.

With the accomplishment of various social and economic transformations social and economic group of factors influenced the demographic situation in the country. A decrease in the living standard as a result of the absence of work, the reduction of material means of existence made a great influence on the decrease of birth rate, increase of the mortality, and migration losses.

The ecological factor and the changing of natural–climatic conditions made a grave influence on the demographic situation in Kazakhstan. This factor makes its influence both on the mechanical and natural movement. On account of unfavorable natural-climatic conditions there is observed a certain outflow of the population from ecologically unfavorable regions to more safe regions and abroad. As, for instance, from the regions adjoining the desiccating the Aral River, and nuclear Semipalatinsk polygon to other regions of the country. Insufficiently favorable ecological surrounding made its impact on increasing mortality from regeneration, increasing diseases like tuberculosis, etc.

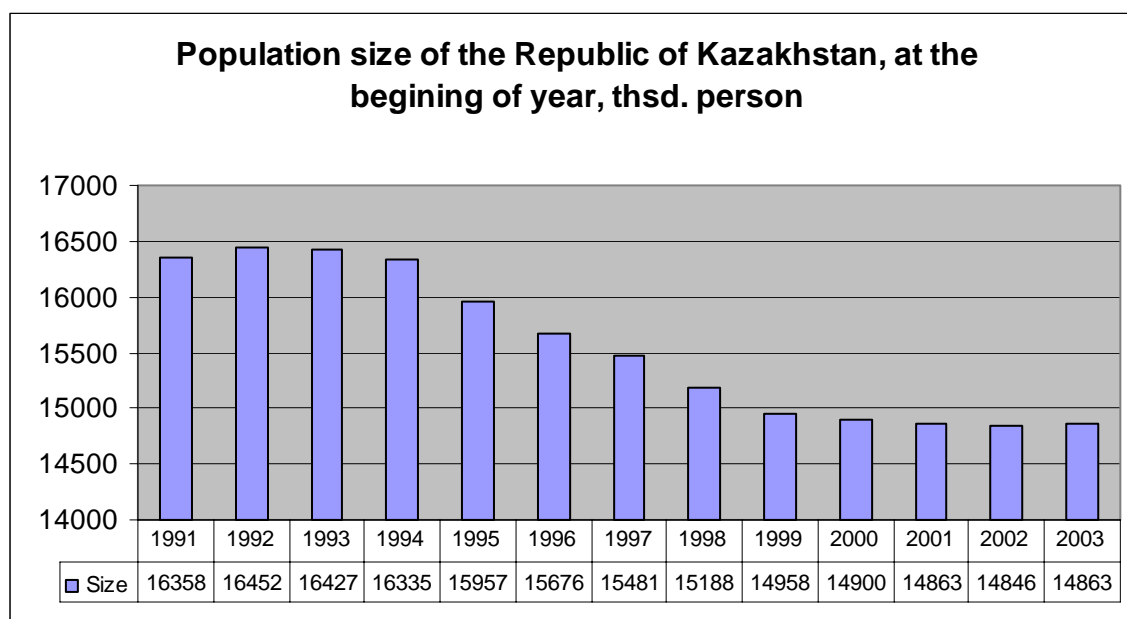
On the whole, characterizing the impact of the above-mentioned group of factors on the demographic situation in the country, in space and time profile it is necessary to note that if at the beginning of the 90-ies prior to the beginning of economic reforms the most significant were political reasons, in the middle of the 90-ies the economic reasons prevailed. At the present moment the predominant role is played by social, ecological (decrease in the poverty level, increase in the health care level, education) factors. The above-mentioned gradation of factors having influenced and influencing the demographic situation in the Republic of Kazakhstan does not suggest that they have acted and are acting discretely and separately. They have acted and do act together but some of them on a definite stage become stronger and more significant, others less significant and marked.

The impact of the above-mentioned factors in the Republic of Kazakhstan during the transformation period has been expressed in the change of the number of the population in the country in the result of the decrease in birth rate, mortality increase, and high emigration. For the purpose of more concrete presentation of this picture we will show it in the following sections in details.

## **1.2. The Change in the Number of the Population of the Country**

The change in the number of the population has turned out to be one of the major problems in the Republic of Kazakhstan during the transition period (Diagram 1). As can be seen from diagram 1 for 12 years the number of the population of the country had decreased from 16358,2 thousand people in 1991 to 14862,5 thousand people by the beginning of the year 2003 and the general decrease made up 1495,7 thousand people (9,1 %) that is almost a million and a half. It should be noted separately that if until the year of 2002 in the republic there was observed a stable decrease in the number of the population, in 2002 that tendency had been broken, and in the country for the first time there was observed a slight growth by 16,5 thousand people.

**Diagram 1.**



On the whole the major decrease in the number of the population had occurred for account of the urban sector. Thus, if in 1991 the number of the urban population made up 9366,9 thousand people, by the beginning of the 2003 it made up 8416,2 thousand people or decreased by 950,7 thousand people (10,1%). At this very period the number of the rural population had decreased from 6991,3 thousand people to 6446,3 thousand people correspondingly or by 545,0 thousand people (7,8%). As a result of changes that took place for 12 years the share of the urban population decreased from 57,3% to 56,6%, and that of the rural one increased from 42,7% to 43,4%.

Concerning the gender changes it should be noted that for the analyzing period the ratio between men and women had slightly changed. Thus, if in 1991 the number of people in the republic was 7912,2 thousand people men (48,4 %) and 8446,0 thousand people women (51,6 %), that is for 1000 men there were 1067 women, by the beginning of the year 2003 men constituted 7158,3 thousand people (48,2%) and women 7704,2 thousand people (51,8 %) or for 1000 men were 1076 women.

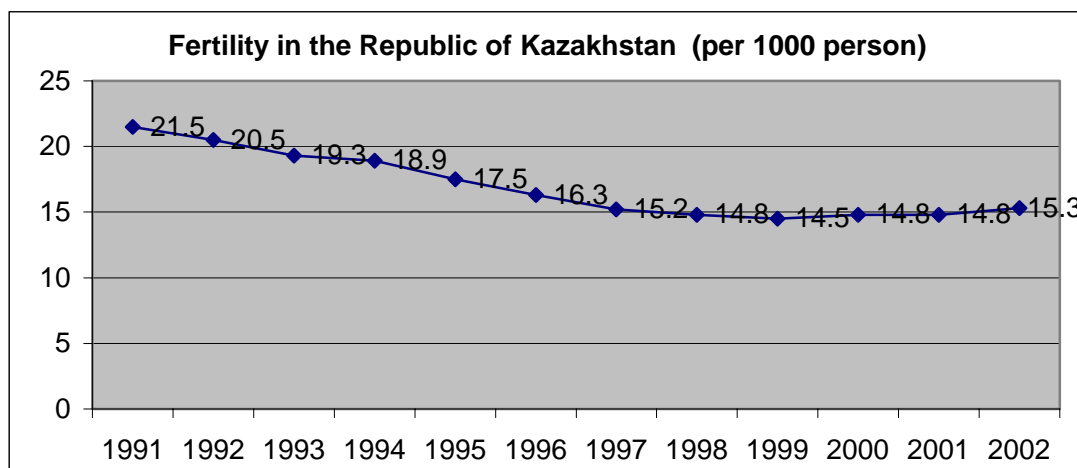
The expected life duration at birth in the year of 2002 of the total population was estimated at 65,8 years, besides that of men at 60,8 and that of women at 71,4 years. That is life duration of women exceeds in the republic that of men for 10,6 years.

### **1.3. The Natural Movement of the Population in the Republic of Kazakhstan**

#### **Change in birth rate.**

On the whole in Kazakhstan for 12 years the level of birth rate decreased from 21.5 pro mille in the year of 1991 up to 15,3 pro mille in the year of 2002. Besides that was characteristic for the town and not for the village. Most strongly this tendency was manifested in northern regions of the republic and it was less in southern regions. At the same time the tendency to birth rate decrease during this period of time was not stable. (Diagram 2). As can be seen from diagram 2, if from the year of 1991 through the year of 1999 in the republic there was observed a stable decrease in birth rate from 21,5 pro mille to 14,2 pro mille correspondingly, from the year of 2000 here can be noticed the growth. Thus, if in the year of 2000 it was 14,8 pro mille, in the year of 2002 it has grown to 15,3 pro mille.

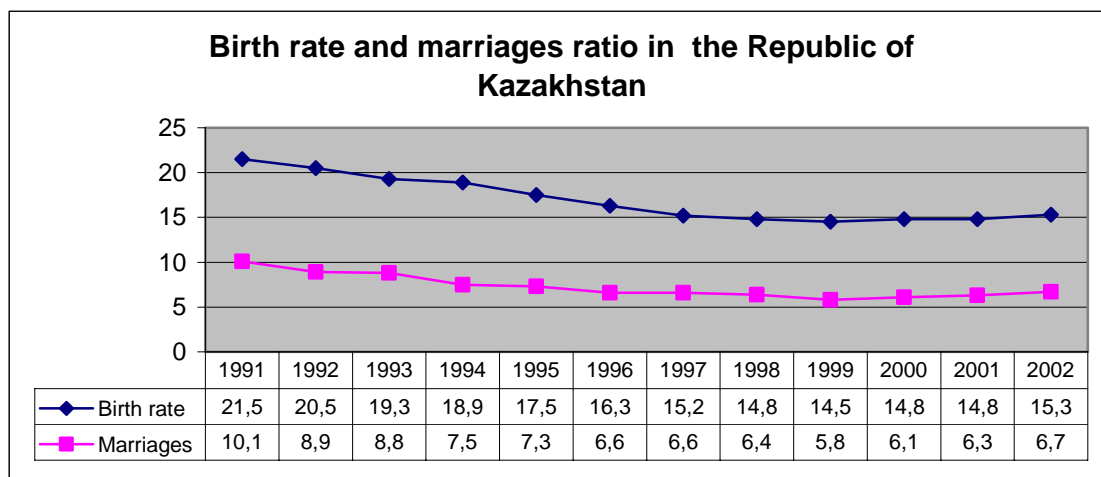
**Diagram 2**



Over the length of the transition period the birth rate in the republic had decreased under the influence of a complex of variously directed factors. First of all, the birth rate decrease was told by: the change in the living standard of the population; the change in the number of marriages; education level, culture, way of life, traditions; deterioration of the ecological situation some of the regions of the country, etc.

The absolute and relative decrease in the number of marriages made a negative influence on the birth rate. If in the year of 1991 the number of concluded marriages by the republic made up 165,2 thousand, in the year of 2002 – 99,0 thousand. The ratio of marriages for that period decreased from 10,1 per 1000 people of the population to 6,7. The interrelation between the changes in the ratio of marriages and birth rate in the Republic of Kazakhstan is very high. As can be seen from diagram 3, both the birth rate and from the year of 1991 through the year of 1999 had a tendency of almost a stable falling. From the year of 2000 both the birth rate and the number of marriages had a tendency of a stable growth.

**Diagram 3**



It should be specially noted that of late in the republic there was observed a growth in the number of children born of women not registered in marriage. Thus, if in the year of 1999 they gave birth to 51,0 thousand people, in the year of 2002 – 58,8 thousand. This amounted in percentage out of the total number of those born in the year of 1999 to 23,6%, and in the year of 2002 to 25,9%. It means that at present almost every fourth child in Kazakhstan is born of a woman not registered in marriage.

The given tendency suggests about certain changes in the way of life, culture, and traditions in Kazakhstan. On the whole the growth in this tendency in the future may lead to the change in traditional foundations of the family and to the appearance of new moral and ethical relations between different generations. The comparison between the decrease in birth rate and the number of divorces shows the absence of any interrelation between them. In the year of 1991 in the republic there were registered 48,5 thousand divorces or 3,0 per 1000 people. In the year of 2002 there were registered 31,2 thousand divorces or 2,1 per 1000 people. Despite the fact that the number of divorces during the transition period decreased, the birth rate did not increase, but on the contrary, as it was mentioned above, it was decreased.

During the transition period the decrease in birth rate took place in all the regions of the country and in two cities of capital importance – Astana, the so-called Northern capital and Almaty, the so-called Southern capital. Besides it was most prominently exhibited in 2 northern and 2 eastern regions of the republic (North Kazakhstan, Kostanai, East Kazakhstan, Pavlodar). In the year of 2002 total ratios of birth rate in average by the republic were at 15,3 pro mille in North Kazakhstan – 11,8, Kostanai – 11,5, East Kazakhstan – 11,6, Pavlodar - 12,1. The least proportion of birth rate was in this year in Northern capital Astana and made up 11,1 pro mille.

In comparison with northern regions, the highest birth rate was marked in 3 southern regions – South - Kazakhstan, Kyzylorda, Zhambyl and 2 western ones – Mangystau and

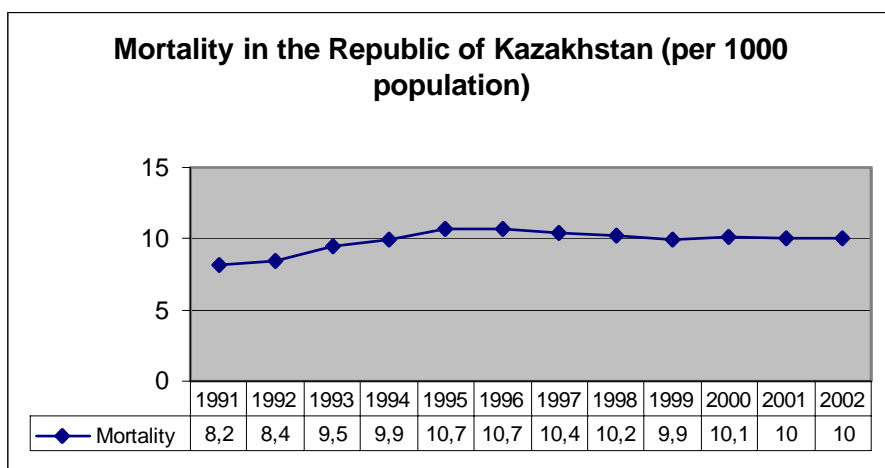
Atyrau regions of the country. In the year of 2002 in South Kazakhstan region the birth rate proportion was 22,6, in Kyzylorda - 20,4, in Zhambyl – 16,4 pro mille. That very year in Mangystau and Atyrau regions it has made up 22,4 and 19,3 pro mille correspondingly.

It should be noted that in South Kazakhstan and Mangystau regions the highest birth rate was more prominent in rural places than in the town. A relatively high level of birth rate in southern and western regions of the republic, where the density of rural residents is higher and a great percent of the Kazakh population provide mainly the natural growth of the population of the country. In those regions, where predominantly lives the Kazakh population the birth rate is much higher than the average republican level.

One of the reasons of a considerable growth of the Kazakh population during the transition period is not only the high degree of emigration of other ethnic groups from the country and the immigration of the Kazakhs to their historical homeland, but also a higher degree of birth rate. Thus, for instance, if the Russians confine themselves to mainly two children in urban areas and to three – in rural ones, the Kazakhs –to three children in urban areas and to four children – in rural ones.

**Mortality.** In Kazakhstan during the transition period the problem of the growth of the mortality level of the population has been and is one of the most acute social problems. The most significant growth of mortality took place in the first half of the 90-ies. (Diagram 4). If in the year of 1991 the mortality was 8,1 pro mille, by the year of 1995 it had reached 10,7 pro mille. In the second half of the 90-ies the mortality decreased and made up in the year of 2000 10,1 pro mille. For the last years the mortality growth has been somewhat stabilized, but its level remains high as before – 10,0 pro mille in the year of 2001 and 10,0 pro mille in the year of 2002.

**Diagram 4**



On the whole during the period of reforms in the republic 1958,0 thousand people died, besides the peak of mortality was observed in the year of 1995. In that year in the republic 168,7 thousand people died. In the year of 2002 148,7 thousand people died in the country.

The chief reasons for the mortality in the republic are cardio-vascular diseases, accidents, traumas, murders, and regeneration. Half of the mortality cases are connected with diseases of the blood circulation system, rating first in the structure of death causes (Table 1). Mortal cases from malignancy make up around 13 %. Accidents, poisoning and traumas make up approximately 14% of death cases. Breath organs disease make up 6,6% of death cases, digestion organs – more than 4%, infectious and parasitic diseases more than 3% and all others make up 8,7%.

**Table 1** Chief mortality reasons in Kazakhstan in 1996-2002, %

	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Total dead	100	100	100	100	100	100	100
of:							
Blood circulation diseases	47,6	47,7	48,6	49,8	49,8	49,8	50,7
Regenerations	12,8	13,0	13,1	13,3	12,9	13,0	12,8
Accidents, poisoning and traumas	14,0	13,5	13,5	13,3	14,2	14,8	13,9
Breath organs diseases	8,7	8,0	7,3	7,0	7,1	6,6	6,6
Digestion organs diseases	3,6	3,7	3,6	3,6	3,8	4,1	4,2
Infectious and parasitic diseases	4,6	4,9	4,8	3,9	3,4	3,1	3,1
Other reasons	8,7	9,2	9,1	9,1	8,7	8,8	8,7

In the republic the mortality of men is much higher than that of women. High degrees of the mortality of men against women is first of all connected with alcoholism. Due to alcoholism men's high mortality is from accidents, poisoning and traumas. Basically, the problem of high alcoholism among men was also in the pre-reforming period, till M. Gorbachev started in the year of 1985 one of his first reform “the fight with drinking and alcoholism”. However, at that time the problem was not solved and in addition to it more reasons were added. At the present period of time the high mortality with men is connected with considerable social and economic transformations taking place during the social and economic transformations taking place during the period of social, economic and political reforms. Men psychologically and morally could bear heavier and still bear transformations

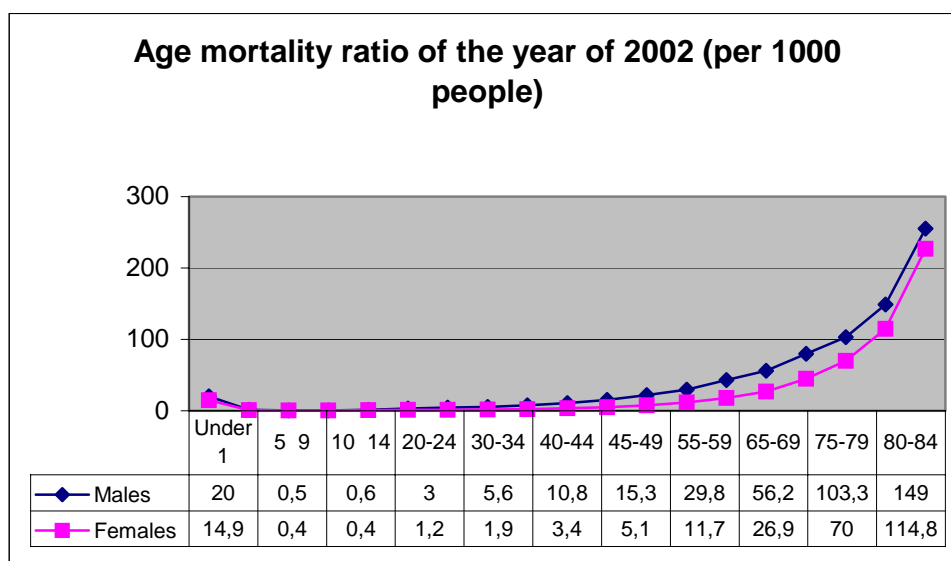


taking place at the present moment. All this has led to that they have a high percent of insults, infarctions, nervous breakdown, suicide, etc.

The mortality with men exceeding the mortality among women are also infectious and parasitic diseases, diseases of breath organs and the blood circulation system.

Diagram 5. Presents the mortality level by age groups, its distinguishing feature being a high mortality with men as compared with women's mortality.

**Diagram 5.**



Characterizing the mortality by regions, it should be noted that it has a clearly defined picture in contrast to the birth rate. If in the northern and eastern regions of Kazakhstan the lowest birth rate is observed, unfortunately here a high degree of mortality is observed too. Besides, namely in those regions where the lowest birth rate is observed. In particular in the year of 2002 under average republican meaning at 10,0 pro mille in North Kazakhstan region the mortality made up 13,3 pro mille, in Kostanai – 11,7. In East Kazakhstan region it has made up – 12,3 pro mille and in Pavlodar – 10,9.

In addition to these four regions of northern and eastern Kazakhstan a high degree of mortality is observed also in two regions of central and one region of western Kazakhstan. In particular, in Karaganda and Akmolinsk regions that present central Kazakhstan, the mortality in the year of 2002 was 12,3 and 12,0 pro mille correspondingly. In west Kazakhstan region it was 11,4 pro mille.

In contrast to north-eastern and central regions of Kazakhstan with the high degree of mortality, in 2 southern (South Kazakhstan and Kyzylorda) and in one western (Mangystau)

regions of the republic the lowest degree of mortality is observed. As it was mentioned above in the year of 2002 under average republican meaning at 10,0 pro mille in South Kazakhstan, Kyzylorda and Mangystau regions the mortality was 7,1 pro mille, 7,5 pro mille and 7,9 pro mille correspondingly.

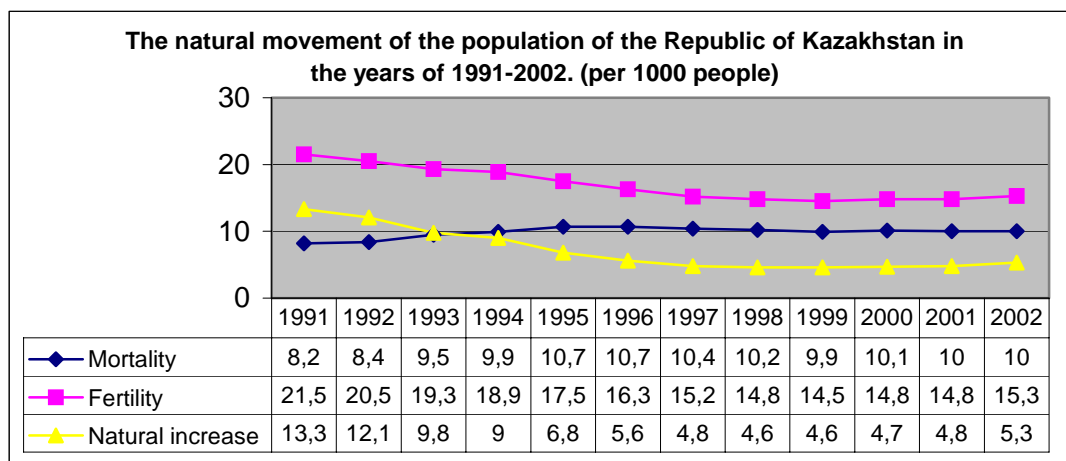
It should be noted that in all the regions a high degree of mortality in towns exceeded the mortality in rural areas. Speaking about two cities of the Republican significance it should be noted that the lowest mortality was observed this year in the new northern capital Astana - 6,1 pro mille.

Characterizing the mortality by regions, it should be noted about a high degree of the mortality from blood circulation diseases in East Kazakhstan region. A high level of oncological mortality is observed in Almaty, East Kazakhstan, Pavlodar, West Kazakhstan and Kostanai regions. The morbidity with blood and hemogenic organs diseases in Kyzylorda region is much higher than in average by the Republic, which is evidently connected with ecological and social and economic conditions of the region, desiccation of the Aral Sea.

**The natural movement.** On the whole the analysis of the natural movement in the Republic of Kazakhstan shows its impetuous falling till the year of 1998 and its growth by the year of 2002. (Diagram 6) if in the year of 1991 in the republic the natural growth made up 13,3 pro mille, in the years of 1998 and 1999 it was 4,6 pro mille. By the year of 2002 the natural growth of the population rose up to 5,3 pro mille. The chief reasons for such a tendency in the natural growth were the changes in birth rate and mortality presented above. That is the mortality increase in the first half of the 90-ies and then its decrease and stabilization by the year of 2002, on the one hand, and decrease in birth rate till the year of 1999 and then its increase, on the other.

On the whole, the natural growth of the population in Kazakhstan occurred and does occur for account of residents living in southern and western regions of the country and decreases for account of industrially developed regions of central, eastern and northern Kazakhstan.

**Diagram 6**



#### **1.4. Mechanical movement of the population in the Republic of Kazakhstan**

**Emigration.** In the Republic of Kazakhstan during the transition period are observed high rates of emigration. From the year of 1991 through the year of 2002 the country was emigrated by 2125.9 thousand people.

The high degree of emigration in Kazakhstan has historical roots. First of all it is predetermined by mass movements of peasants from Russia to Kazakhstan, which took place in the past. Especially it was characteristic of the end and the beginning of the 20-th century during the period of conducting in Russia of Stolypin's reforms, at the time of establishing the Soviet power in Kazakhstan, during the period of collectivization, the confiscation of well-to-do peasants (kulaks). Many people came to Kazakhstan as a result of political repression. Up to World War II in the result of Stalin's repression to Kazakhstan were deported the Koreans, the Jews, the Russians, representatives of other nationalities. During World War II to Kazakhstan were deported the Germans, the Chechens and other Caucasian nations. After World War II people from other republics of the former Soviet Union kept coming in connection with exploration virgin lands in the north of the country and gigantic constructions taking place at that period in Kazakhstan.

At the time of the collapse of the Soviet Union (the second half of the 80-ies) and upon the acquisition of independence by the Republic of Kazakhstan many nations residing in Kazakhstan started to return to their historical homeland, or emigrate to other countries.

On the whole the chief reasons for emigration in Kazakhstan during the transition period were the following main factors: political; social and economic; ethno-cultural. The influence

of these factors can be provisionally divided into several stages in relation to the rates of emigration.

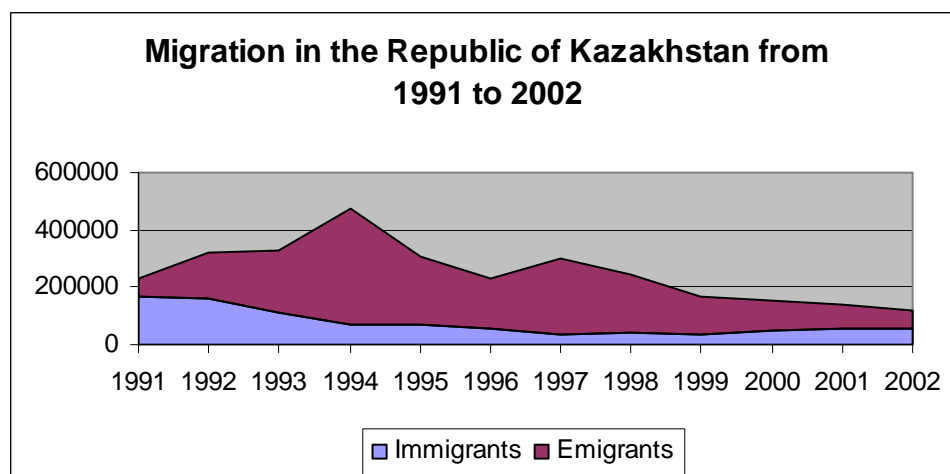
The first stage of emigration (the years of 1991-1994) was connected primarily with the continuation of political reforms realized yet within the framework of the former Soviet Union. The opening by Gorbachev M.S. of external frontiers of the USSR, elimination by him of the so-called “Soviet Iron Curtain” gave an opportunity to the Germans, the Jews, the Greeks, etc. to return to their ancient historical homeland. In the year of 1991 when the Republic of Kazakhstan gained its political independence, has continued the policy of “open doors” and many citizens continued their emigration to the far abroad countries– USA, Germany, Israel, Canada, Greece and other capitalist countries. In the year of 1991 the migration balance with these countries and other countries of the far abroad was negative and made up - 68643 people, while the migration to the countries of near abroad (with former republics of the USSR) was positive and made up +10957 people. (Table 2, Diagram 7).

**Table 2** Interstate Migration in the Republic of Kazakhstan  
from the years of 1991 through 2000

Years	Total			Of which					
	Balance of migration	Immigrants	Emigrants	Near abroad*)			Far abroad		
					Immigrants	Emigrants		Immigrants	Emigrants
1991	-57686	170787	228473	+10957	161738	150781	-68643	9049	77692
1992	-156261	161499	317760	-68741	148165	216906	-87520	13334	100854
1993	-219025	111082	330107	-129568	100075	229643	-89457	11007	100464
1994	-406679	70389	477068	-308190	63863	372053	-98489	6526	105015
1995	-238495	71137	309632	-140654	67861	208215	-98141	3276	101417
1996	-175538	53874	229412	-104436	51236	155672	-71102	2638	73740
1997	-261388	38067	299455	-203788	35530	239318	-57600	2537	60137
1998	-203039	40624	243663	-155526	38340	193866	-47513	2284	49797
1999	-128355	37102	165457	-85358	35366	20724	-42997	1736	44733
2000	-108307	47442	155749	-73247	43460	116707	-35060	3982	39042
2001	-88162	53548	141710	-51077	49932	101009	-37085	3616	40701
2002	-61988	58162	120150	-31099	54159	85258	-30889	4003	34892

\*) 1991-1994 years – including Baltic countries.

**Diagram 7**



In the second phase of the first stage (the years of 1992-1994) the emigration acquired apart from political the economic shades as well. On this stage as a result of marketing reforms and in connection with it the loss of economic ties, many former soviet enterprises (especially the military and industrial complex) located in Kazakhstan came to bankruptcy and the employees working for them started to return to the areas of their former living to other republics where they had lived before coming to Kazakhstan. On that stage the migration balance the highest and reached in the year of 1994 - 406,7 thousand people.

On the second stage in the years of 1995-1996 there could be observed the decrease in the migration balance up to 175,5 thousand people, which was due to some macroeconomic stabilization taking place in Kazakhstan.

In the year of 1997 on the third stage in the Republic there could be observed the next surge of emigration. However it was not so important as it had been in the year of 1994. In that year the negative migration balance had reached 261,4 thousand people or 64.1% from the year of 1994. The main stream of emigrants at that period was directed to the former Soviet republics and, first of all, to the Russian Federation. Such a surge was not observed to the countries of the far abroad. On the contrary since the year of 1994 the emigration to those countries had decreased and lowered in the year of 1997 by 19,0% as compared to the year of 1996.

The fourth stage, since the year of 1998 up to the present time is characterized by the stable decrease of the negative migration balance that was connected with the more tranquil situation in Kazakhstan during the world financial crisis in the year of 1998 and economic growth taking place for the past years.

**Immigration.** The main peculiarity of the migration processes in Kazakhstan during the transition period is presented by tendencies in the immigration. As compared to the high degree of emigration during the transition period in the republic there were observed low rates of immigration. From the year of 1991 through the year of 2002 913713 migrants arrived in the Republic (Diagram 7). Besides the highest wave of immigration into the country started at the beginning of the reforms in the year of 1991. In that year 170,8 thousand people came to the country. Then it started to decrease and reached the least meaning in the years of 1997 and 1999. From the year of 2000 in the republic there was observed the immigration growth, nevertheless its sizes do not exceed the high level of emigration.

The peculiarity of immigration processes in the Republic of Kazakhstan is the purposeful state policy of repatriation of former compatriots from abroad. In connection with much outflow of the population the Government of the country in the course of the reforms adopted the decision about conducting state measures for returning citizens living outside of the country who forcefully left the country during Stalin's repressions. This program like other programs conducted by Germany, Israel created specific conditions for returning migrants (oralmans) in the form of allowing them dwellings, material means for existence, etc. to begin with.

At the same time the immigration rates growth of takes place not only for account of this program, but also for account of the positive migration with countries primarily of Central Asia – Kyrgyzstan, Uzbekistan, Turkmenistan.

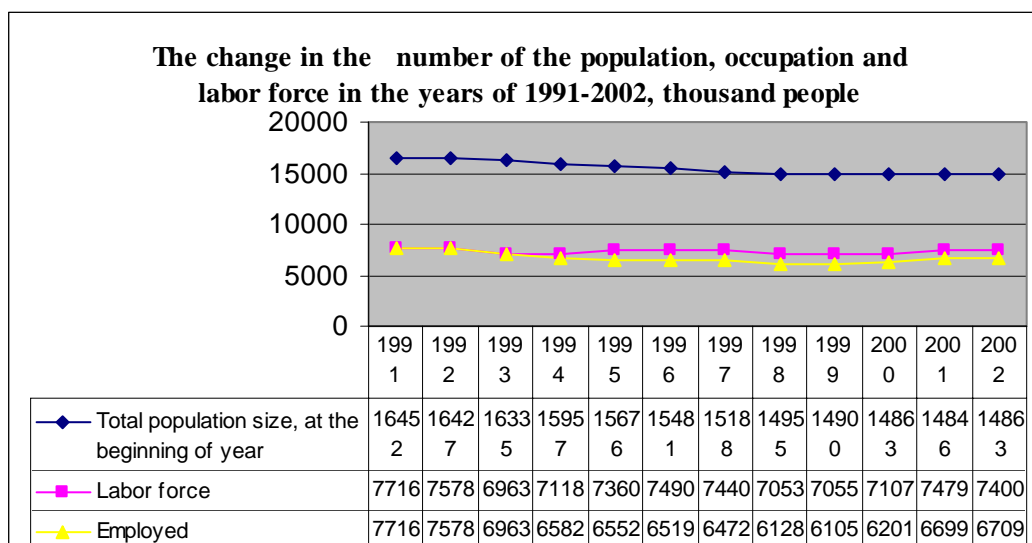
## **II. Peculiarities of the formation of labor market and employment in the Republic of Kazakhstan during the transition period**

### **2.1. Characteristics of functioning of labor market and employment in the Republic of Kazakhstan during the transition period**

The demographic changes during the transition period presented above made a negative influence on the Kazakhstani labor market and sphere of employment.

The decrease of the total population during the transition period was telling on the decrease of the total number of labor force, functioning on the national labor market and sphere of employment (Diagram 8).

**Diagram 8**



For 11 years the number of the labor force decreased by 316,5 thousand people (from 7716,2 thousand people in the year of 1991 to 7399,7 thousand people in the year of 2002) or by 4.1%. alongside with this the employment of the population decreased. It has decreased from 7716,2 thousand people in the year of 1991 to 6708,9 thousand people in the year of 2002 or by 13,1%. Greater decrease in the employment in comparison with the labor force was caused by the appearance of unemployment. In the year of 2002 the number of the unemployed citizens in the Republic of Kazakhstan made up 690,7 thousand people. A slight decrease in the labor force in comparison with the reduction of the total number of the population was caused by the fact that the market transformations, which took place in the Republic of Kazakhstan have lead to the increase of the share of economically active population or labor force on the market of labor. Their share has become even higher in comparison with the year of 1991, when most of the employees worked within the framework of the soviet compulsory labor service and the law “On the employment of the population ” of December 15, 1990 proclaiming free will to labor has not come into force. If in the year of 1991 the share of economically active population was 68.6%, in the year of 2002 it was 70.1%.

The present factor shows that the marketing economy creates more causes and motivations in stimulating an employee to go to the labor market, and be economically more active than the planned economy.

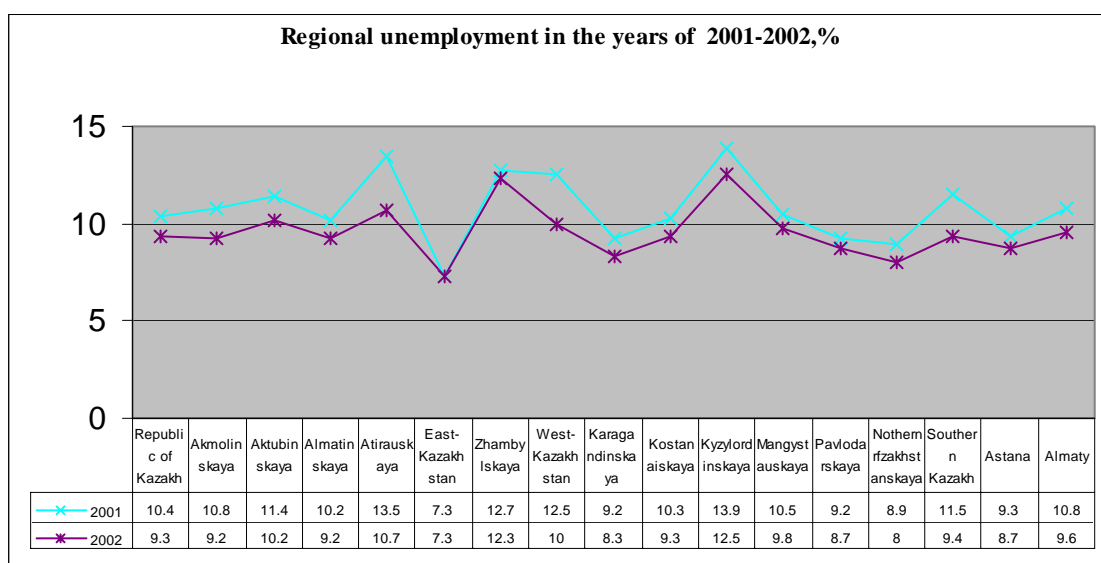
Characterizing the labor market functioning through the prism of unemployment it should be noted that in comparison with other regions the southern and western regions of Kazakhstan are characterized by the presence of a higher level of unemployment.

**Table 3** Economically active (labor force) and economically non-active population of Kazakhstan in the years of 1991-2001

	1991	1995	1999	2002
Total number of labor resources, thous. people	11249.2	11018.1	10694.9	10555,0
Economically active population (labor force)	7716.2	7359.8	7055.4	7399,7
In %	68.6	66.8	66.0	70,1
Economically non-active population	3533.0	3658.3	3639.5	3155,3
In %	31.3	33.2	1999	29,9

Besides among four regions representing the southern region of the republic (Almatynskaya, Zhambylskaya, South-Kazakhstan and Kyzylordinskaya) the highest level of unemployment is marked in Kyzylordinskaya region (Diagram 9). If in the years of 2001 and 2002 the level of unemployment in average by the republic was 10,4% and 9,3% correspondingly, in Kyzylordinskaya it has made up 13,9% and 12,5%. In the same years rather a higher level of unemployment was also in two other oblasts of the south region – Zhambylskaya (12,7% and 12,3%) and South Kazakhstan (11,5% and 9,4%). Only out of the four oblasts of the south region Almatynskaya region only the level of unemployment was lower than the average republican one – 10,2% in the year of 2001 and 9,2% in the year of 2002.

**Diagram 9**





The high level of unemployment exceeding the average republican one was marked also among the four oblasts representing the western region of the country (Atyrauskaya, Mangystauskaya, West Kazakhstan oblasts). Besides, it was very high in all four oblasts without exception. If as it was mentioned above in the years of 2001 and 2002 the unemployment level in average by the republic was 10,4% and 9,3%, in the Atyrau oblast it was 13,5% and 10,7%, in West Kazakhstan – 12,5% and 10,0%, Aktubinsk – 11,4% и 10,2% and Mangystau – 10,5% and 9,8% correspondingly.

In contrast to southern and western regions, the low level of unemployment characterizes the regions of Northern, Central and Eastern Kazakhstan. Besides, among all seven oblasts of this region the low level of unemployment notably distinguishes Eastern Kazakhstan. If as it was mentioned above in the year of 2001 the level of unemployment in average by the republic was 10,4% and in the year of 2002 – 9,3%, in Eastern Kazakhstan as in the year of 2001 and in the year of 2002 the level of unemployment was 7,3%. Rather a low level of unemployment in comparison with the average republican one was also marked in these years in Karaganda (9,2% and 8,3%) and Northern Kazakhstan oblasts (8,9% and 8,0%).

Among the main specific features of high unemployment in Southern and Western regions of the country can be mentioned the presence of such demographic characteristics as a great number of the population and accordingly of labor resources residing in rural areas (South Kazakhstan oblast), a higher percentage with the youth unemployment, specific peculiarities of women's unemployment. Besides, the presence in such regions of such ecologically unfavorable and economically depressive areas as a desiccating Aral Sea imposes here a special imprint on the employment and unemployment.

At the same time the concentration of the industrial production in central and eastern oblasts and with it a very high urbanization percentage had determined and do determine rather a low unemployment percentage in those regions.

Characterizing demographic peculiarities in functioning of the Kazakhstani labor market women's and youth's employment and unemployment should be specially marked.

## **2.2. Gender aspects in functioning of labor market and employment.**

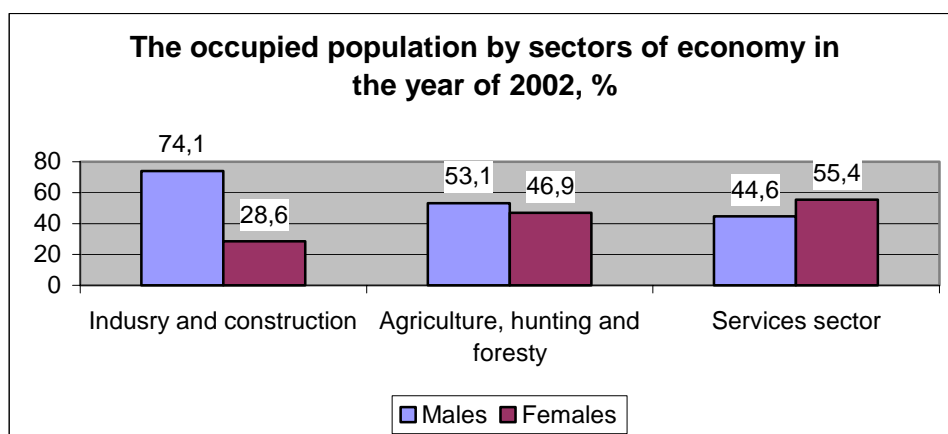
As it was shown in the first part in the Republic of Kazakhstan by the end of the year 2002 or by the beginning of the year 2003 there were 7158,3 thousand (48,2%) and women 7704,2 thousand (51,8 %) or per 1000 men there were 1076 women. If among the total population number of women exceeded the number of men, in the total number of labor force at 7058,2 thousand people in the year of 2002 their share was less and made up 48,2% or 3404,0

thousand people. However many of them were unemployed and the employment among them made up 88,2% or 3001,8 thousand people.

It should be noted that during the transition period women manifested themselves economically more active than men. They got adapted to market transformations quicker and an individual employment among them exceeded and does exceed that of men. A specific phenomenon of market reforms was women's occupation with a reciprocating business. Many of them having been discharged switched over to the sphere of trade and started to be engaged in shopping tourism. In the year of 2002 40,5% of women and 34,8% of men were engaged in independent business.

A considerable part of women is occupied in the sphere of education, health care, and social services rendering. In the years of 2001, 2002 74,5% and 72,8% of women were engaged in the sphere of education. In the sphere of health care, and social services rendering 80,8% and 79,0% correspondingly. On the whole women are mainly engaged in the sphere of services than in other sectors of economy. (Diagram 10).

**Diagram 10.**

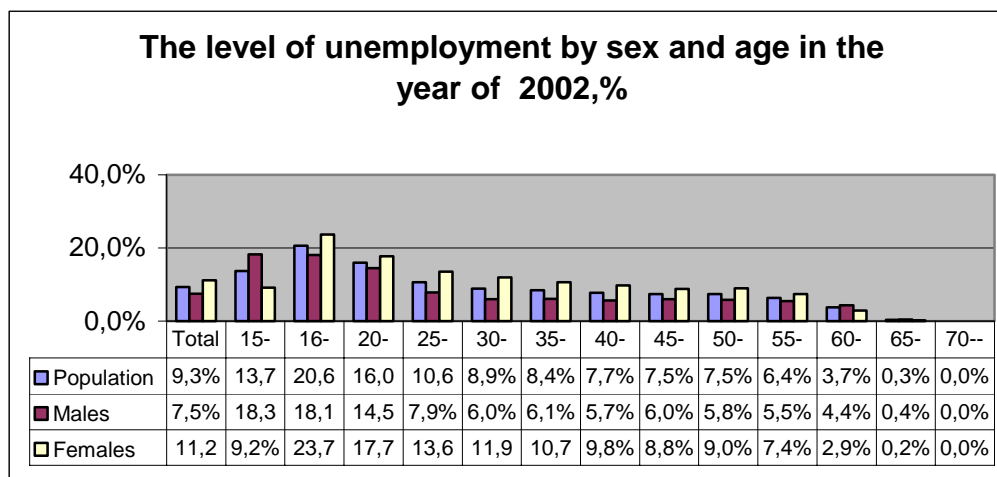


As can be seen from the diagram, over a half (55,4%) of the working places were occupied in the sphere of services by women than men.

An advantageous position of occupied women can also be found in the part of their education. In the year of 2002 53,5% of occupied women had a higher education and 52,2% a secondary vocational education. At the same time the men had 46,5% and 47,8% correspondingly.

In spite of the high level of education the highest percent of unemployment is found with women. In the year of 2002 it had made up 11,2%, while with men it was 7,5%. (Diagram 11)

**Diagram 11**



As can be seen from diagram 11, at all ages the level of women's unemployment exceeds that of men.

The main reasons due to which women become unemployed and find themselves on the labor market vary. (Table 4)

**Table 4** Unemployment reasons for men and women in the Republic of Kazakhstan in the year of 2002

	Total	Including	
		men	women
Unemployed including those with reasons of:	100	100	100
discharging due to liquidation of enterprise	10,4	11,1	9,9
discharging due to staff reduction	15,3	14,0	16,1
discharging upon one's will	8,9	8,2	9,4
discharging due to the contract termination	4,3	5,4	3,5
termination of business activity	0,5	0,7	0,3
housekeeping	6,7	1,1	10,6
absence of work after graduating from higher institution	15,7	17,8	14,2
absence of any work	32,4	34,8	30,7
other reason	6,0	6,9	5,3

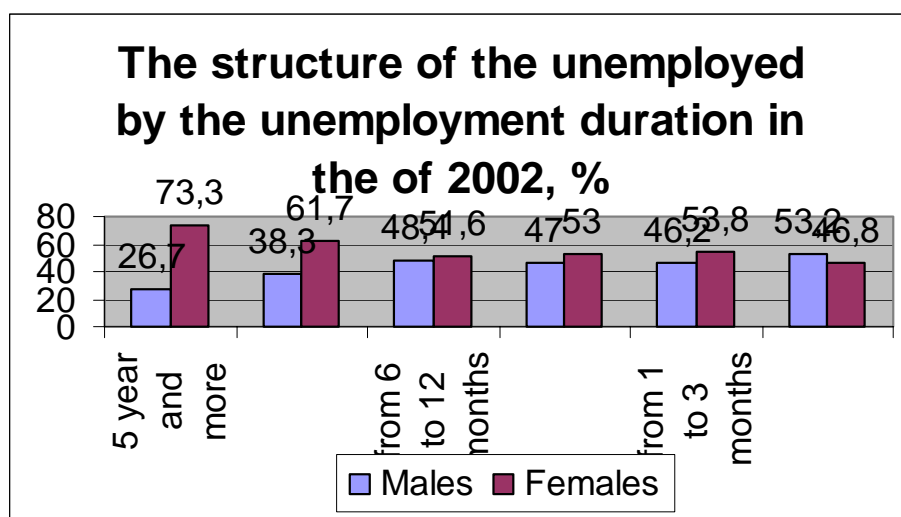
As can be seen from the table one of the main reasons due to which women become unemployed and find themselves on the labor market is the staff reduction. Due to the staff reduction in the year of 2002 more women had been discharged (16,1%) than men (14,0%). This phenomenon was being observed during the whole transition period. A serious reason for the women to become unemployed is housekeeping. Executing their genetic, morally ethical functions in the reproduction of the population of the country a woman's labor force demands additional expenses on social purposes, safety work, which rather burdensome for employers.

Therefore a woman to a greater extent than a man has any chances to find work and she more threatened to get fired from her work.

Normally a working woman even in her fertile age combines her working activity with her motherhood. In this connection it is rather difficult for her to increase her professional level or be retaught with the aim of getting a new specialty. Therefore, having a high professional primary education many of them in the course of time lose it and become less competitive on the labor market. The perspective for their going on legal holiday keep the employees from hiring them.

All the above-stated is an important reason of not only a high level of unemployment among women but also of lasting unemployment among them. (Diagram 12)

**Diagram 12**



As can be seen from diagram 12 after one month of unemployment it is rather difficult for women to find work than for men. Their number by 2,7 times begins to exceed the number of the unemployed men after 5 years and more of unemployment.

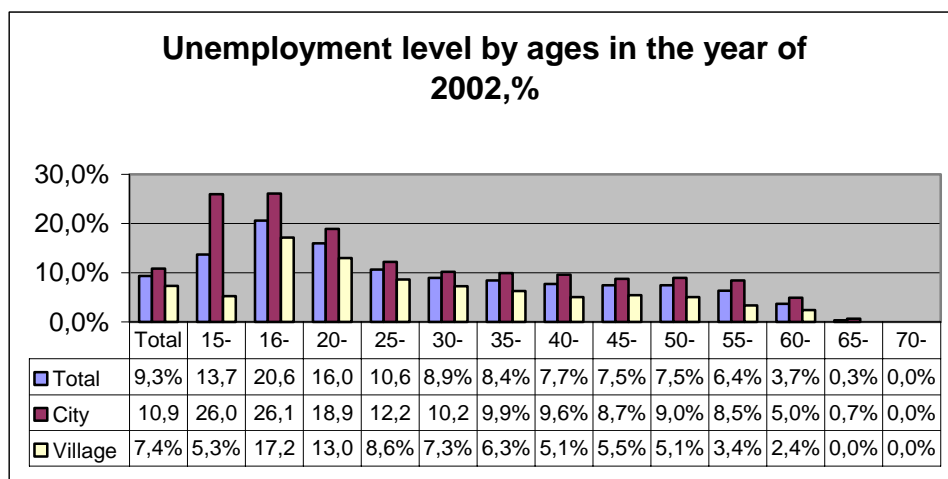
Concerning the regional peculiarities of the unemployment among women it should be noted that by an average republican level at 11,2% in the year of 2002 a sufficiently high level of it was observed in 4 oblasts of the western region (Mangystauskaya – 15,1%, Atyrauskaya 14,4%, West Kazakhstan – 13,0%, Aktubinskaya – 13,3%) and 3 oblasts of the southern region (South Kazakhstan – 12,7%, Kyzylordinskaya – 13,8%, Zhambylskaya – 13,0%). It should be noted in this connection that the high level of birth rate, as it was mentioned in the first part characterizes the regions of western and southern Kazakhstan. The comparison of these two factors speaks to the effect that in future in these regions either the decrease in birth rate may

happen in view of the high level of women desiring to find work, or the decrease in the population living standard and the increase in the level of poverty may take place.

### 2.3. Age aspects on the labor market.

The characteristic feature of age aspects on the labor market in the Republic of Kazakhstan during the transition period is a high level of unemployment among the youth. Young people as a specially specific segment on the labor market, having no large practical experience in any of the labor activities is subject to this economic phenomenon to a greater extent than other age groups. In the year of 2002 the level of unemployment among the citizens from the age of 15 to 24 has considerably exceeded that of an average republican level.(Diagram 13 )

**Diagram 13**



If in average by the republic the level of unemployment was, as it is well known, 9,3%, but among those of 15 years of age it was 13,7%, among those of 16-19 years of age 20,6% and among those of 20-24 years of age 16,0%. A high unemployment being teenagers under 15 years old in urban areas should be specially noted. This contingent of potential workers without any formal civil rights (in accordance with the legislation of the Republic of Kazakhstan the citizens of the country are considered the people who reached 16 years of age), but having finished school in the volume of the main general education try to get employed and find work. However the absence of not only the primary professional but also of any practical experience in work, as well as specific labor conditions in the town turn out for many of them the main reason for their not being needed in the employment sphere. As it can be seen from the diagram, in the year of 2002 the unemployment level in urban areas among those at the age of 15 (26,0%) had reached the unemployment level of citizens from the of 16 to 19 (26,1%).

In order to make up for the absence of professionalism the major part of teenagers and young people from the age of 16 to 24 continue their studies, do not go to the labor market and, therefore, is not enlisted in the structure of labor force of the country. As can be seen from the table 5, 99,0% of teenagers at the age of 15 continue their studies. The majority of young people from the of 16 to 19 and from the age of 20 to 24 also study – 95,1% and 69,1% correspondingly.

**Table 5** The structure of the population not being in the structure of labor force for reasons in the year of 2002, %

	Not in the structure of labor force	reasons				
		Studying (daytime form)	Housekeeping	Going on a pension	By health state(disability)	Other reason
Total, including:	100	30,8	3,5	49,6	8,1	8,1
15	100	99,0	0,1	-	0,5	0,4
16-19	100	95,1	0,3	-	1,6	3,0
20-24	100	69,1	6,3	-	6,5	18,2
25-29	100	11,7	27,3	-	20,8	40,1
30-34	100	2,0	26,3	-	26,2	45,5
35-39	100	0,5	23,6	0,8	33,4	41,7
40-44	100	0,5	16,1	3,5	44,7	35,1
45-49	100		12,0	10,0	48,2	29,9
50-54	100		4,9	34,7	40,9	19,4
55-59	100		2,1	73,9	15,9	8,0
60-64	100		0,1	95,6	3,3	0,9
65-69	100		0,0	98,8	1,1	0,0
70 и старше	100		0,0	99,3	0,6	0,1

The major part of teenagers at the age of 15 find works in rural areas in farming, fishing and hunting management. Here they are occupied mainly in unqualified works (61,5%) and a small amount of them in qualified ones (32,3%). A very small part (5,9%) of teenagers works in the sphere of services, housing and communal economy and trade.

As well as teenagers the major part of young people from the age of 16 to 24 also find work in these spheres of activity. However, some of them who got a certain professional education are engaged in the sphere of education, industry, etc.

Mentioning regional aspects of unemployment among the youth it should be noted that its highest percent was marked in the year of 2002 in Northern Kazakhstan (43,0%), Atyrauskaya (42,9%), Kyzylordinskaya (41,9%), Western Kazakhstan (34,4%) and Kostanayskaya (30,8%) oblasts at an average republican unemployment level among the youth 27,5%. At the same time the lowest level of the youth's unemployment was marked in the northern capital of Astana – 13,0%. It should be noted that with the construction of a new capital of Astana,

favorable economic conditions for the exported from the country raw material, the formation of marketing relations in the republic the business activity got animated not only among the youth, but also among age groups.

### **III. Perspectives of labor market formation and the development of human resources in the Republic of Kazakhstan. Parity of generation incomes.**

At the present time within the framework of the realization of the program “Kazakhstan-2030”, in the republic there adopted the Conception of state demographic policy of the Republic of Kazakhstan. Its chief aim being the prevention of the de-population of the population of the country and the provision of its qualitative and quantitative growth for the long-term perspective.

For achieving the given aim it is proposed to solve the following major tasks: to lower mortality for the most mass reasons and diseases causing them; to increase stimuli for birth rate, especially for young generation entering the age of bearing a child; to render a real support for reproductive initiatives of the population especially for multi-children families providing an extensive reproduction; to lower the negative migration balance.

Among the above-stated tasks the most important task is the decrease in the negative migration balance. It should be mentioned in this connection that the observed recent economic growth in the Republic of Kazakhstan in comparison, first of all, with the countries of Central Asia was a reason for the Kazakhstani labor market to become attractive for the employees of Central Asia than their national one. If the average salary in the Republic in the year of 1999 made up 90 US dollars, in Kyrkyzia it was 25,8 US dollars, in Uzbekistan 58,6 US dollars, in Tadjikistan 9,4 US dollars (Table 6 ).

As can be seen from Table 4-4, if before the year of 1997 an average salary of the employees in the Republic of Kazakhstan yielded only to an average salary of the employees in the Russian Federation, after the financial crisis from the year of 1999 it has become one of the highest among CIS countries. A more favorable economic climate, more developed marketing infrastructure, social stability, liberal international migration policy as well as a more attractive labor market are important factors of foreign labor force migration into the Republic of Kazakhstan. According to some estimations in the year of 2002 in the republic there were almost 500,0 non-official migrants<sup>1</sup>. The foreign labor force chiefly comes from the countries

---

<sup>1</sup> president’s message to the people of Kazakhstan for the year of 2002

of Central Asia and China. For the purpose of state regulation of this process the republic signs interstate agreements with these countries. In particular, in the year of 2003 with the Kyrgyz Republic there was signed an interstate agreement on attracting from Kyrgysia of Kyrgyz workers to work in Kazakhstan.

**Table 6** The Middle Nominal Wage in CIS Countries, \$US

	1997	1988	1999	2000	2001
Kazakhstan	<b>111.6</b>	<b>119.4</b>	<b>90.5</b>	<b>108,2</b>	<b>118</b>
Azerbaijan	35.5	43.5	43.3	49,8	55,8
Armenia	27.7	35.7	37.4	42,4	44,1
Belarus	86.1	95.3	71.8	72,8	86,6
Georgia	32.8	39.8	33,4	43,5	...
Kyrgyzstan	39.2	40.1	26,9	25,7	30,0
Moldova	47,6	46.6	29,0	32,8	42,3
Russia	164.3	108.3	61,8	79,1	111,1
Tajikistan	8.8	11,8	9.4	8,5	9,9
Turkmenistan	44,8	54,9	...	...	...
Uzbekistan	48.4	47.3	57,2	...	...
Ukraine	76.9	62.7	43,0	42,3	57,9

Source: Labor and employment of population in Kazakhstan. Statistical bin. /Agency on Statistics of the Republic of Kazakhstan/ Almaty, 2003, page 133;

Proceeding from perspectives of the economic development of the country demographic processes taking place in the country, as well as global tendencies of the labor force movement Kazakhstan starts to correct at the present period its policy in relation to the foreign labor force. As it is well known the republic is one of the small populated countries of the world and therefore the present day demographic and migration policy of the state is aimed at the creation of a favorable climate for the demographic and migration growth. In future, with the realization of the new migration program, in the republic there will conducted more actively the policy of attracting foreign labor force.

All the above-stated shows that the national labor market of Kazakhstan begins to actively integrate into the international, regional and global labor market. An active integration into these labor markets will allow increasing human resources potential, which the country will be in need of in future. Together with this, the integration of the national labor market into international, regional labor markets in the first place with the countries of Central Asia, Russia, global ones with the countries of the far abroad sets questions of the national security. In this aspect measures of social security must be concluded in the formation of instruments reducing



the shadow non-formal migration into the country, the protection of incomes of various generations of citizens of Kazakhstan.

One of the possible directions for creating similar instruments can be the development on the primary stage of the international regional system of the personified social insurance for senility, disease, unemployment (in the first place with the countries of Central Asia, Russia) and then with the countries of the far abroad within the framework of the global personified social insurance system.

Applied sources:

1. The Law of the Republic of Kazakhstan of December 10, 1999, N 494-1 On the introduction into operation of the Law of the Republic of Kazakhstan "On labor in the Republic of Kazakhstan". Issued in "Kazakhstanskaya Pravda" newspaper of December 24, 1999, N 294 (23011)
2. The Law of the Republic of Kazakhstan "On the Employment of the Population" of 30 December, 1998 // "Kazakhstanskaya Pravda" of 5 January, 1999, № 2.
3. The Law of the Republic of Kazakhstan "On the Employment of the Population" of 23 January, 2001 // "Kazakhstanskaya Pravda" newspaper of 5 January, 2001, № 2.
4. The Law of the Kazakh SSR "On the Employment of the Population" of 15 December, 1990 / The collection of normative acts of the Kazakh SSR. Issue 1. – Alma-Ata, 1992.
5. Kazakhstan 1991-2001. Informational-Analytical bin. /Agency on Statistics of the Republic of Kazakhstan/ Almaty, 2001
6. Kazakhstan 1991-2002. Informational-Analytical bin. /Agency on Statistics of the Republic of Kazakhstan/ Almaty, 2002
7. Labor market in the Republic of Kazakhstan 1991-1992 Statistical bin. /Agency on Statistics of the Republic of Kazakhstan/ Almaty, 2003
8. Nazarbayev's speech at the expanded meeting of the Government of the Republic of Kazakhstan with the participation of Akims of oblasts. "Kazakhstanskaya Pravda" newspaper of 8 August, 2002, № 171.
9. President's message to the people of Kazakhstan "Kazakhstan - 2030. Prosperity, security and improvement of all Kazakhstan people's welfare. "Kazakhstanskaya Pravda" newspaper of 11 October, 1997.
10. Tatibekov B. "The future of the social insurance on the unemployment", "Business Week" newspaper, № 38 (266), 3 October, 1997.
11. Tatibekov B.L., Djoldybayeva S.M. - "Major aspects of the mechanism of social insurance of working citizens of the Republic of Kazakhstan ", in the collective monograph "Passage", Publisher "Sib-Novo-Center" Novosibirsk, 2000 – 0,5 a quire.