EMPLOYMENT IN THE REPUBLIC OF KAZAKHSTAN IN THE CONTEXT OF GLOBAL COMPETITIVENESS

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ABSTRACT

An increase in the level of population employment is now considered as the way to improve the country's competitiveness. The Republic of Kazakhstan remains one of the most successful reformers among the post-Soviet countries and simultaneously has outdated employment model in contradistinction to highly developed economies. Therefore, this article is aimed at the determination of key challenges in the employment sphere by the comparative analysis of five economic indicators for Kazakhstan and member countries of the Organization for Economic Co-operation and Development. Data for analyses were taken from the Agency on Statistics of the Republic of Kazakhstan, Analytical Report of DAMU Research Group, Eurostat data and Development Co-operation Report in 2017. The paper proves the structure of the employment of the Republic does not respond to the tendencies in post-industrial countries. A significant share of young people with low or no qualifications, problems in the regulation of self-employment level and also poor population involvement in service industry sector are identified as the main invocations must be solved. The submissions can serve as a basis both for supported employment programs development and labour market forecasting.

Keywords: Economic Competitiveness, Employment Pattern, Self-Employment, Unemployment Dynamics, Small Business Share of Employment, Organization for Economic Cooperation and Development, The Republic of Kazakhstan.

INTRODUCTION

Presently the competitiveness development occurs in the framework of the globalization of the world economic system (Narula & Dunning, 2000; Fagerberg & Srholec, 2015; Snieška, 2015). In these conditions employment is considered as an indicator of the national economy (Almond, 2016; Keynes, 2007; Ustinov et al., 2016), which reflects the level of usage of labour resources (Lepak & Snell, 2002; Rodan, 2016; Wright et al., 2017) and opportunities for country's economic growth (Goodhart, 2016), as well as an instrument of economic security in the social sphere (Bolton & Laaser, 2013).

Current social and economic situation is characterized by strains in the system of population employment (Bălan, 2009; Kotulic et al., 2015; Ramaswamy, 2018): excess employment in basic industries combined with insufficient number of the professionals necessary for intensive development of the science intensive industries (Marin, Navas-Alemán & Perez, 2015), the growth of self-employment (Goetz & Rupasingha, 2014; Hill & Palit, 2017),

registered and hidden unemployment among qualified personnel (Mareš, 2013; Ioannides, 2014), etc.

Aforementioned disproportions partially concern to countries of Commonwealth of Independent States (CIS), including The Republic of Kazakhstan (RK) (Ibragimov, Karimov & Permyakova, 2013).

In the context of Kazakhstan's aspiration to take the leading place in the competitive country rankings, the indicators that are not officially part of the competitiveness index system, adopted by the World Economic Forum and the Management Development Institute, are of special importance. These indicators are criteria for classifying a country as industrial or post-industrial; they are calculated based on the employment in the country.

Further growth of industrial production and the GDP in accordance with the Strategic Development Plans of the Republic (the "Kazakhstan-2050" Strategy) will largely depend on how effectively the staffing problems are solved. These problems are caused by a shortage of skilled specialists and an unbalanced labour market (Nurgalieva, 2015).

It is worth noting that post-industrial countries remain the most competitive ones in the world; their economic structure is reflected in the employment structure (Pereira, 2016; Schuller & Lidbom, 2015).Therefore, the comparison of economic activity, employment and unemployment indexes in the group of developed countries of the Organization for Economic Co-operation and Development (OECD) and those in Kazakhstan is less important for the assessment of the real problems of economic development and the determination of the strategic goal and objectives of the state in the sphere of employment than the calculation of rankings is.

METHODOLOGY

The research methodology is based on the quantitative analysis. It was conducted by 5 economic indicators: employment elasticity, structural shifts in employment, number of self-employed persons, percentage of people engaged in small business, dynamics and structure of unemployment.

The calculations are based on the information of the Agency on Statistics of the Republic of Kazakhstan, Analytical Report of DAMU Research Group (2015), Eurostat data and Development Co-operation Report (2016).

The qualitative analysis involved the comparison of aforementioned indicators observed in Kazakhstan and member states of the OECD.

Obtained data served as the basis for determination of tendencies relating to the employment issues in the RK.

RESULTS

Since the production of the gross domestic product in the country affects employment, the term "Employment elasticity" is used to determine the extent of such an effect; this term characterizes the percentage of employment increase per 1% of gross regional product (GRP) growth (Table 1).

Table 1
EMPLOYMENT ELASTICITY IN THE REPUBLIC OF KAZAKHSTAN IN TERMS OF GRP PER CAPITA*

	Growth rate, 2011-2015, %	Average annual employment elasticity, %/%
GRP per capita, thousand tenge	25.7	-
Number of people employed in the economy, thousand persons	3.74	3.74/25.7=0.15

* Calculated according to the data provided by the Agency on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

The number of persons employed in the economy was 8463.385 thousand persons as of the first quarter of 2017, which was 0.7% greater than last year.

During 2011-2015, employment grew by 0.15%, which is indicative of a significant involvement of the economically active population in the labour market, when compared to the economic revival period after 2000 (Dodonov, 2011).

The highest percentage of employment among OECD member-states in 2017 was registered in Iceland (82.2%), Switzerland (79.8%), Norway (75.33%) and Sweden (74.9%). In Germany, the number of employed people as of the start of 2017 exceeded 43 million persons, which is the best result in the last 24 years. In the USA, the percentage of people of working age, employed or at least looking for employment grew by 0.1% (up to 62.7%). The lowest employment indexes among OECD member-states were registered in Greece (49.4%), Turkey (49.5%), Italy (56.5%), Spain (56.8%) and Mexico (60.4%) (OECD, 2016).

The dynamic of the "Structural shifts in employment" index is also important for the diagnostics of the economy's development course. The structure of employment by types of economic activity is a criterion that allows classifying a country as one with a post-industrial economy.

In European Economic Community (EEC) member-states, the percentage of all persons employed in the service sector is 70.1% on average (Eurostat, 2016). Presently, only in Germany and Japan the percentage of people employed in the industrial sector is ¼ of all employed persons. At that, an average of 4.3% of the population in OECD member-states is employed in the agrarian sector (Analytical Report of DAMU, 2015).

According to information as of the 1st quarter of 2017, 16.2% of the employed population in Kazakhstan is engaged in agriculture, forestry and fishery. In the USA, for instance, this figure was only 3%. This reflects a relatively high level of involvement of people in the Republic of Kazakhstan in the agricultural sector, about 87% of which is comprised by private household farms (the owners whereof have the status of self-employed persons). However, if these figures are compared with the data for the last five years, one can see a decline in the employment of the population in agriculture by 10.3%. Declines are also found in activities related to real estate. For instance, the number of persons employed in this sector dropped by 0.61% from 2011 to 2017.

At the same time, the employment structure showed an increase in the types of activities that are typical for innovative and information economies – manufacturing industry (+0.45%), construction (+0.17%), finance and insurance (+0.88%), as well as in areas responsible for the quality of human capital: education (+1.96%) and healthcare (+0.72%). Employment in state administration has also increased (+1.03%).

In general, in terms of its quantitative parameters, the service sector corresponds to the lower boundary of similar types of activities in developed countries.

The dynamic of population employment in the Republic of Kazakhstan in these and other industries is presented in Table 2.

Table 2
CHANGES IN THE LABOR SUPPLY SPHERES IN 2011–1ST QUARTER OF 2017

Changes in the labour supply spheres in 2011–1st quarter of 2017	Changes in the labour supply spheres in 2011–1st quarter of 2017	Changes in the labour supply spheres in 2011–1st quarter of 2017
Agriculture, forestry and fishery	2 196.1	1 372.7
Production	960.3	1 110.4
Mining and quarrying	206.8	275.5
Manufacturing	542.2	588.7
Power, gas, steam supply and air conditioning	146.7	164.5
Water supply; sewage, waste collection and distribution management	64.6	81.7
Construction	614	640.6
Wholesale and retail trade; car and motorcycle repairs	1 233.7	1 298.3
Transport and warehousing	546.3	609.7
Accommodation and catering services	122.5	155.5
Information and communication	125.7	155
Finance and insurance	119.2	196.2
Real estate management	135.6	86.6
Professional, scientific and technical activity	179.4	235.1
Administrativeandmaintenance services	170.4	239.6
State administration and defense; compulsory social security	391.9	487.3
Education	851.5	1 033.9
Healthcare and social services	392.4	460.5
Art, entertainment and recreation	96.6	141.7
Other services	142	240.2
Household farms that hire servants and produce commodities and services for own use	23.9	-
Exterritorial organizations and agencies	0.1	-
Total number of employed persons	8 301.6	8 463.4

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

The next significant factor is the “Number of self-employed persons”. The dynamic of this indicator allows assessing the level and quality of the population’s involvement in the production of tangible and intangible values.

In the 1st quarter of 2017, self-employed persons accounted for 26.3% of the population. From 2011 to 2015, the number of self-employed persons in the Republic of Kazakhstan dropped by 391,357 persons. At that, the most significant reduction in the last five years is registered in

activities related to real estate management (-63.8%), education (-54.3%), healthcare and social services (-49.8%), agriculture, forestry and fishery (31.3%).

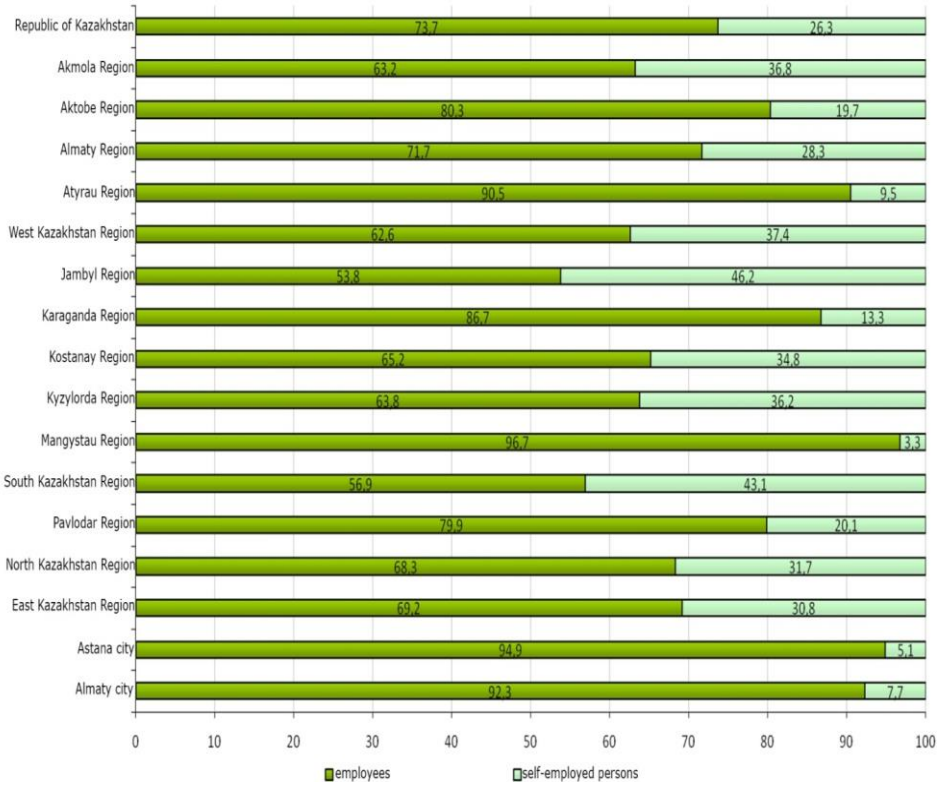
The level of self-employment increased in such fields as construction, transport and warehousing and accommodation and catering (Table 3).

Table 3
CHANGES IN THE LEVEL OF SELF-EMPLOYMENT IN 2011-2017 (BY ECONOMIC SECTORS)

Economic activity	**2011, persons**	**2017, persons**
Agriculture, forestry and fishery	1591287	1094333
Production	40028	38002
Mining and quarrying	-	-
Manufacturing	40028	37279
Power, gas, steam supply and air conditioning	-	-
Water supply; sewage, waste collection and distribution management	-	723
Construction	140254	198821
Wholesale and retail trade; car and motorcycle repairs	603543	586191
Transport and warehousing	148508	219607
Accommodation and catering services	31143	36114
Information and communication	6431	6373
Finance and insurance	1872	1580
Real estate management	27492	9958
Professional, scientific and technical activity	7730	7997
Administrative and maintenance services	4091	3174
State administration and defense; compulsory social security	-	-
Education	19842	9071
Healthcare and social services	14325	7188
Art, entertainment and recreation	12103	10403
Other services	57752	100054
Household farms that hire servants and produce commodities and services for own use	13822	-
Exterritorial organizations and agencies	-	-
Self-employed persons, total	2720223	2328866

Source: Agency of Statistics of the Republic of Kazakhstan, 2016; Analytical Report of DAMU, 2015

The largest percentage of self-employed persons was registered in the Jambyl, South Kazakhstan and West Kazakhstan Region (46.2%, 43.1% and 37.4%, respectively) (Figure 1).



Source: Agency of Statistics of the Republic of Kazakhstan, 2016

FIGURE 1
EMPLOYMENT STRUCTURE BROKEN DOWN BY REGIONS OF THE REPUBLIC OF KAZAKHSTAN, 1ST QUARTER OF 2017

The high percentage of self-employed persons is typical for regions where a large percentage of the population is engaged in agricultural or related types of economic activities. The Mangystau and Atyrau Region, which have the smallest percentage of rural population, have a smaller percentage of self-employed persons.

The growing number of self-employed persons in the rural area is attributed to the simplification of tax regulations, support of the agro-industrial sector at the national and regional levels and programs for microcredits and financial aid for businesses.

The growth of self-employment in the rural area in conditions of small-scale rural economies fails to increase income significantly while also preserving poverty.

As of the start of 2017, the percentage of self-employed persons in OECD member-states was:

- 6-12% in the USA, Luxembourg, Denmark, Sweden, Estonia;
- 13-15% in Great Britain, Belgium, Slovakia, the Netherlands;
- 16-22% in Portugal, Poland, Spain.

One of the highest percentages of self-employment (about 32% of the employed population) was registered in Greece (OECD, 2016).

Most self-employed persons are concentrated in trade, hotel business and public catering. The maintenance of this percentage is facilitated by the spread of franchising and subcontracted forms of production organization in these spheres. Over the course of the last 30 years, the highest rates of self-employment growth have been registered in fields with a high percentage of skilled labour, including business and social services.

The "Percentage of persons engaged in small business" is a sign of a modern mobile economic system, since small business provides for its flexibility and adaptability to the requirements of the market and is a form of employment that reduces the level of poverty.

In OECD member-states, the percentage of persons engaged in small business ranges from 50% to 90%. Alongside traditional types of activity (public catering, trade, hotel business, transport, etc.) the percentage of small businesses that deliver insurance, realtor and recreation services has increased over the last 20 years. A significant percentage of modern small business is comprised of small companies that operate in the field of high technologies on commission from large manufacturing corporations (OECD, 2016). For comparison, in the Republic of Kazakhstan, small business is developing primarily in the commercial sphere (Pavlova & Ramazanova, 2016).

The number of registered small business entities in Kazakhstan as of July 1, 2017 was 1,264,676. The ranking of cities and regions, presented in Table 4, shows that the largest percentage of small business is found in the economies of regions with a high level of self-employment (highlighted in grey). This is caused by the specificity of agricultural production in the Republic of Kazakhstan, where only several large agro-industrial corporations exist, while most economic entities are small companies and cooperatives. The situation was the same five years ago (Table 5).

Table 4
NUMBER OF REGISTERED SMALL BUSINESS ENTITIES AS OF JULY 1, 2017, BROKEN DOWN BY REGIONS

Region	Number of entities
Akmola	51,116
Aktobe	50,362
Almaty	154,897
Atyrau	47,464
West Kazakhstan	34,104
Jambyl	60,605
Karaganda	86,028
Kostanay	58,607
Kyzylorda	39,717
Mangystau	48,073
South Kazakhstan	177,452
Pavlodar	44,800
North Kazakhstan	28,001
East Kazakhstan	101,128
Astana city	103,340
Almaty city	178,982
Total	1,264,676

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

Table 5
NUMBER OF REGISTERED SMALL BUSINESS ENTITIES IN 2011, BROKEN DOWN BY REGIONS

Region	Number of entities
Akmola	32,598
Aktobe	35,570
Almaty	113,368
Atyrau	31,012
West Kazakhstan	27,583
Jambyl	39,727
Karaganda	55,855
Kostanay	42,298
Kyzylorda	21,574
Mangystau	27,593
South Kazakhstan	135,262
Pavlodar	31,321
North Kazakhstan	24,705
East Kazakhstan	75,196
Astana city	49,001
Almaty city	94,420
Total	837,083

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

The number of persons employed in small business in the Republic of Kazakhstan according to the results of the 1st quarter of 2017 was 2,767,127 (Table 6). This sector employs 30.5% of the total number of economically active persons and 32.1% of the total number of persons employed in the country's economy.

Table 6
NUMBER OF PERSONS EMPLOYED IN SMALL BUSINESS AS OF THE 1ST QUARTER OF 2017, BROKEN DOWN BY REGIONS

Region	Number of persons
Akmola	112,385
Aktobe	116,712
Almaty	266,062
Atyrau	106,396
West Kazakhstan	88,866
Jambyl	119,897
Karaganda	199,483
Kostanay	131,000
Kyzylorda	71,795
Mangystau	89,697
South Kazakhstan	306,272
Pavlodar	116,725
North Kazakhstan	82,030

East Kazakhstan	210,294
Astana city	251,398
Almaty city	498,117
Total	2,767,127

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

The general index increased by more than 1.5 times versus 2011 (Table 7). At that, the number of active small business entities in 2011 was 837,083.

Table 7
NUMBER OF PERSONS ENGAGED IN SMALL BUSINESS IN 2011, BROKEN DOWN BY REGIONS

Region	Number of persons
Akmola	72,753
Aktobe	69,476
Almaty	212,272
Atyrau	55,222
West Kazakhstan	58,554
Jambyl	99,066
Karaganda	134,973
Kostanay	88,703
Kyzylorda	37,278
Mangystau	46,762
South Kazakhstan	249,567
Pavlodar	80,845
North Kazakhstan	57,747
East Kazakhstan	162,797
Astana city	98,902
Almaty city	212,834
Total	1,737,751

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

It is worth noting that a significant part of entrepreneurs is engaged in the trade of goods of foreign manufacture, which does not help to increase the competitiveness of domestic companies. To remedy this situation, a Program of Anti-Crisis Measures to Stabilize the Socioeconomic Development of Kazakhstan has been drafted. One of its five directions is to provide state support to small business, in particular:

- By reducing the shadow economy;
- By giving small businesses non-profile functions of enterprises and joint-stock companies with state participation;
- By creating and maintaining the sustainability of infrastructure systems based on a cluster-network approach;
- By involving entrepreneurs in the innovative economy;
- By removing administrative barriers (“Kazakhstan-2050” Strategy).

The “Dynamics and structure of unemployment” characterizes the general economic context of the country’s development on the one hand and the activity of the state service that helps citizens in employment and retraining on the other hand.

The average level of unemployment in EEC member-states was 6% as of July of 2017 (Eurostat, 2016). In 35 OECD member-states, this index was 6.3% on average, which is 1.8% lower than the maximum level registered in January of 2013.

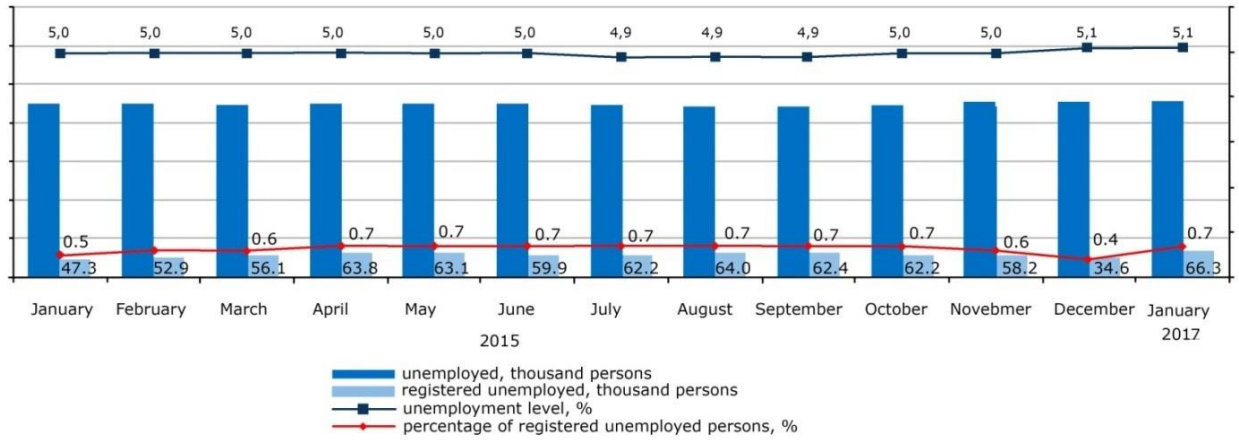
In Switzerland, the level of unemployment as of 2017 was 4.3%, which was significantly lower than the average index of OECD member-states. Only in Germany was this index lower – 4.2%.

In total, in OECD member-states, including Latvia, 38.8 million persons are unemployed. The largest reduction was registered in Spain (up 19.8%). At the same time, unemployment indexes dropped in Austria (to 6.1%), Belgium (8.4%) and Latvia (9.7%).

Outside Europe, the most significant reduction of unemployment is registered in the USA–by 0.3% (to 4.7%). The level of unemployment also reduced in Canada (to 6.9%) and remained stable in Japan (3.2%).

In Italy, Spain, France, Belgium and Finland, the highest rate of unemployment is found among young people: it exceeds the index for the main working age by more than two times (OECD, 2016).

In January of 2017, the number of unemployed persons was 457.6 thousand persons, while the level of unemployment was 5.1%. Labour offices had 66.3 thousand registered persons by the end of January of 2017, which was almost two times more than in the previous month. The percentage of registered unemployed persons was 0.7% of the economically active population. It is worth noting that in December of 2015, the number of unemployed was 455.8 thousand persons. An increase in the number of unemployed persons has been registered in the Republic of Kazakhstan since September of 2015 (Figure 2).



Source: Agency of Statistics of the Republic of Kazakhstan, 2016

FIGURE 2
LABOR MARKET INDEXES IN THE REPUBLIC OF KAZAKHSTAN IN 2015-2017

The level of youth unemployment (aged 15-28) in 2011-2017 dropped by 1.8%, but remained high. This is caused by a disproportion of supply and demand on local labour markets and intra-regional migration of young people from rural areas into cities, which not always ends in employment.

Long-term unemployment, similar to the previous year, was 2.4% (Table 8). This is partially related to the regulations that require people who wish to receive social aid to register in employment centres.

Table 8
COMPARISON OF UNEMPLOYMENT INDEXES IN KAZAKHSTAN IN 2011 AND AS OF JANUARY 1, 2017, %

	2011	2017
Unemployment level, %	5.4	5.1
Youth unemployment level (aged 15-28), %	6.1	4.3
Long-term unemployment level, %	2.1	2.4

Source: Agency of Statistics of the Republic of Kazakhstan, 2016

DISCUSSION

Analytics affirm our thesis economic competitiveness can be partially optimized by the increase of employment opportunities (OECD, 2016). For example, the textile, garment and footwear industries are considered as a salvation for low-income countries in terms of trade, gross domestic product (GDP) and employment. At the same time indicated fields of economy operate on specialize margins and short-term contracts, contributing to downward price pressures and reducing the business incentive for investing in social reformation.

Can note Bonoli & Mouline (2012) claim changes in the structure of production in OECD countries have led to a sharp decrease in good quality low skill jobs. The result is that presently low skill individuals can find employment mostly in the low value added service sector. In this labour market segment, jobs tend to be low paid and have low social status. Furthermore, they are in insufficient numbers to avoid mass unemployment and joblessness among the low skilled.

Furthermore, the large part of OECD member countries implemented last structural reforms either by the governmental programs focused in reducing the costs of dismissals and forcing downward wage adjustments in the middle of a recession, rather than on removing structural impediments to productivity growth in poorly regulated labour markets (Boer & Jimeno, 2015).

However, the implementation of OECD standards is considered by the government of the Republic of Kazakhstan a priority course in solving employment problems. For instance, a draft of a new law “On Employment” offers to change the methodology for defining the status of “unemployed” (Nurgalieva, 2015). Presently, the economically active population includes hired workers, self-employed and unemployed citizens; according to the new law, it will include persons who manufacture products for sale and gain income, as is the case in most European countries. This system should exclude the formal registration of a person as an unemployed.

Furthermore, the new Labour Code of the Republic of Kazakhstan (2015) simplified procedures for introducing the system of self-management of labour collectives changing the conditions of the employment contract with minimal state participation. It is assumed that the liberalization of labour relations will help remove barriers to the enlarge flexibility of the labour market, create new jobs and productive employments (Bidakymetov, 2016).Mentioned measures also can be examined as a means of reducing precarization in Kazakhstan, which is presently typical for low-skilled workers as well as for education sector and civil servants (Jumambayev, 2016).

Considering the practice of advanced economies it is possible to identify three main models of employment policy. The American model implies the creation of jobs that do not require high productivity for the majority of the economically active population. This reduces unemployment rates, but increases the number of persons with low income (Kerlin, 2006).

On the contrary, the European model implies a reduction of the number of employed persons with subsequent improvement of labour effectiveness and increase in the income of workers. This approach requires a creation of an expensive system of unemployment benefits.

The Scandinavian model is based on providing employment to virtually all workers by creating jobs in the state sector with average remuneration levels. This policy relies primarily on state funds, a shortage whereof causes a decline in production, which, in turn, leads to dismissal of a considerable number of workers (Simonazzi, 2009).

Can add the small Nordic labour markets also seem to reflect high levels of labour mobility, with wage floors set through centralized parleys (Svalund, Saloniemi & Vulkan, 2016). This limits low-wage competition and supplants companies with low productivity. The reallocation of labour occurs within labour markets with high employment levels supported by generous social policies. This combination of labour market flexibility with dependable social security has been defined as 'flexicurity'. Currently such a tendency is uncommon for most transition economies, including Kazakhstan (Khassenov, 2016).

At the same time the RK is defined as a country that maintained public employment services and passive and active labour market programs, but its funding is transferred from insurance-based sources to taxation sources administered within general budget (Kuddo, 2009).

CONCLUSION

To sum up, the number of persons employed in the country's economy in the Republic of Kazakhstan was 8,463,385 thousand persons in the 1st quarter of 2017. This exceeds the indexes of most OECD member-states.

In 2011-2015, the employment rate in the country grew by 0.15%, which is indicative of a considerable involvement of the economically active population in the labour market. However, the percentage of persons engaged in agriculture (16.2% in Kazakhstan versus 4.3% in OECD member-states on average) is indicative of an insufficient level of development of the service sector, which is not typical for economies of developed states.

At the same time, the employment structure displays a positive dynamic of involvement in spheres that are responsible for the quality of human capital: education (+1.96%) and healthcare (+0.72%).

In OECD member-states, the self-employment rate ranges from 6% to 22%. In the Republic of Kazakhstan, the percentage of self-employed persons has dropped by 14.4% from 2011 to 2015 and is currently 26.3%. The higher percentage of this category of workers is typical for districts, where most people are engaged in agriculture or related types of activity. For instance, the Mangystau and Atyrau Regions of the Republic of Kazakhstan have the smallest percentage of self-employed persons. At the same time, it is worth noting the increase in the level of self-employment in such fields as construction, transport and warehousing. In the rural area, the availability of private household farms qualifies a person as self-employed, which does not prevent such a person from gaining income that is below the poverty threshold and seeking social aid. This situation preserves poverty.

It was found that the economies of regions with a high percentage of self-employed persons also have the highest percentage of small businesses. In OECD member-states, the percentage of persons engaged in small businesses ranges from 50% to 90%. In Kazakhstan, 32.1% of the total number of persons employed in the country's economy is engaged in this sector.

The average unemployment rate in OECD member-states is 6.3%. In the Republic of Kazakhstan, it is 5.1%. The youth unemployment rate in Kazakhstan as of 2017 was 4.3%, which was 6-7% lower than in Italy, Spain, France, Belgium and Finland (where about 40% of young people are unemployed).

As a result, the dynamic of the five economic indicators and their comparison to those of OECD member-states allowed concluding that the employment structure of Kazakhstan does not meet the standards of post-industrial countries.

The following aspects should be regulated:

- Poor skills (or lack thereof) of young people and uncontrolled intra-regional migration of young people from the rural area into cities, which affects the growth of youth unemployment;
- Significant disproportion of supply and demand on local labour markets;
- The branch structure of small business, which shows its development in the commercial sphere, rather than in manufacturing, the service sector or small innovative activity;
- Microcredit programs than increase the involvement of entrepreneurs in the sales of goods of foreign manufacture, which reduces the competitiveness of domestic companies;
- Increase in employment in state a Kazakhstan dministration, which is indicative of systematic non-performance of tasks related to the optimization of the number of government employees;
- Gaps in the legislative framework that negate the effectiveness of the labour market forecasting system.

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