Improving the mechanism of implementation of effective employment policies at the regional level

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State employment policy is the expression of the constitutional rights of citizens of a social state to the free use of their abilities for entrepreneurial and other economic activities, including the free disposal of their abilities to work and the choice of activities.

The formation of a socially oriented market economy requires an interconnected active socio-economic policy not only at the republican, but also at the regional levels. The merit of many regional administrations was that, to the best of their abilities and because of their special proximity to the population and enterprises, they tried to reduce the negative social consequences of crisis phenomena in the economy. The article discusses the main directions of implementation of the state policy of the Republic of Kazakhstan in the field of employment promotion. The article also discusses the problematic aspects of the implementation of this policy and made recommendations for improving the state economic policy in the context of increasing the general level of employment and fighting unemployment.

Keywords: unemployment; employment; employment policy; labor resources; labor market.

Introduction

Constant maintenance of a certain level of employment is a difficult problem for any country, including those with centuries-old market traditions. It is believed that in the field of employment the market cannot have an automatic influence on the process of self-regulation. Therefore, in all countries of market orientation, an employment policy is pursued on the basis of the use of permanent, flexible in terms of forms and means of influence on employment. Ensuring more complete and effective employment of the population is one of the most important tasks of any democratic society.

Modernization of employment and remuneration policies, improving the quality of human capital, comprehensive support for entrepreneurship, ensuring targeted social support are identified as development priorities in accordance with the «Kazakhstan-2050» Strategy and the Concept for Kazakhstan to become one of the 30 most developed countries in the world.

Goals of article

The goal of the article is to consider the main aspects of the implementation of an effective labor market policy to ensure employment and reduce unemployment.

Methods

The methodological basis for writing the article consists of the following general scientific approaches: systemic, dialectical, historical-logical, structural-functional analysis, which allowed to consider the regional employment policy as a complex, integrated, developing system.

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Fundings and discussion of the study

State employment policy should address two main issues:

Firstly, the satisfaction of the labor needs of a functioning investing capital. Vigorously and profitably functioning capital is the best evidence of efficient use of labor; Secondly, providing jobs for the working population as a condition for the normal existence of people. Caring for the welfare of the population is a traditional function of the state.

Since independence, Kazakhstan has made significant progress in socio-economic development and has moved into the group of countries with income levels above average. This steady growth has significantly reduced the level of poverty, has provided a significant part of the population with more productive jobs, improved the well-being of people, increased labor productivity and reduced the number of unemployed and people engaged in unproductive work, especially in rural areas.

The policy of the Kazakhstan state in the field of employment is carried out in the following areas:
- ensuring equal employment opportunities for all citizens of the country, regardless of gender, nationality, age, social status and religion;
- observance of voluntary labor, free will of citizens when choosing a type of employment;
- providing social protection in the field of employment;
- support for the independence of the regions when conducting centralized state activities in solving employment problems;
- support of labor and business initiatives of citizens carried out within the framework of the rule of law;
- coordination of activities in the field of employment with other areas of government activity - economic and political, including social security, regulation and income distribution;
- encouraging employers to create new jobs;
- international cooperation in solving employment problems. [1]

In this context, it is possible to single out the following main tasks facing the state in the labor market: firstly, achieving such a relationship between labor supply and demand, as well as its active and reserve parts; which, on the one hand, ensures the necessary standard of living for the majority population, on the other hand, effective incentives to work remain.

Secondly, the formation of the optimal professional-sectoral, skilled educational and geographical labor mobility, which creates prerequisites for improving the efficiency of the entire market economy.

Thirdly, the need to integrate Kazakhstan into the international division of labor, which implies active international competition in the field of production, science and technology, management organization.

The state in the labor market should implement a system of measures aimed at influencing the quantitative and qualitative aspects of the development and consumption of workers, achieving a greater fit of their professional training to the modern level of production. In addition, at present, new contradictions have appeared, such as contradictions between the achieved level of education and the qualifications of the majority of workers and the impossibility of using them in the economic downturn, changing the status from «fully and always busy» to «possibly unemployed», increased competition between individual groups of able-bodied by sex and age, position in the hierarchical system of Kazakhstan society.

The process of regulation of the labor market by the state involves deliberate and systematic actions that minimize the negative aspects of the market mechanism. This is due to the fact that in Kazakhstan in the system of relations between employers and employees, the state is constantly present, which, in turn, is also a major employer.

In particular, a substantial part of the working-age population is employed in the public sector, the state regulates the conditions of employment and dismissal of workers in the non-state sector, in addition, there is a relationship between the state and the population regarding employment, training, relocation and social security. The impact on the reproduction and use of labor resources occurs through special institutions (ministries and departments), which are vested with the executive power of regulatory functions and the right of control and, moreover, dispose of certain financial and material resources. [2]

There are two main areas of government activity in the labor market, namely: social and economic. The first one includes measures regulating the quantitative relations between the demand and supply of labor, containing the growth of unemployment, aimed at studying the situation on the labor market, as well as the employment of certain categories of workers. The second is a set of measures to influence the quality of labor resources, their proportions, professional development and productive consumption. At the same time, it is necessary to emphasize the dynamism of state regulation in the labor market, when each stage of development of Kazakhstan’s society or economic cycle corresponds to a specific economic policy.

Since 1991, the regulation of employment and the labor market in Kazakhstan has mainly been carried out in the form of special employment programs, including a poverty reduction program, an employment program, and a regional employment strategy. The measures taken during the implementation of these programs, in general, had a positive impact on the situation on the labor market and the stabilization of the unemployment situation.

However, despite the positive results, one of the problems of the domestic structure of employment remains a high proportion of self-employed with low incomes. Starting from 2012, in Kazakhstan, after testing several pilot projects, the implementation of the Employment 2020 Program began a year earlier, which aims to increase incomes of the population by promoting sustainable and productive employment, by increasing the labor activity of the population, and organizing employment in the real sector of the economy.

The program «Employment – 2020» as the main lever to increase employment of the population is designed to solve the following tasks:
- involvement in productive economic activity of self-employed, unemployed and low-income population;
- development of human resources for the implementation of the program of accelerated industrial-innovative development;
- improving the system of social assistance.

The program is aimed primarily at training, employment, assistance in organizing their own business at the place of residence, and in the absence of such opportunities, the promotion of voluntary relocation to the points of economic growth.

In December 2012, in order to improve the mechanisms for the implementation of the Employment Program 2020, a decree of the Government of the Republic of Kazakhstan made appropriate changes and additions to the existing Program. The logical continuation of the «Employment 2020» Program was the «Employment Roadmap 2020» adopted in 2013, the main task of which is to promote an increase in the well-being of the population through the organization of sustainable and productive employment and the reduction of unemployment.[3]

The following tasks are aimed at achieving this goal:

1) involvement of self-employed, unemployed and persons belonging to target groups of the population in active employment promotion measures;

2) development of personnel potential, including for the implementation of the State program on the forced industrial-innovative development of the Republic of Kazakhstan;

3) improvement of the system of targeted social assistance.

The current state of employment in Kazakhstan in general is characterized by the following main features:

- insufficient development of institutional and legal provision of employment, which leads to the persistence of conflicts in the labor market;

- the prevalence of inefficient employment, which is expressed by the large scale of under-utilization of working time, low labor productivity, reduction in the total number of workers of the proportion of people employed in high-tech and knowledge-intensive activities;

- lack of an efficiently functioning market mechanism of labor resources, adequate to macroeconomic transformations;

- loss of qualifications by highly qualified personnel due to the lack of a real link between income and the level of professionalism of workers, their overflow to informal employment, migration abroad;

- the growing gap between demand and supply of skilled labor;

- deterioration of the quality characteristics of existing jobs and the slow creation of new ones;

- an increase in injuries and the number of occupational diseases due to the growing share of jobs with unfavorable working conditions;

- the aggravation of the problems of employment of certain socio-demographic groups of the population: youth, disabled, women, retired military personnel, etc.;

- the preservation of the production of large-scale hidden unemployment, the expansion of labor supply in the black-market sphere of employment;

- lack of flexibility in responding to changes in demand for labor by the vocational education system;

- the presence of spontaneous labor migration of labor within the country;

- slow integration of immigrants - oralmans in their historic homeland;

- poor development of housing market accessibility, which impedes the flexible movement and use of the economically active population;

- the inability to accelerate the retraining of the unemployed in the required specialties;

- the direction of large flows of labor migration from the CIS countries (primarily from Kyrgyzstan and Uzbekistan) to Kazakhstan;

- a significant amount of illegal labor migration and the absence of mechanisms for the return of migrant workers illegally staying on the territory of Kazakhstan to their places of permanent residence;

- lack of a unified automated information database on employment issues.[4]

As can be seen, in addition to the structural problems associated with the insignificant capacity of the labor market, there remain unresolved problems related to the provision of high-quality jobs, a high proportion of unproductive self-employment, shortcomings in vocational training, access to business and territorial imbalances in the labor market.

In order to solve the remaining problems in the labor market and take additional measures to raise the standard of living of the population, the Head of the State was tasked by the Government to stimulate mass entrepreneurship and provide employment.

In this regard, the Program of development of productive employment and mass entrepreneurship for 2017-2021 «Enbek» was adopted. The program is focused on the creation of an effective system of obtaining skills and qualifications in demand on the labor market, the development of mass entrepreneurship, the creation of an effective model of labor mediation, including support for socially vulnerable groups of the population.[5]

The presence of an established state employment policy makes it possible to characterize its various aspects, which make it possible to take them into account when adjusting existing programs and drawing up new programs for the future. Strengths in the formation of the state employment policy of the population can be considered:

- the presence of established and legislatively fixed conceptual approaches to the organization of employment and labor;

- activation of employment policy on the basis of stimulating the development of entrepreneurship;

- growth of investments in the development of human capital, in particular in the system of professional educational activities;

- decentralization of problems of regulation and employment of the population;

- development of microcredit for the poorest segments of the population in order to stimulate entrepreneurial activity;

- the presence of the constitutional obligations of the state to establish a minimum amount of assistance to the most socially vulnerable strata of society;

- comprehensive consideration of factors that can influence the state employment policy.
- the active nature of state policy in the labor market, focused on mitigating the impact and effects of the global economic crisis;
- expansion of vocational training programs for the unemployed;
- fundamental commitment and understanding of the need to solve the problems of employment at all levels of the executive power;
- implementation of state programs aimed at preventing the growth of youth unemployment.

At the same time, ignoring the weaknesses and ignoring the consequences of their negative impact on the current situation can undoubtedly become a serious obstacle in solving the task of the economic efficiency of employment programs. These weaknesses can be considered:
- low efficiency and effectiveness, in terms of employment, the technical and vocational education system in the region. The lack of responsibility for the qualitative formation of the state order, the responsibility for the employment of graduates assigned to educational organizations are the main reasons for the current situation;
- relationship with employers in the preservation of old and the creation of new jobs on the basis of agreements and memorandums, weak motivation and lack of economic incentives for employers;
- the weak focus of measures on the organization of public works to obtain economic results, and with them the restriction of the types and sources of financing public works;
- the lack of development of the policy of forming the population’s standards of behavior in case of social risks associated with the loss of work, disability and income;
- the lack of financial instruments that encourage investment in pension fund depositories; - the weak focus of measures on the organization of public works to obtain economic results, and with them the restriction of the types and sources of financing public works;
- the lack of development of the policy of forming the population’s standards of behavior in case of social risks associated with the loss of work, disability and income;
- the lack of financial instruments that encourage investment in pension fund depositories;
- poor consideration of the quality of labor skills of migrants in the formation of resettlement programs from areas with low economic potential. In this regard, taking into account the strengths and weaknesses of the state policy on the labor market allows for the formation of new directions to anticipate and opportunities from its implementation:
- sustainable economic growth, which is ensured by a high level of investment in human capital;
- mitigation of the negative impact of the global economic crisis, neutralization of negative social effects;
- the economic effect of the expansion of the types and forms of paid public work for the unemployed;
- an increase in segments of the economy, involving the active use of labor in the framework of public works;
- implementation of state measures to increase labor mobility of the population;
- development of small business and individual entrepreneurship;
- mainstreaming gender in the labor market;
- the redistribution of state social expenditures in favor of the groups that are most discriminated in the labor market;
- implementation of the developed program for locating productive forces in regions with high economic potential.

[6] The current economic situation in the world does not allow not to take into account the consequences of the economic crisis, which has a devastating impact even on the economies of developed countries. This gives grounds for the need to anticipate threats from non-realization of the main directions of state policy in the labor market:
- the continuing low level of wages in certain types of economic activity;
- uncontrolled growth of hidden, illegal employment, employment of the population in the shadow sector of the economy;
- increase in the number of people unemployed by labor activity with a long period of unemployment;
- unregulated migration of the rural population to regions with high economic potential;
- evasion of a significant part of the population in participation in the accumulative pension system;
- insufficient targeting and accessibility of state measures for the organization of employment;
- lack of awareness of citizens in need of employment about measures taken by the Government of the Republic of Kazakhstan to improve the situation on the labor market.

Based on the above-mentioned aspects of the formation of state policy in the labor market, it is possible to form the following strategic directions of the concept:
- further development of the vocational training system;
- increasing the economic efficiency of professional retraining programs for the unemployed in the region;
- State policy on the labor market can be effective only when it relies on the goals of ensuring productive employment of the population. This goal can be achieved only through ensuring the growth of the quality of human resources, which, ultimately, will have a positive impact on the effectiveness of the entire system of social protection of the population.

In the context of the listed strategic areas, the following ways to improve their effectiveness can be identified:
- first, it is necessary to establish a system of comprehensive information to the public about the existing opportunities and planned directions for solving the employment problem;
- secondly, it is necessary to increase the responsibility of employers for the objectivity of the application for the required professions and their subsequent employment;
- thirdly, to increase the effectiveness of vocational training programs with a focus on productive employment of a significant part of the working-age population, ensuring stable incomes for the population and their increase;
- fourthly, to promote the activity of public organizations in the field of solving the employment problem;
- fifth, to increase the control over the qualitative composition of migration flows, the filtration of which will contribute to changing the attitude of Kazakhstanis towards migrant workers (oralmans) for the better.

The world practice of developing and implementing employment programs suggests that one of the reasons for
the low effectiveness of labor market policies is that such policies are only a set of short-term measures, while the problems to be solved are sustainable and long-term in nature and arise regularly, requires constant attention to them from the state.

Therefore, the domestic state policy on the labor market should have as its goal sustainable systemic measures aimed at a long-term period.

Conclusion

Summarizing the state policy measures on the labor market, the following main tasks facing the state can be highlighted:

First, the achievement of an optimal balance between the demand and the supply of labor, in which, on the one hand, a decent standard of living is provided for the majority of the population, and on the other, the effective incentives of the population to work are activated;

Secondly, the formation of the optimal qualified, educational, professional and sectoral as well as geographical mobility of labor resources, which creates objective prerequisites for improving the efficiency of the entire market economy.

Thirdly, the need for the active integration of Kazakhstan into the global system of division of labor, which implies international competition in the field of science and technology, production, organization of management systems.

The process of regulation of the labor market by the state involves targeted and systematic actions that neutralize the negative aspects of the market mechanism. This is due to the fact that in Kazakhstan in the system of relations between employers and employees, a special place is given to the mediation of the state, which, in turn, is also a major player in the labor market:

1) a substantial part of the working-age population is concentrated in the public sector;

2) the state determines the conditions of employment and dismissal of workers in the non-state sector;

3) there is a relationship between the state and the population of the country regarding employment, training and retraining, relocation, social security;

4) the impact on the reproduction and use of labor resources occurs through state institutions that are endowed with authoritative functions of regulation and control and, moreover, dispose of flows of certain financial and material resources.

References


