



# Youth employment problems in the labor market of Kazakhstan

## Problemas de empleo juvenil en el mercado laboral de Kazajstán

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#### ABSTRACT:

This article examines the problems of employment in the Republic of Kazakhstan. Based on the materials of the Agency of the Republic of Kazakhstan on Statistics, an analysis of the unemployed population aged 15-24 was carried out, and the main obstacles to youth employment were identified. The causes of growing unemployment as well as its consequences for Kazakhstan were considered. The article examines the measures of state policy aimed at reducing the unemployment rate, including among youth.

**Keywords:** unemployment; youth unemployment in Kazakhstan; social protection

#### RESUMEN:

Este artículo examina los problemas de empleo en la República de Kazajstán. Sobre la base de los materiales de la Agencia de la República de Kazajstán sobre estadísticas, se realizó un análisis de la población desempleada de 15 a 24 años, y se identificaron los principales obstáculos para el empleo juvenil. Se consideraron las causas del creciente desempleo, así como sus consecuencias para Kazajstán. El artículo examina las medidas de la política estatal destinadas a reducir la tasa de desempleo, incluso entre los jóvenes.

**Palabras clave:** desempleo; desempleo juvenil en Kazajstán; Protección social

## 1. Introduction

The socio-economic modernization of the Republic of Kazakhstan based on accelerated industrial-innovative development will require specialists in the field of advanced technologies, informatics, biotechnology, space development and nuclear energy, where there is an advanced research base. These unsettled problems make it necessary to study the problems of providing employment for the population and, in particular, for working youth. Providing decent employment is the basis for social protection of the population, the most important condition for the development and realization of the potential of human resources as well as the main means of increasing social wealth and improving the quality of life. Currently, in the country young people who have no professional training experience the greatest difficulties in finding a job. Citizens aged 15 to 24 belong to a socially unprotected population group due to some circumstances, the main of which is the lack of a specialty or experience. Young people are one of the socially active segments of the population, which has important potential, thus, it is unacceptable to underestimate the role and place of young people in state development.

Young people, as a specific age group, experience difficulties in the modern Kazakhstani labor market due to the obstacles in the social, economic, legal and political spheres (e.g. discrimination in the labor market). Therefore, all measures should be taken in a comprehensive manner. The

fundamental factor in the formation of competitive young people is their high qualification and demand in the labor market of the national economy. The labor market as a basic element of the social sphere, which has a mechanism for effective employment of the population, is focused on combating unemployment. In recent years, there have been positive trends in providing employment for the population.

## 2. Results and Discussion

As known, youth represent a socio-economically active segment of the population, possessing great innovative and creative potential, although due to their age they do not have sufficient experience in this or that area of professional activity.

Unemployment is never evenly distributed among the population of any country. Therefore, one of the important aspects in its assessment is the definition of those population groups in which it is prevalent. The highest unemployment rate is observed among young people, women and elderly workers. Common to participants of these groups is that they all belong to marginal groups, and their employment may involve certain restrictions.

Of particular interest is the analysis of youth unemployment in the domestic labor market. Its necessity stems from two most important circumstances: first, young people make up about a third of the working-age population of Kazakhstan, and second, they are the future of the country.

Therefore, employment issues as well as support and development of the professional competitiveness of young people in the labor market are a very topical and strategic priority of the state policy of the Republic of Kazakhstan (Zhatkanbayev et al., 2014).

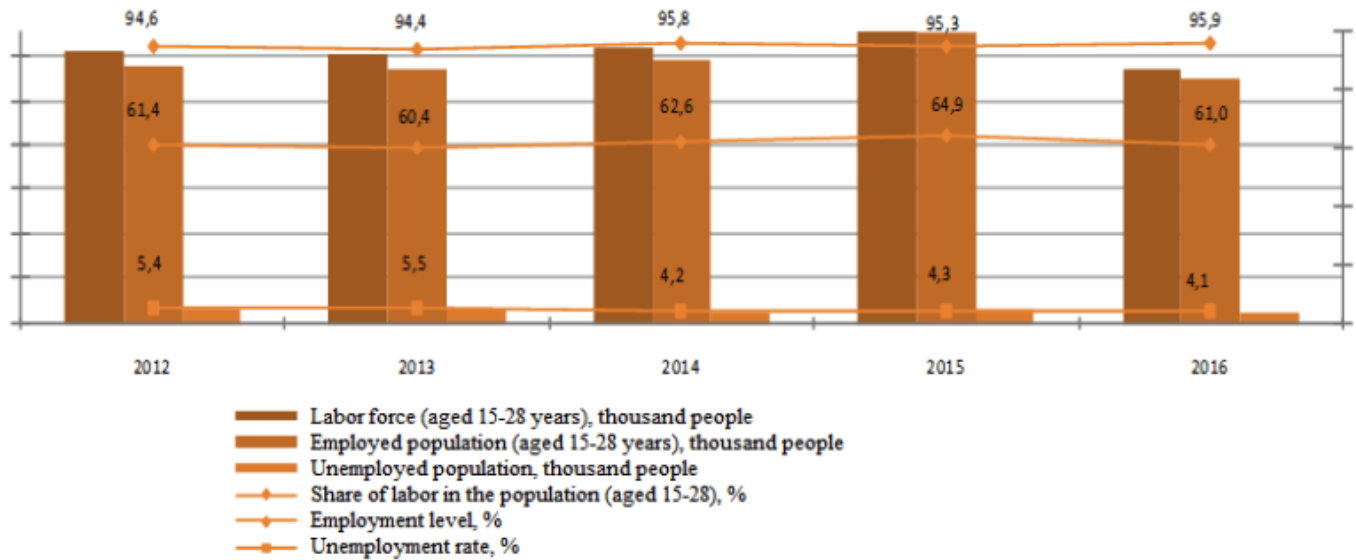
According to the Agency of the Republic of Kazakhstan on Statistics, the unemployment rate in 2016 was 5.0% of the economically active population, and 4.1% – among youth (Economic activity of the population of Kazakhstan, 2012). The number of the unemployed at the end of the year, according to estimates, was 445.5 thousand people. In total, according to the Agency of the Republic of Kazakhstan on Statistics, 8.5 million people were employed in the country's economy in 2016. Relative to last year, their number increased by 5,6 thousand people. According to the data, for the period under consideration from 2012 to 2016, there was a decline in the unemployment rate. If in 2012 the unemployment rate among young people (aged 15-24 years) was 5.4% of the economically active population, in 2016 this indicator was 4.1%, which indicates a decrease in unemployment by almost 1.3%, as evidenced by the data in Table 1 (Living standards of the population in Kazakhstan, 2017).

**Table 1**  
Composition and structure of the unemployed population of Kazakhstan in 2012-2016

Indicators	2012		2013		2014		2015		2016	
	people	%	people	%	people	%	people	%	people	%
Economically active population, people	8 981,9	1,7	9 041,3	71,7	8 962,0	70,7	9 074,9	69,7	8 998,8	70,0
Employed population, people	8 507,1	94,7	8 570,6	94,8	8 510,1	95,0	8 623,8	94,9	8 553,3	95,0
Unemployed population, people	474,8	5,3	470,7	5,2	451,9	5,0	451,1	5,1	445,5	5,0
The youth unemployment rate (aged 15-24 years), %	130,7	5,4	132,7	5,5	103,9	4,2	104,6	4,4	92,8	4,1

Similarly, the data on youth unemployment in the country is presented in Figure 1.

**Figure 1**  
Labor force of youth (aged 15-28)



Unemployment entails serious economic and social costs. One of the most significant consequences of unemployment growth is the full or partial loss of qualifications. The lack of demand for a sufficiently large labor potential of the younger generation has dangerous social consequences. Having work experience, preferably by occupation, is today one of the essential requirements for candidates. Accordingly, employers are often reluctant to hire young people who do not have work experience. Consequently, young people in Kazakhstan do not have not only work experience but also the opportunity to obtain such experience (Veselovskiy, 2014).

**Table 2**  
Composition and structure of the unemployed population of Kazakhstan by the level of education in 2012-2016

Indicators	2012		2013		2014		2015		2016	
	thous people	%	thous people	%	thous people	%	thous people	%	thous people	%
Unemployed, including those with an education:	474,8	100	470,7	100	451,9	100	451,1	100	445,5	100
higher education	103,7	21,8	100,7	21,4	123,8	27,4	116,7	25,9	124,9	28,0
incomplete higher education	22,3	4,7	30,6	6,5	15	3,3	14,7	3,3	9,3	2,1
secondary vocational education	131,8	27,8	146,9	31,2	151,8	33,6	150,2	33,3	159,7	35,8
basic vocational education	35	7,4	34,1	7,2	25,4	5,6	28,6	6,3	28,1	6,3
secondary	165,8	34,9	146,3	31,1	124,7	27,6	130,3	28,9	111	24,9

general education										
basic general education	15,8	3,3	10,8	2,3	9,7	2,1	9,3	2,1	11,5	2,6
other categories	0,3	0,1	1,2	0,3	1,5	0,3	1,2	0,3	0,9	0,2

As can be seen from Table 2, in 2016, compared to 2012, the number of the unemployed decreased from 451.1 thousand people to 445.5 thousand people, or by 0.1%. However, in the structure of the unemployed population by the level of education in the Republic of Kazakhstan, the share of the unemployed with higher education and with secondary vocational education tends to increase. If in 2012 the share of the unemployed people with higher education was 21.8%, in 2016 it amounted to 28.0%, and with secondary vocational education – 27.8% and 35.8%, respectively. Along with them, the unemployed are mostly people with secondary general education. Their share in the total number of the unemployed varies between 34.9 and 24.9%; these are mainly those who do not have a certain profession, with a low level of competitiveness in the labor market. It can be stated that a social group that is able to have a significant impact on the labor market in the near future is youth who are now receiving vocational education (Vukovich, 2017).

Young specialists, graduates of higher professional institutions, who are looking for a job for the first time, just like young people without education and specialties, are traditionally at risk, being one of the most problematic participants in the labor market (Nugerbekov, 2016). The main feature of this group is the existence of a contradiction between the socio-professional orientations of youth and the needs of enterprises, organizations and firms for the labor force. The imbalance between the volumes and profiles of specialists' training and the needs of the labor market in some cases exacerbates the employment problems of graduates of educational institutions (especially the commercial sector of vocational education).

At the same time, it should be noted that the unemployment rate among young people with secondary vocational education is significantly lower than that of graduates of higher education institutions. This is due to the fact that young people with a university diploma in many cases have inflated job requirements, especially in terms of wages, social conditions and career growth. Therefore, it is more profitable for employers to hire people with practical experience, rather than inexperienced specialists, who have not yet proved their qualification. At the same time, practice shows that graduates of colleges have less demanding requirements for working conditions. Thus, they can find work in various spheres of the economy in a shorter period of time.

In recent years, the government of the Republic of Kazakhstan has strengthened its work in planning the optimal structure of both the number and profile of training personnel with higher and secondary vocational education (Resolution of the Government of the Republic of Kazakhstan No. 316, 2011).

This situation is known to be connected with the imbalance in the training of specialists of humanitarian and technical profiles as well as secondary vocational education (Nikolaeva et al., 2017). In order to reduce the "qualified unemployment" rate, a set of measures is being taken to optimize the university sphere. To this end, the work is focused on the training of specialists with higher and secondary vocational education in basic universities, where there is a corresponding material and technical base and a highly qualified faculty.

**Table 3**

Composition and structure of the unemployed population with higher education by age and the level of education in the Republic of Kazakhstan for 2012-2016

Age groups	2012		2013		2014		2015		2016	
	thous people	%	thous people	%	thous people	%	thous people	%	thous people	%
Unemployed, including	103,7	100	100,7	100	123,8	100	116,7	100	124,9	100

those with an education:										
20-24	10,1	9,7	9,3	9,2	13,6	10,9	15,2	13,0	11,8	9,4
25-29	26,2	25,3	28,4	28,2	29,9	24,2	27,7	23,7	25,5	20,4
30-34	23,1	22,3	24,7	24,5	25,9	20,9	31,1	26,6	33,5	26,8
other groups	44,3	42,7	38,3	38,0	54,3	43,9	42,6	36,5	54	43,2

Analysis of the composition and structure of the country's unemployed population with higher education by age and the level of education shows that the majority of the unemployed are young people aged 25 to 29 years and vary in the range from 23.1% to 26.8% (Table 2). At the same time, although the share of unemployed youth aged 20 to 25 years tends to decrease, it remains high, ranging from 13.1% to 9.4%.

**Table 4**  
Composition and structure of the unemployed population with secondary vocational education by age and the level of education in the Republic of Kazakhstan for 2012-2016

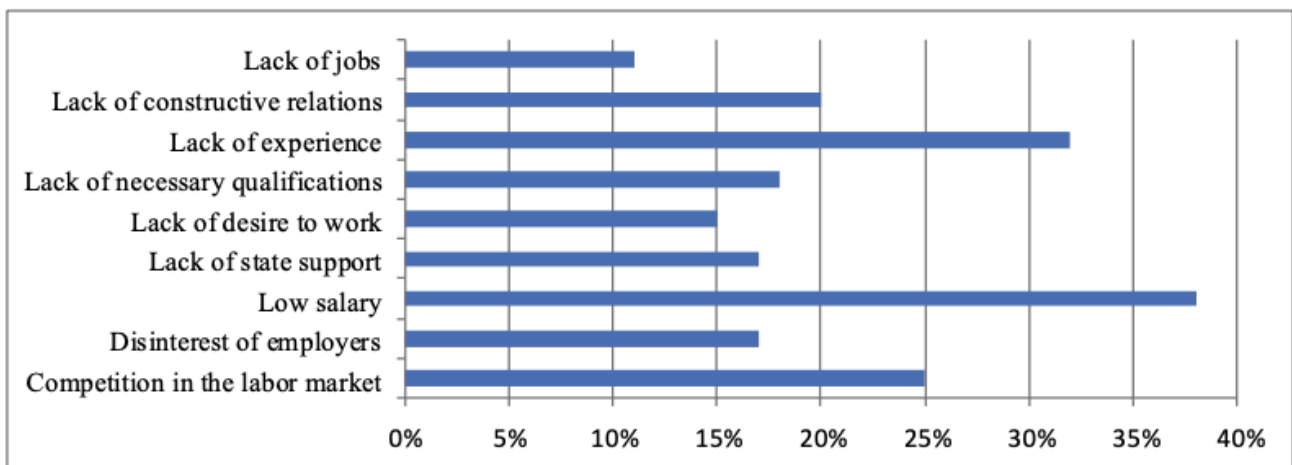
Age groups	2012		2013		2014		2015		2016	
	thous people	%	thous people	%	thous people	%	thous people	%	thous people	%
Unemployed, including those with an education:	131,8	100	146,9	100	151,7	100	150,2	100	159,7	100
16-19	1,2	0,9	0,5	0,3	1,5	0,9	1,2	0,8	1,4	0,9
20-24	11,1	8,4	12,4	8,4	14,3	9,4	17,2	11,5	17,6	11,0
25-29	21,8	16,5	27,6	18,8	23,3	15,4	21,5	14,3	26,7	16,7
30-34	21,8	16,5	23,4	15,9	32,5	21,4	27,1	18,0	30,8	19,3
other groups	75,7	57,4	82,9	56,4	80,4	52,9	83,2	55,4	83,2	52,1

A similar situation is observed in the composition and structure of the unemployed population with secondary vocational education by age and the level of education in the Republic of Kazakhstan. For example, in 2012-2016, the share of the population aged 25 to 29 years with secondary vocational education was about 16.7% (Table 3). Consequently, the youth unemployment rate was much higher than the unemployment rate of the entire working-age population of the country, which was 5.0% in 2016.

Foreign experience shows that secondary vocational education is the initial and more flexible link in the process of obtaining basic qualifications in the field of work activities.

Along with this, young people having certain potential qualification skills more consciously choose a higher education institution and a specialty. The peculiarity of the labor market in Kazakhstan is that there is an instability and disproportion between demand and supply due to changes in the vocational guidance of young people in choosing a future profession. Therefore, this category of the population faces the most serious life problems, one of which is the problem of employment.

**Figure 2**  
The main causes of youth unemployment in Kazakhstan



Source: Nugerbekov (2016)

The undeniable fact is that youth problems cannot be solved solely by the efforts of young people themselves. In Kazakhstan, the state consistently pursues a policy aimed at combating youth unemployment and providing the employment of young people. The main legislative act regulating youth employment is the Law of the Republic of Kazakhstan "On State Youth Policy in the Republic of Kazakhstan" of January 23, 2001. In addition, the Concept of State Youth Policy and the State Program "The Youth of Kazakhstan" were approved.

In the President's Address to the Nation of Kazakhstan "Human Capital as the Basis of Modernization", one of the priority areas is the provision of employment for the Kazakh people. The state has three important tasks: first, to create an effective system of training and assistance in employment; second, to promote entrepreneurship in rural areas; third, to increase labor mobility and priority employment in the economic centers of Kazakhstan. In the "Employment Roadmap 2020" program it is planned that in 2018 the poverty level will decrease from 7.2 to 5.0%, and the unemployment rate will not exceed 4.5%. In this regard, the implementation of the program will be carried out in the following areas: training and assistance in the employment of the self-employed, unemployed and low-income population; assistance in the development of rural entrepreneurship; increase in labor mobility.

In his Address to the Nation of Kazakhstan, President N.A. Nazarbayev (2018) noted that the huge personnel reserve of the country's economy is the self-employed population. He emphasized that it is necessary to "provide the possibility of participation for every citizen of Kazakhstan in the large-scale industrialization of the country" ( . An effective policy in the field of promoting employment in the country is the state support of entrepreneurial initiatives and the development of self-employment models. According to the Agency of the Republic of Kazakhstan on Statistics, the number of the self-employed in the country ranges from 2.6 to 2.7 million people, which is over 30% of the working-age population. Statistics show that among the self-employed the main share is made up of women and young people, and a significant share of the self-employed population falls to the low-skilled labor.

### 3. Conclusion

The Government of the Republic of Kazakhstan is taking measures to improve tools for promoting employment. In such a way, the procedures associated with applying for assistance in employment will be simplified. Persons looking for a job can apply to employment centers not only through the e-government web portal, as stipulated by the current procedure, but also through the State Corporation "Government for Citizens". The created unified online platform for all vacant jobs and all localities will make it possible to use the state Internet resource of the labor exchange, which is understood as an electronic information resource containing the labor market database about applicants and employers operating on the Internet. In our opinion, the implementation of the assigned tasks by the state in the segment of self-employment is one of the ways to solve the problems of unemployment, including among youth.

The problem of employment among young specialists is complicated by the fact that there are de facto two independent markets: the education market and the labor market. The insufficient level of education, low vocational training, the lack of production experience, the poor awareness of the labor market demand, high competition, spontaneous labor migration of young people and high demands of jobseekers for wages are the main obstacles to youth employment.

The development of a complex of effective measures to address the problem of youth unemployment based on an analysis of the labor market can contribute to the creation of more favorable working conditions for recent graduates. In the context of the Kazakhstani market economy, which is still at the stage of formation, it is very difficult for young people to find their place in the life of society, and they face serious employment problems. In this regard, the state effectively solves the problems of youth employment through the development and application of effective programs.

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