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TRANSFORMING LABOR MARKET OF THE MODERN MEGAPOLIS

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Abstract: A large city is the most mature and dominant institutional structure of the economy, playing the role of a kind of "magnet" attracting all types of economic resources. According to world statistics, most of the world's population lives in large cities. Kazakhstan, developing in accordance with the global urbanization trend, assigns a significant role to the city of Shymkent: the third city in terms of population with a positive migration balance and the first city in terms of area, one of the largest industrial, trade and cultural centers. But the result of its (Shymkent city) "false" urbanization is the emergence of new and exacerbation of old problems, especially those related to unemployment. Thus, the dependence of the labor market on the efficiency of the educational services market and their interaction becomes obvious. The suggestions in this scientific article are possible responses to the expected changes.

Key words: labor market, megapolis, education, employment, interaction, workplace economy model.

Introduction

The benefits of a large city are decisive in the formation of the world's population lifestyle. Thanks to the scientific and technological progress, there is a reduction in low-skilled labor, an increase in the quality of labor resources, which acts as an intensive factor in increasing of economic growth.

Megalopolises are poles of economic growth of the region and states. However, there is only one criterion (*population size*), which allows us to conditionally refer a city to the "megapolis". Today, on average, 1 in 10 people living in urban areas live in a megapolis with a population of at least 10 million; by 2025, approximately 1 out of 7-8 people living in urban areas will live in a megapolis. By 2025, the population of megapolises is expected to reach almost 8 % of the world's total population. One in 13 people will live in the megapolis[1].

Table 1 shows the dynamics of growth in the number of the largest cities in the world. It should be noted that the term "megapolis" itself was proposed by the UN in the 1970s to denote large cities with a population of 8 million people or more, and in the 1990s the UN raised the threshold to 10 million people following the practice of organizations such as the Asian Development Bank.

Table 1 - Dynamics of growth in the number of megapolises

1970	1990	2011	2025
2 megapolises: Tokyo, Japan (23.3 million people), New York-Newark, USA (16.2 million people)	10 megapolises	23 megapolises	Till 37 megapolises
Note: [2]			

Theoretical part

In recent decades, industrialized and developing countries have seen a shift from standard to non-standard forms of employment (*Table 2*). Their proliferation raises questions, since these forms of employment are more often associated with workers' insecurity. Serious consequences for enterprises are also often underestimated, such as management problems associated with a rise in the size of non-standard workers. At once, the benefit of an individual worker or enterprise in the short term can have negative consequences for the economy as a whole, such as insufficient investment in innovation, slowdown in labor productivity growth, threats to social security systems, high labor market volatility, and low economic performance.

Table 2 - Non-standard forms of employment

<i>Temporary employment</i>	
fixed-term employment contracts, including contracts for the execution of a project or contracts for the performance of certain work; seasonal work; casual work, including daily work	as opposed to an open-ended employment contract
<i>Part-time and on-call work</i>	
working hours are shorter than that of full-time workers; marginal part-time employment; work on call, including contracts with zero working hours	as opposed to full time
<i>Multilateral ore relations</i>	
also known as "worker distribution", "worker leasing" and "multilateral agency labor". Subcontracting temporary agency work and services	as opposed to direct reporting relationships with the end user
<i>Disguised employment relationship / dependent self-employment</i>	
disguised employment, dependent self-employment, false or misclassified self-employment	is not part of an employment relationship
Note: [3]	

The independence of Kazakhstan has defined new horizons for employment, as a result of the economy transformation to market-based management and the emergence of entrepreneurship. The disorganization of production and its destruction, the problem of employment, primarily of highly qualified workers, had become more acute.

The purpose of the Kazakhstani policy of employment is realization of the citizens' right to work and transition to effective employment. Modernization of the policy of ensuring employment and wages, improving the quality of human capital, comprehensive support for entrepreneurship, ensuring targeted social support are identified as development priorities in accordance with the Strategy "Kazakhstan - 2050" and the Concept to become one of the 30 most developed countries in the world. The State Program for the Development of Productive Employment and Mass Entrepreneurship for 2017-2021 focuses on obtaining professional skills and demand qualifications, developing mass entrepreneurship, creating the labor mediation model, including support for socially vulnerable groups of population[4].

The modern approach will be implemented based on the declaration of Shymkent as a megapolis and the observed processes of urbanization of the population. But the growth of the demographic indicators of the city's development, in turn, revealed a number of problems. During the development of the Concept for 5-year development of the city, a social survey was carried out among the residents of the city to identify the most pressing problems of the first-priority solution (Figure 1)[5-6].

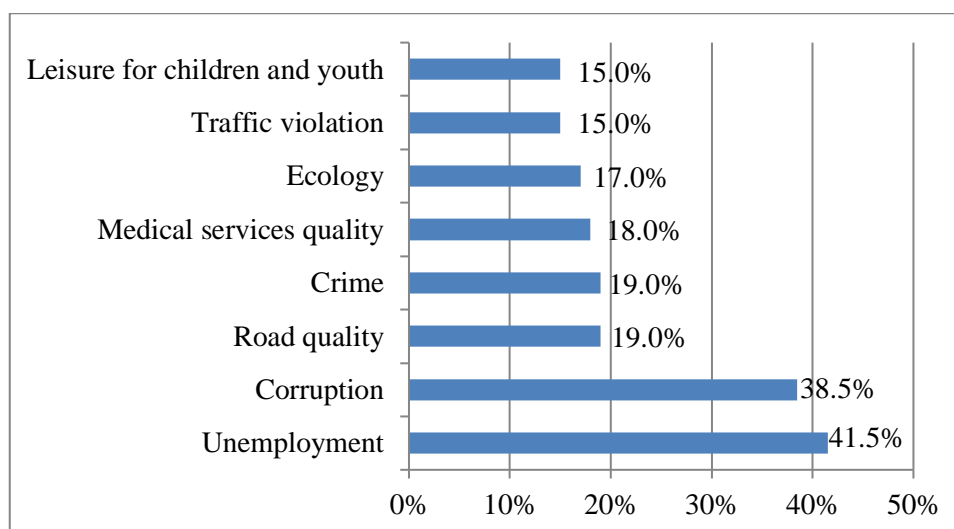


Figure 1. List of problems based on a survey of the city's population

New jobs, as evidenced by world experience, are created mainly at manufacturing enterprises, but the lag in the development of this industry in Kazakhstan is becoming the main constraining factor in increasing both general and wage employment in cities [8]. A number of reforms, starting with the collapse of the Soviet Union, which led to the closure of large enterprises in the territory of Shymkent, deterioration in the structure of production and the curtailment of the manufacturing industry, determine the nature of modern problems of employment and labor relations.

The analysis of Shymkent labor market for the last 5 years shows following:

- More than 60 % of the population is at the age set to measure the economically active population. The age group 29-34 is the largest in terms of number.
- The number of hired workers prevails over the self-employed, and there is a tendency for the latter to increase. The age group of the employed population 35-44 is the largest.
- The educational level of working residents is characterized by more presence of specialists with higher and incomplete higher professional education. The majority of the employed population is engaged in large and medium-sized enterprises of the service sector.
- Most of the employed population is concentrated in trade.
- If we consider the unemployed population by the level of education, then much of them has higher and incomplete higher education that does not focus on the real needs of the labor market, which is incredibly hindered by the professional and qualification imbalance[7].
- The level of youth unemployment in the age group 15-24 does not exceed the average for the republic, but it still has an upward trend.
- The main reason for unemployment for 98% of the unemployed is personal problems, 2% cite family circumstances. Moreover, this is characteristic to the same extent for both the female and male population.

Productive labor is the determining condition for the preservation of social life. The level of its pay, in turn, is the most important factor in increasing labor productivity. In the pre-industrial economies of the leading countries, the principle was applied: "expensive food - high cost of labor." The growth in labor productivity made it possible to increase the income of the population to such an extent that food was available to it at higher prices than in lagging countries. The "high cost" of food made it possible to obtain more resources for the development of domestic agriculture.

In Kazakhstan and in Shymkent as well, in the course of liberal reforms, food prices were raised and certain steps were taken to eliminate the system of free education and health care and create a housing market. But in contrast to developed countries, these reforms were carried out without connection with an increase in labor productivity and with a decrease in wages and cash incomes of the population.

For this reason, the lowest indicator of the average monthly wage is not only against the

background of the megapolises of the Republic of Kazakhstan, but also for the republic as a whole.

The state is acts as a regulator of relations in the field of labor. It is inevitable for Kazakhstan, one of the leaders of the post-Soviet space in the implementation of transformation processes, the impact of global challenges that may entail changes in the labor market.

The first challenge is related to the development of digitalization and technologies such as Industry 4.0, artificial intelligence and robotics. Rapid technological development will change the qualifications and skills requirements of the workforce, which should include both professional skills and a whole range of complementary skills.







The second challenge is based on demographic changes in the labor force structure. All over the world there is an increase in the number and activity of the population over 60 years old. A growing young population must have the right skills. Labor markets are becoming more inclusive of the workforce. The economic activity of women, the elderly and persons with disabilities is growing.

The gig economy is developing, which is manifested in an increase in the number of so-called "freelancers".

Kazakhstan needs to be ready for the upcoming changes. At the same time, it should be noted that the impact of changes on the labor market in developing countries, including Kazakhstan, will be slower than in developed ones.

Practical part. The Ministry of Labor has developed prospects of the labor market in Kazakhstan, considering global challenges and emerging trends in the country (Table 6).

Table 6 - Future vision of the labor market

Populationsize	 by 1.6 million or 9% from 2017	up to 19.8 million by 2025
Laborforce	 by 6.7% from 9.0 million in 2017	up to 9.8 million by 2025
Theneedforpersonnel	 more than 570 thousand people	taking into account the technological modernization of the economy
The number of medium and highly qualified jobs	 by 766 thousand	
Demand for low-skilled jobs	 by 530 thousand	
The flow of labor from agriculture to more productive areas	 343 thousand people	education, construction, transport, trade and other services
Skills in demand	more than 1/3 will change	freelancers
Actualspecialties 2017	65% will cease to exist	in connection with digital transformation
Professions	800 million replaced by robots	
Note: compiled by the author based on [8,9]		

The Ministry developsthe Atlas of new professions in 9 prior economy sectors that need personnel: mining and metallurgy, oil production and refining, agriculture, transport and logistics, IT, mechanical engineering and metals, tourism, energy, construction and building materials. The list of demand professions was prepared for the future 3-7 years. All professions are divided into three areas: new, changing and disappearing. Atlas was slated to launch in summer 2020.

Thus, the interdependence of the labor market and the educational services market is obvious, based on the principles of lifelong education:

- learning through informal methods (daily learning) and formal education, updating knowledge, skills and abilities inherent in the existing human level of education. Together, people can also take part in non-formal education through training outside: in workplaces, community centers, sports clubs, etc.

- lifewide learning; coverage of various aspects of human life by training.

- self-motivation for education implies that a person deliberately seeks to improve his level of knowledge.

So the goal of proposed *workplace economy model* is to create high-quality jobs. Firstly, it is necessary to define the concept based on the following parameters, including: permanent employment, wages, productivity, security and, most importantly, embeddedness in the global economy. For example, despite the useless professions: a traffic police officer, an internal audit officer, a utility worker, that are not integrated into the international system, it is necessary to prepare a mining company mechanic, oil worker or farmer, who is part of the global market. Thus, the processing and food industries, business services, and the IT industry have great potential for creating high-quality jobs [10].

The workplace economy model is based on the principles of active and long-term interaction between the state and business, and on explicit and multiplicative mutually beneficial conditions. For which the state should create the most favorable environment for doing business.

Despite the wide popularity of the programs of the "Damu" Entrepreneurship Development Fund, they do not fully cover the existing need. Loans in second-tier banks allow you to engage only in short-term projects due to high interest rates at the level of trade operations.

It is necessary to improve the taxation regime, for the most part in stimulating businesses to enlarge. There is also a need to take steps to further protect property rights and legitimate business interests.

Another important step can be the reduction of regional imbalances during public resources distribution for the implementation of state and government programs. First of all, this concerns lending, various types of state financial support and the adoption of more effective mechanisms for bringing funds to end borrowers.

One of the problems is the lack of long-term contracting, especially for the supply and production of goods with Kazakh content. Orders for a long period of 3 to 7 years allow the business to grow stronger, plan, improve manufacturability and productivity.

Additional attention is for the largest oil and gas projects - Tengiz, Karachaganak, Kashagan. Today, there are too ideal conditions for foreign suppliers in terms of customs duties and VAT refunds. This leads to the fact that producers are not motivated to create production within Kazakhstan, and foreign companies have an overwhelming advantage in terms of taxation.

Therefore, it is necessary to look for conditions when foreign manufacturers will look for an opportunity to create equipment production in our country, to localize it together with domestic participants at the request of Kazakhstani content.

The employment sector is undergoing dramatic changes. Over the past 8-9 years, large-scale flows between industries have taken place in Kazakhstan. A striking example is agriculture, where the number of workers has been cut in half, and this is not the limit. At the same time, the transition of labor resources took place in more productive areas - industry and services.

The data on flows clearly show how everything is interconnected. Often, the multiplier effect is not considered in the sectoral reforms, which, as a rule, take place within the framework of one state structure. This requires interagency coordination. If the reform is carried out in agriculture, it means the release of a part of the people and their redistribution to other sectors, primarily in small and medium-sized businesses.

Thus, the indicators of IT specialists have grown significantly, there is a positive trend in tourism. Together, in those sectors where the state dominates: education, social sphere,

healthcare, the quality of employment. All this happened with more than doubling productivity. True, we are still far from advanced standards.

The export orientation is dictated by the need to expand markets for the growing volume of goods and services and integrate them into global value chains. Export-oriented industrialization will make it possible to bring new Kazakhstani goods to foreign markets, including high-tech products.

For this purpose, a program of industrial and innovative development of the Republic of Kazakhstan for 2020 - 2025 has been developed, which is a logical continuation of the long-term course on economic diversification.

In the forecasted labor market, the demand for personnel of higher and average qualifications will increase first. Where work can be automated, downsizing will begin, and the freed up resources will require skill upgrades and retraining. Based on this, the "knowledge economy" will begin to prevail. They require a long training cycle, a high level of education, but this is where the future is concluded. In developed countries, the labor market already consists of at least a quarter of professions of the "knowledge" category - programmers, lawyers, physicists, engineers, entrepreneurs. In Kazakhstan, this share is growing, but so far it is only 11%. Therefore, the issue of continuous training becomes a strategic task at the state level.

The introduction of new models of distance learning online is a worldwide practice, and it is proving its effectiveness through a rapidly expanding market called EdTech. By 2020, it will grow to \$ 250 billion. Millions of people today are learning and improving their skills online. In Kazakhstan, online platforms with training courses, preferably domestic, will be used, which would consolidate all training service providers, employers and workers who want to improve.

The risk of being unable to find a job, i.e. not creating quality jobs will generate skilled unemployment. Therefore, in addition to continuous education, the country needs a vocational guidance system.

The target indicator of this model is the number of high-quality jobs created in accordance with the current Atlas of new professions of the Republic of Kazakhstan.

These transformations will be spread on the territory of three megapolises of the country, as the focus for industrial, personnel, innovation potential concentration.

Global challenges in the labor market will change the structure of the domestic labor market and force the adoption of measures to maintain its competitiveness. But the impact of changes in the labor market of developing countries, including Kazakhstan, will be slower than in developed ones.

Conclusions. Thus we can conclude:

1. Global challenges in the labor market will change the structure of the domestic labor market and force the adoption of measures to maintain its competitiveness.

2. The state is operator of the labor market to ensure the population employment; it provides support for the development of entrepreneurship. But the positive dynamics of the labor market development is accompanied by unresolved old problems.

Business and innovation are complementary factors and indicators of economic development; but, in fact, the innovatory of Kazakhstani enterprises remains low. Technological renewal mostly bases on the borrowing of foreign technologies and equipment.

3. Among the most pressing problems of Shymkent is unemployment. In turn, the resulting low lifestyle of the urban population is expressed in low wages.

4. We have developed a model of the economy of jobs. The parameters of this model make it possible to fully reveal its essence and directions of implementation to ensure a balanced labor market in the Republic of Kazakhstan, including the city of Shymkent.

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Түйін: Ірі қала - бұл экономикалық ресурстардың барлық түрлерін тартатын өзіндік «магнит» рөлін атқаратын экономиканың ең жетілген және басым институционалды құрылымы. Әлемдік статистикаға сәйкес, әлем халқының көп бөлігі ірі қалаларда тұрады.

Урбандалудың жалпы әлемдік трендіне сәйкес дамып келе жатқан Қазақстан Шымкент қаласына: халық саны бойынша оң көші-қон теңгерімі бар үшінші қалаға және ауданы бойынша бірінші қалаға, ірі өнеркәсіптік, сауда және мәдени орталықтардың біріне елеулі рөл бөледі. Бірақ оның (Шымкент қ.) "жалған" урбандалуының нәтижесі жаңа проблемалардың пайда болуы және әсіресе жұмыссыздықпен байланысты ескі проблемалардың шиеленісуі болып табылады.

Осылайша, еңбек нарығының білім беру қызметтері нарығының тиімділігіне, олардың өзара іс-қимылына тәуелділігі айқын болады. Мақаладағы ұсыныстар күтілетін өзгерістерге жауап болып табылады.

Кілт сөздер: еңбек нарығы, мегаполис, білім беру, жұмыспен қамту, өзара іс-қимыл, жұмыс орындары экономикасының моделі.

Аннотация: Крупный город - наиболее зрелая и доминирующая институциональная структура экономики, выполняющая роль своеобразного «магнита», притягивающего все виды экономических ресурсов. Согласно мировой статистике, большая часть населения мира проживает именно в крупных городах.

Казахстан, развивающийся в соответствии с общемировым трендом урбанизации, отводит значительную роль городу Шымкент: третьему по численности населения городу с положительным миграционным балансом и первому городу по площади, одному из крупнейших промышленных, торговых и культурных центров. Но результатом его (г.Шымкент) «ложной» урбанизации является появление новых и обострение старых проблем, особенно связанных с безработицей.

Таким образом, становится очевидной зависимость рынка труда от эффективности рынка образовательных услуг, их взаимодействия. Предложения в этой научной статье являются возможными ответами на ожидаемые изменения.

Ключевые слова: рынок труда, мегаполис, сфера образования, занятость, взаимодействие, модель экономики рабочих мест.