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Extended Abstract of Bachelor Thesis

**Impacts of unemployment and suggested solutions in the
Republic of Kazakhstan**

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Summary

Topic of this bachelor thesis is Impacts of Unemployment and suggested solutions in the Republic of Kazakhstan. Unemployment affects all states, no matter how they are developed. Unemployment is the most discussed macroeconomic problem of our society and is one of the most important indicators of the state economy. There are different impacts of unemployment. They are mainly economic, social and political problems, which affect the functioning of the entire state. These problems are mainly reflected in the state budgets of the country as with the rise of unemployment, expenditure on welfare for the unemployed people naturally grows, which reduces revenues of the state budgets.

The theoretical part of the bachelor thesis focuses on general information about unemployment, describes its problems, and examines characteristics of its types. The practical part deals with the development of unemployment between 2010 and 2018. The next objective is to research the reduction strategies and suggested solutions, and to predict the unemployment rates in Kazakhstan for 2019, 2020, 2021.

Key words: unemployment, unemployment reduction strategies, prediction, Kazakhstan

Introduction

Unemployment is a problem for any state. In connection with unemployment comes the dissipation of the main productive force – the labor force, occurs the reduction of the gross domestic product and the national income of the country. Also, the state needs to pay the costs of unemployment benefits, the retraining of the unemployed and their employment. If it does not use available labor resources fully, the economy of the country will have limited growth opportunities. Also, unemployment leads to social problems, such as deterioration of the financial situation of unemployed families, the growth of crime and so on.

Unemployment in Kazakhstan has been in a state of contractility, but it somehow continues to exist and harm the economy of the country. To understand this problem, it is necessary to consider the main causes of unemployment and ways to solve it. The purpose of this thesis is to analyze the current state of the problem of unemployment, the unemployment rates in the Republic of Kazakhstan, suggestions to solutions for combating unemployment in Kazakhstan.

Tasks of the thesis:

- To study the essence, types, causes and forms of unemployment;
- To study the unemployment rates in the Republic of Kazakhstan;
- To analyze the dynamics of unemployment;
- To describe the measures of state influence directed at combatting the problem of unemployment;
- To research suggested recommendations for reducing unemployment in Kazakhstan;
- To make a forecast for the reduction, and in addition, make predictions for 2019, 2020, 2021 years.

The object of this study is unemployment, and the subject is its features and methods of combatting it in Kazakhstan.

The theoretical significance of this work is the totality of knowledge about unemployment, its causes and features in Kazakhstan. The practical significance is the development of new suggestions to reduce unemployment, which can be included in one of the programs of the country directed at reducing unemployment.

Objectives

Unemployment is a macroeconomic problem, which has the most direct and strong impact on every person. Loss of work for most people means a decrease in the standard of living and causes serious psychological trauma. It is therefore not surprising that the problem of unemployment is often the subject of political discussions. The purpose of the thesis is to examine the unemployment essence, the characteristics of its types, causes of unemployment or how it develops, to analyze unemployment rates in the Republic of Kazakhstan for the period 2010-2018. The thesis will also involve suggestions to solutions for combating unemployment.

Methodology

The methodology will involve a statistical and visual analysis of the unemployment rates in Kazakhstan of 2010-2018. The methodology will also include a forecasting attempt of unemployment rates in Kazakhstan for the years 2019, 2020, 2021 using a combination of linear regression function and pseudo-forecasting. The forecasting will be taking into consideration that all other factors will remain constant (*ceteris paribus*). The final part of the methodology will be about researching unemployment reduction strategies that have already been implemented and examine the effectiveness.

Results and discussion

The unemployment rate in Kazakhstan is low compared with not only the developing countries, but also the developed countries of the world. But we must always take into account that in Kazakhstan the population is much smaller than in other countries. And do not forget that, in fact, the unemployment rate is much higher than official data.

The main voluntary causes of unemployment in the Republic of Kazakhstan are the delay in finding a job due to receiving benefits, an inadequate attitude in a team or with the boss, relocation, constant stress because of work, low wages. Structural changes in the economy, lack of work experience, decline in production, age, lack of need in some professions can be attributed to the main forced reasons. All these reasons entail consequences, which are reflected in the country's economy and social life.

The consequences of unemployment largely leave a negative imprint on the economy and on life in society. And if the job search is delayed for a long time, it can become a significant problem in people's lives and be accompanied by serious material and psychological difficulties, and also have a negative effect on the economy. The standards of living of people decreases, production decreases, the level of wages decreases, tax burdens increase. Therefore, to avoid these consequences, the state is applying a series of measures to reduce unemployment.

According to the statistics, unemployment is declining every year. As additional measures to reduce unemployment, we can offer incentives for large and small businesses, the creation of highly developed schools for young people and training directly for job positions, encouraging the opening of private kindergartens, the development of community works, the creation of new jobs, and the creation of convenient working conditions. If these measures are implemented, unemployment in Kazakhstan will continue to decline.

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