

UDC 331.556.4**Problems of attracting foreign labor force in the republic of Kazakhstan****Erzhan S. Syzdykbekov**

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Abstract

The main issues of attracting foreign labor force, as well as illegal labor migration are considered in this article. The authors reflect the current migration policy in the Republic of Kazakhstan, which is based on attracting qualified specialists. The research is aimed on identifying the existing and possible negative effects of uncontrolled recruitment of foreign labor for the national economy. For the first time, the issue is raised about the possible consequences of liberalization of migration legislation of the Republic of Kazakhstan, which has been observed in recent years. As part of the research, analysis of dynamics of attracting foreign labor force was conducted on materials of reporting documents of the Ministry of Labor and Social Protection of Population of the Republic of Kazakhstan, as well as statistical data of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan. Based on the analysis, problems in the sphere of regulation of attracting qualified and unqualified foreign labor force have been identified. The results show necessity for more detailed study of the quota tool for labor immigrants in order to protect the internal labor market, as well as reduce the number of illegal immigrants. Some recommendations are presented as conclusions.

For citation

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Keywords

External labor migration, foreign labor, quotas, national economy, economic security

Introduction

The trend of growing globalization and integration in the world reinforces the importance of human capital as a determining factor in competitiveness and innovative development. This trend affects the change in the focus of state migration policies as a fundamental factor in economic security.

One of the key aspects in the system of public administration, in terms of economic security, is the regulation of external labor migration, which takes place against the background of the impact of many modifiable factors. At the same time, any state seeks to achieve balance between meeting the needs of the national economy for qualified labor force and protecting interests of the subjects of the internal labor market.

Currently, migration policy issues receive considerable attention. State regulation of migration is aimed at:

1) maximizing its positive effects, such as: perspective improvement of the reproductive processes of the population, increasing intellectual potential, socio-cultural enrichment, production of material values, coverage of labor shortages, correction of imbalance and structural deformation in labor markets,

2) minimization and neutralization of negative effects: strengthening the criminalization of the economy, marginalization and social differentiation of the population, threat to the demographic, labor and scientific and technical potential, labor motivation, export of capital, growth of social load.

Scaling up of labor migration requires constant monitoring, control and adjustment of main directions of migration policy. In this regard, an appeal to the practice of ensuring the economic security with tools of migration policy is relevant. Forming effective migration policy in accordance with the current paradigm is aimed at ensuring the national security. The main contradiction between the state migration policy and the national security system is the lack of substantiation of necessity of certain number of migrants and the possibility of their integration into the socio-economic system of the host community.

Methods

The interrelation of factors of influence and consequences of external labor migration seems to be a causal link between the causes of this phenomenon and the created threats to economic security. In the history of the study of migration, there are various approaches to the very phenomenon of migration and its impact on the economy. Among them, the most applicable is the economic approach to the study of labor migration, combining many theories and concepts. The theme of influence of labor migration on economic system at one time was addressed more than once by T. Man, J.-B. Colbert, A. Smith, T. Malthus, K. Marx, D. Keynes, B. Thomas, D. Becker, C. Taylor, D. Simon and others. Russian researchers L.A. Abalkin, G.S. Vitkovskaya, J.A. Zayonchkovskaya, V.G. Kostakov, L.L. Rybakovsky, A.V. Topilin also dealt with the influence of migration processes on the economic system.

In Kazakhstan, external labor migration is researched by demographers, sociologists, historians and economists, among them: M. Asylbekov, A. Alekseenko, A. Galiev, S. Dzhusupov, B. Zhaguttin, L. Kvon, V. Kozina, V. Kurganskaya, N. Masanov, G. Moskvina, E. Musabek, N. Mustafayev, E. Sadovskaya, E. Tarasova, B. Tatibekov, M. Tatimov, Y. Shokamanov and others. The analysis of their publications on labor migration issues suggests that, on the one hand, a large amount of data has been accumulated, and on the other hand, there are certain shortcomings in research. Modern studies of external labor migration in Kazakhstan are often based on the methods of the 1990s. Labor migration

is mainly analyzed by methods and tools of social demography and applied sociology. The historical-demographic and ethno-demographic approach prevails [1, 9]. In sociological researches, qualitative methods are rarely used. There is an obvious lack of representative, monitoring studies, in-depth analysis, theoretical and methodological approaches. Common lack of the publications is compilability, the lack of empirical basis for substantiating the conclusions. It should also be noted that in Kazakhstan there are no studies on the assessment of the impact of external labor migration on economic security.

In order to improve the efficiency of state migration policy, in 2017 the Government of the Republic of Kazakhstan approved the Concept of migration policy for 2017-2021, as well as the Program for the implementation of this Concept [2]. This clearly demonstrates the increased attention of the government to migration issues, including external labor migration, which belongs to the category of complex nationwide problems that require taking into account the full amount of factors affecting economic security. At the same time, our government has no adequate experience in ensuring migration security. As an exception, the accumulated domestic experience in the application of restrictive and repressive measures used by security forces should be noted.

Taking into account the fact that the attraction of foreign labor force is an integral element of the country's progressive economic development, the regulation of this process is the most important element of the entire system of public administration of the economy. It should be aimed at subordinating external migration to the strategic and tactical goals of developing the national economy. The practice of high developed countries shows that quotas are a common tool for attracting foreign labor force. The practice of regulating migration processes in Kazakhstan is not an exception.

Even in the Address of the Head of State to the People of Kazakhstan "Strategy of entering Kazakhstan among the 50 most competitive countries of the world" necessity of developing mechanisms for attracting highly qualified and professional workers into the country who are able to work on a permanent basis was expressed [3]. Nowadays Kazakhstan has a comprehensive system for attracting foreign labor force, based on quotas. Using quotas, the Government of the Republic of Kazakhstan is based on the state of the economic and demographic conjuncture, tries to take into account both the internal and foreign policy situation, as well as fluctuations on the global labor market.

As measures to protect the internal labor market, the Government sets a quota for attracting foreign specialists. In 2017, the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan revised the mechanism for attracting foreign specialists.

According to the Ministry, these tools are designed not to complicate the procedure for forming a quota, but to make it more applied and economically viable for each region.

Table 1 - The mechanism of attracting foreign labor

Previous format	New format (2017)
Types of quotas	
<ol style="list-style-type: none"> 1. The total quota for attracting foreign labor; 2. Quota by country of origin. 3. Quota on priority projects. 	<ol style="list-style-type: none"> 1. Quota by industry (economic activity); 2. Quota by countries of origin; 3. The quota for attracting labor immigrants.
Involved under the quota	
<ol style="list-style-type: none"> 1. Qualified foreign labor arriving with general permits; 2. Seasonal foreign workers; 3. Foreign workers arriving on permits for self-employment. 	<ol style="list-style-type: none"> 1. Qualified foreign labor arriving with permits issued by the local executive bodies in accordance with the general procedure; 2. Seasonal foreign workers arriving to work on agriculture; 3. Labor immigrants.

Previous format	New format (2017)
Attracted outside the quota	
Citizens of the member states of the Eurasian Economic Union; Working in the JSC "National Medical Holding" and related organizations. Loaned to an autonomous organization of education under agreements on the implementation and implementation of educational programs and the provision of educational services; Working in universities, the development of which is provided for in the field of industrial-innovative development; Working in the Regional Environmental Center for Central Asia; Working in organizations that have been granted an innovative grant to attract highly qualified foreign specialists; 7. Working in national development institutions and related organizations.	1. Citizens of the member states of the Eurasian Economic Union; 2. Attracted by participants and bodies of the International Financial Center "Astana"; 3. First heads of branches and representative offices of foreign legal entities. 4. Sent for a period not exceeding 120 days. 5. First heads of organizations investing more than \$ 50 million. 6. First managers of legal entities having contracts with the Ministry of Investment and Development of the Republic of Kazakhstan. 7. Working in government bodies; 8. Attracted to the implementation of investment priority projects; 9. Working in special economic zones; 10. Arriving on certificates of compliance with the qualification level; 11. Permanently residing in the Republic of Kazakhstan.
Note: compiled by the author according to the data of the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan	

Now, foreign labor is attracted into four categories:

- Category I includes top managers and their deputies;
- Category II includes heads of departments;
- Category III includes specialists;
- Category IV includes skilled workers.

Previously, the quota was set as a whole, as a percentage of the economically active population. Now the quota is set in the context of specific sectors of the economy, which, in turn, is aimed at solving the problem of a shortage of foreign labor and improving the quality of planning and targeted application of quotas.

The change also affected labor immigrants working on households with individuals. Representatives of this category have not previously quotaed. Since 2017, they are also included in the quota, which is aimed at regulating the number of labor migrants of this category, formalizing their work and ensuring the protection of the rights of migrants.

In the formation of quotas, the role and responsibility of local akimats are strengthened. Akimats planning quotas are fully responsible for local labor markets. The order of application for a quota is now as follows:

Step 1. A special commission is created;

Step 2. An analysis of market demand in the region for labor;

Step 3. Determine the real needs of the region in the workforce;

Step 4. An assessment is made of the possibilities of meeting the needs of the region in the labor force with local labor resources.

The developers of such a quota clearance procedure are confident that these tools will make the quota clearance procedure more applied and economically viable for each area.

During 2013-2017, the number of foreign labor increased by 2.7 times. In 2017, the number of permits for attracting foreign specialists in Kazakhstan was 22,273 [5]. Of course, this is largely due to the implementation of large investment projects, as well as the holding of EXPO-2017. However, this figure indicates a shortage of qualified personnel in the domestic labor market.

If you pay attention to the proportion of attracted foreign labor in Kazakhstan in 2017 for each category, we will see the following Figure 1:

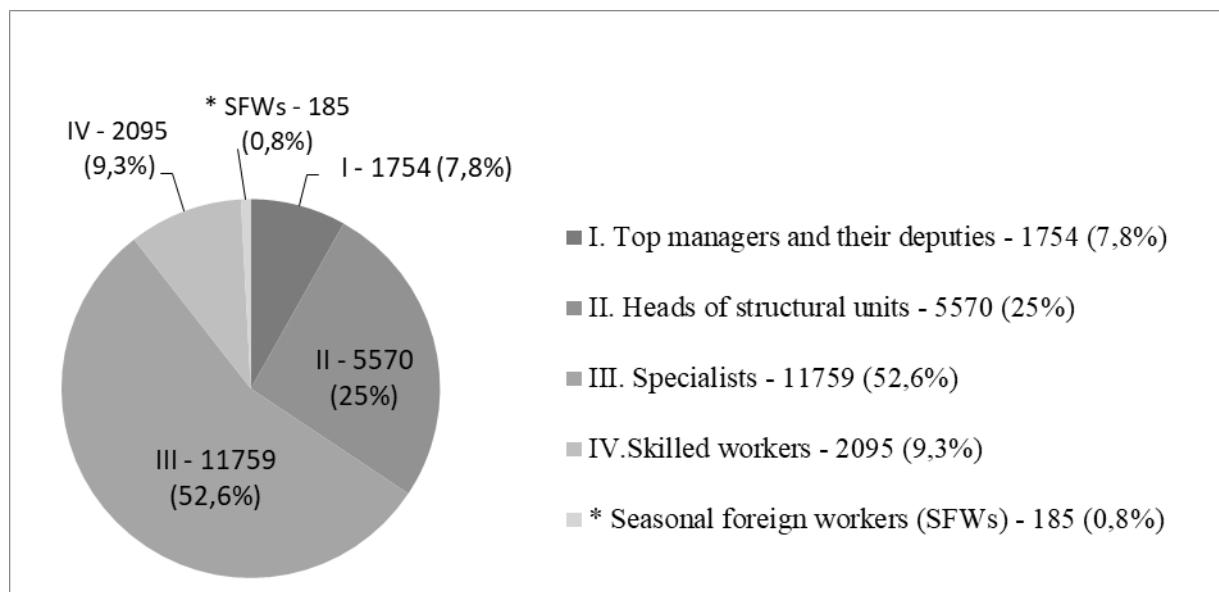


Figure 1 - Attracting foreign labor in the Republic of Kazakhstan in the context of the relevant categories by the end of 2017

Thus, a large proportion of the attracted foreign workforce is occupied by specialists and heads of departments. This demonstrates the need of domestic employers for highly qualified specialists and managers. This is quite natural, since the constant increase in the number of highly skilled foreign labor attracted to developing countries is one of the characteristic trends of international migration.

In the sectoral profile (by type of economic activity), by the end of 2017, foreign labor was distributed in the following order:

- 1) construction - 16,183 (66%);
- 2) mining industry - 2282 (10%);
- 3) manufacturing industry - 1274 (5.2%);
- 4) agriculture, forestry and fisheries - 1367 (5.3%);
- 5) provision of other types of services - 2254 (7.8%) [5].

As we can see, a large proportion of working foreign citizens is represented by the construction industry, with the majority of attracted foreign workers in this sector represented by qualified specialists. At the same time, there is a shortage of qualified specialists in the oil and gas industry and the energy industry that are the main factors for the growth of the national economy of Kazakhstan [6, 182].

As for the country aspect of external labor migration, in 2017 the main countries exporting foreign labor to Kazakhstan were:

- 1) China - 12,400 (43%);
- 2) Turkey - 3271 (11.3%);
- 3) Uzbekistan - 2256 (7.8%);
- 4) Great Britain - 1,243 (4.3%);
- 5) India - 1,226 (4.2%) [5].

It should also be noted that within the framework of the Eurasian Economic Union (EAEU) there is a regime of free movement of labor resources on the territory of the member states.

At the same time, the problems associated with the regulation of external labor migration remain unresolved. This is, first of all, the lack of a clear methodology for statistical accounting of all flows of foreign labor, especially unskilled and, as a rule, illegal, including from the EEU countries.

If we determine the impact of labor migration between the CIS countries on the labor market economy, then we can observe a combination of two types of factors of production – one for which immigration is a good substitute factor and the other is a good additional one.

Regulation of external labor migration directly affects the problem of implementing state employment programs for the local population. Unfortunately, the mechanism for identifying the needs of regions for foreign labor is limited by the quota setting procedure. Meanwhile, akimats do not always focus on the socio-economic indicators of the region, indicated in state employment programs. This is another problem that the state faces in attracting foreign labor.

The government is trying to strengthen measures to protect the national labor market. Thus, in accordance with the Law on Employment of the Population, the quota for attracting foreign labor was reduced to 0.75% of the economically active local population [9]. As a result, for the years 2014-2017 the total number of labor immigrants fell by 8.8%. However, if we look at the data regarding the share of foreign labor attracted to Kazakhstan by category, we will see the following (Table 1.):

Table 1 - The share of attracted foreign labor in the Republic of Kazakhstan in the context of the categories for the period 2014-2017.

Category	on November 1, 2014	on February 1, 2015	on July 1, 2016	on April 1, 2017
1 category	5,4%	6,6%	5,8%	6,8%
2 category	19,6%	20,6%	18,9%	20,5%
3 category	42,8%	42,8%	45,4%	50,0%
4 category	32,2%	30,0%	29,9%	22,7%

Note: Compiled on the basis of official data of the site. Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan

Results

The analysis shows that the overall reduction occurs due to the restriction of attracting low-skilled labor (from 32.2% to 22.7%). At the same time, we are seeing an increase in the proportion of highly qualified specialists. Thus, in fact, the state only protects that part of the national labor market, which is associated with low qualifications.

Illegal migrant workers, as a rule, have mostly general secondary and incomplete secondary education and are often placed in places where education is not required. It should be noted that the

share of low-skilled foreign labor is a small proportion of immigrant workers who are legally employed. For the most part of unskilled labor, constituting a mass of illegal migrants, there are no working conditions. As a rule, employers do not conclude employment contracts with this category of migrants. They receive low wages in those areas of the economy where there is no offer from Kazakhstani workers.

The number of illegal migrants from Uzbekistan, Tajikistan and Kyrgyzstan continues to grow, aided by low rates of economic development, low living standards and high birth rates in these countries. Kazakhstani employers interested in cheap labor willingly hire illegal migrants for work, which aggravates the situation in the Kazakhstani labor market. In addition, the state budget does not receive significant amounts of taxes.

To implement the work of foreign workers, in addition to the initiative of the worker himself and the local employer, a government permit is also required. Most foreign workers find it profitable to work illegally, and it is easier for the employer to pay the fine. As a result, the work of illegal immigrants grows with the shadow economy. Most immigrants arriving in Kazakhstan in a visa-free manner are poorly versed in local legislation. As a result, the influx of illegal migrants from neighboring countries becomes a threat to national security, being a source of deterioration in the crime situation, contributing to the formation and development of segments of the shadow economy. At the same time, an increase in the number of employed foreign migrants in the national economy leads to a decrease in real wages in the country and crowding out domestic specialists from the labor market.

Illegal migrants, as a rule, occupy workplaces in those sectors where no highly qualified specialists are needed - handymen in construction, as part-time workers in the markets, in certain types of agricultural work. At the same time, reducing the number of illegal migrants does not automatically and quickly fill these labor markets with the local population. Experts of the International Organization for Migration note that “low-skilled jobs in Kazakhstan in the short term will not become attractive for Kazakhstanis” [Attraction of foreign labor..., www].

Based on the analysis of the situation in attracting foreign labor in the territory of Kazakhstan, the following measures are recommended to improve the regulation of this process:

- allow all migrants from non-EAEU countries to work in construction, agriculture, services and trade in order to stabilize their situation for a long time;
- reform immigration and labor laws, creating provisions necessary for issuing work permits, regardless of whether individuals or legal entities, as well as expand the list of self-employed professions that foreign citizens can engage in;
- amend the law on migration to include the basic rights of all migrant workers, in accordance with international human rights standards, such as the rights to just and favorable working conditions;
- intensify cooperation between the migration police and labor inspection authorities in order to identify migrants who are victims of violations of their fundamental rights, especially migrants who are victims of violence, exploitation, forced labor or human trafficking;
- hold accountable those responsible for the abuse of labor migrants or the violation of their rights, including those who hire migrants without signing a contract with them before commencing work, or who do not comply with the terms of the contract signed with them;
- intensify cooperation between the parties interested in combating human trafficking and illegal migration on a national scale with neighboring countries, in particular with Kyrgyzstan, Uzbekistan and Tajikistan.

Conclusion

The state's attempts to reach compromise between satisfying the needs of the national economy for qualified labor and protecting the interests of the internal labor market entities face a number of internal problems, as well as a global tendency.

The state is facing the problem of illegal migration, which is also a worldwide trend. Therefore, it is necessary to adapt foreign experience in the regulation of migration processes. The high proportion of illegal migration in Kazakhstan indicates a weak state control over migration processes.

The lack of a clear accounting of migrant workers reduces the possibility of economic analysis, forecasting foreign labor, as well as analyzing the impact of foreign labor on the main socio-economic indicators of the country.

The existing conditions for organizing the monitoring of labor migration do not allow keeping statistics on illegal migration. This, in turn, complicates the task of regulating migration processes, based on the economic interests of the state.

New approaches in the regulation of external labor migration should be aimed at solving problems of reducing the number of illegal migrants, as well as developing effective mechanisms to attract qualified specialists not to the detriment of the local labor market, as well as creating conditions for the integration of labor migrants into Kazakhstani society.

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Проблемы привлечения иностранной рабочей силы в республике Казахстан

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Аннотация

Статья посвящена вопросам привлечения иностранной рабочей силы, а также проблеме нелегальной трудовой миграции. В статье отражена текущая миграционная политика в Республике Казахстан, которая основана на привлечении квалифицированных специалистов. Исследование направлено на выявление существующих и возможных негативных последствий неконтролируемого найма иностранной рабочей силы для национальной экономики. Поднимается вопрос о возможных последствиях либерализации миграционного законодательства Республики Казахстан, что наблюдается в последние годы. В рамках исследования был проведен анализ динамики привлечения иностранной рабочей силы по материалам отчетных документов Министерства труда и социальной защиты населения Республики Казахстан, а также статистическим данным Комитета по статистике Министерства национальной экономики Республики Казахстан. На основании проведенного анализа выявлены проблемы в сфере регулирования привлечения квалифицированной и неквалифицированной иностранной рабочей силы. Результаты показывают необходимость более детального изучения инструмента квотирования для трудовых иммигрантов с целью защиты внутреннего рынка труда, а также сокращения числа нелегальных иммигрантов. Некоторые рекомендации представлены в виде выводов.

Для цитирования в научных исследованиях

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Ключевые слова

Внешняя трудовая миграция, иностранная рабочая сила, квотирование, национальная экономика, экономическая безопасность

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