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The Precarization of Employment: A Case of Kazakhstan

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Abstract

Dynamic changes in the field of labor relations have become a general trend in the world practice. These changes are due the impact of globalization and technological innovation above all. Concept of "precarization of employment" appeared due the new emerging labor relations. This term has been used for more than thirty-five years, but there is still no generally accepted definition of it. A wide range of authors' viewpoints on problem of precarization makes it vague and impossible to strictly to identify its borders. Features of its manifestations in different countries also complicate the problem. Kazakhstan is a country with export-oriented economy of raw materials. At the same time government try to solve the problem for the industrial-innovative development of the economy. These two factors bring additional specific features in the manifestation of the precarization of employment in the country. The aim of the paper is to identify the features of "precarization of employment" concept in Kazakhstan's practice, based on the proposed definition.

Keywords: Employment, Economic Crisis, Technological Innovation, Labor Market, Informal Employment, Labourcode.

JEL Classification Codes: J23, J60, E24.

1. Introduction

Precarization employment problem draws an increasing attention of many researchers. Aggravation is due to globalization and technological progress, and affecting every country. However, this is different in different countries because of specific historical and economic characteristics of its development and mentality of people. Therefore, the overall picture of the precarization of employment can not be complete if it is not supplemented by the results of study in different countries,

including emerging markets. Sociologists are more engaged than economists with theme of precarization employment in the scientific literature. This, in our view, significantly worsens the study of this very complex phenomenon. It is impossible to successfully deal with those consequences without a clear specification of definition of employment precarization. For such purposes, it is important to identify the dominant factors of influence on employment in each country, and to determine in what part of employment is subject to the precarization. It is necessary to supplement existing data with new statistical indicators, but it is already possible to estimate the scale of employment precarization. The improving mechanism of labor market regulation should be given to the central smoothing labor relations, especially between employers and employees. In this issue of the precarization of employment objectively will be the subject of negotiations.

2. Literature Review

The concept of "a precarization" has been used from the 80s of the last century. Sociologists are mainly engaged in the problem of precarization. Apart from them, this is also the subject of research of psychologists, lawyers and even philosophers. Economists stood aside from this discussion until recently. There are many definitions of precariat and employment the precarization of. However, there is still no a generally accepted definition. A number of definitions offered by well-known specialists can support this statement.

The term "precariat" was first used by Ulrich Beck in 1986. Under "precariat", he understood unstable, impermanent employment, and people who were imposed this form of employment. He connects this term with the risk society, where any guarantees disappear under the influence of the emerging postmodernism and globalization. Castel (2009) also linked the occurrence of precariat with the processes of economic globalization, which made people who made up the core of employees vulnerable. Bourdieu (2003) has defined precariat as the unstable and unprotected social layer. Bizyukov (2013) referred to the Friedrich Ebert Foundation's report identified precariat as a growing group of those who are below the poverty line or even cut off from the civilized community aspirations. Evans & Gibb (2009) characterized precarious work

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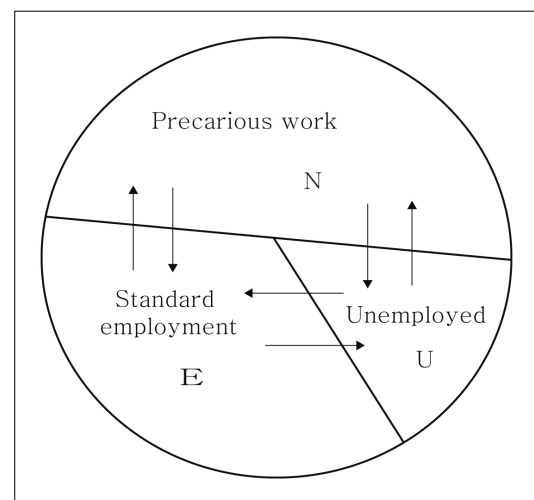
as untypical employment contracts, limited social benefits and legally defined rights, a high degree of job insecurity, short duration of work, low wages and high risks of occupational accidents and diseases while Bobkov & Veredyuk (2013) believe that the instability of employment is due to the economic and legal deregulation of labor relations and the increasing size of forced labor, at the same time refusing social guarantees to reduce the costs of wage and increasing employment flexibility, including those not executed by employment contracts.

Standing (2011) distinguishes five groups in modern western society based on working status: elite, salaried professionals, core workers, and precariat, socially unsettled people who do not have full job security. Precariat is located in the lower part of the "pyramid" of society and represents a diverse group of workers and the unemployed, live in conditions of social and economic insecurity. They have a minimal relationship with the state and the employer in terms of stability and security. Their representatives limitedly identify themselves with the professional community, in which they probably are. They are characterized by three features: no job security; rely only on the direct cash rewards for work; most of them do not have the same rights that other citizens have. Due to the loss of rights, guarantees and professional identity, they suffer from anxiety, alienation, and anomie.

International Labour Organization (ILO) introduced the term "precarization" in 2011 and considered it as apart of the spreading flexible forms of employment, as opposed to the system of unemployment. According to the ILO definition, employment can be considered as precarious if it is in the formal or informal economy, which is characterized by various degree of objective characteristics (legal status) and subjective (feeling) of uncertainty and insecurity. In this case, precarious employment is determined by the uncertainty of the duration of employment, lack of access to social protection, benefits and the availability of legal support. As a result, they are exposed to practical obstacles to joining workers' unions.

It should be noted that the ILO approached comprehensively to address the problem of the precarious employment and clearly identified some main issues: Analysis of the economic factors that support the unstable employment; Identify gaps and shortcomings in the legislation, which contribute to the spread of precarious employment; Consideration of communication between workers' union rights and unstable employment; Exchange of views on strategies and approaches to combat precarious employment; Determination of the main directions of intervention policy to precarious employment, both at national and international level and Development of a common anti-precarization program. Even this small survey provides a wide range of authors' views on the essence of precarization. If anyone tries to find something in common in their definitions of employment precarization, it is likely to be the recognition of the unsettled labor relations and lack of full legal and social guarantees of employment. In other words, the precarization is unstable, temporary employment; and precariat is a socio-professional group of people, who is experiencing this form of employment.

Precarization of employment is characterized by untypical employment contracts, limited social benefits and legally defined rights, a high degree of job insecurity or a short period of job. In practice, this is manifested in the imposition of temporary work, termination of employment by the employer at any time, deprivation of choice freedom, employee leasing, deriving it from the staff. The consequence of the unstable, precarious forms of employment are low wages, lack of protection against dismissal, lack of social protection systems and the ability to defend worker's rights and interests. It is suggested to consider precariat as socio-professional group in the structure of the economically active population (EAP), which occupies an intermediate position between the standard employment and unemployment systemic. Moreover, the boundaries between them may change due to strong labor market fluctuations. In our view, unemployment can not be considered as a special form of precarization as offer individual authors. This leads to confusion because of the unclear and vague distinctions between precariat who are temporarily or partially employed, and the unemployed, between employment and unemployment.



<Figure 1> Place of Precariat in the Structure of the Economically Active Population

The main sign of belonging to precariat is considered as a lack of legalized working relationship with the employer. They are temporary workers with part-time job and without an employment contract, employee out of permanent staff (out staffing, staff leasing); working part-time employees. And, as a consequence, they do not have solid social and labor warranty, such as a limited-time, paid leave, sick leave and pension and social deductions.

The proposed approach to the precarization of employment, in our opinion, will allow achieving unity in the study of the problems of employment instability in one country and creating a basis for cross-country comparisons.

2. Data and Methodology

Precairization of employment, being a complex problem, requires a search for answers to many questions. What is the essence of this phenomenon? Is precariat dangerous as some researchers' claim? Should focus on full employment be a priority? Is the topic of precarization the top issue of employment and social security? What are some real prospects for newly acquired employment and / or social security? Series of questions can be further expanded.

It is important to note that in terms of methodology, the study of problems of employment precarization requires an interdisciplinary approach. For example, you need the active involvement of economists in a study of this problem. In sociological research of precarization narrative description of the phenomenon is prevailing, but the numerical data is almost not given. It is also obvious value in use of methodological tools of behavioral economics, which made it possible to analyze the behavior of the subjects in the conditions of unstable employment. Identification of the root causes of this phenomenon would have contributed to the adoption of effective solutions in the field of employment.

In discussing the problems of precarization issue of precarious employment is usually associated with a lack of social security. This is understandable, since the first normal-time employments are traditionally characterized by a reliable social security. But it must be noted that today the employees are not distinguished by their uniformity. In addition to employees with stable legalized employment, there are informal workers in the informal sector of the economy, in the shadow economy and informally employed workers in the formal sector. It is necessary to decide on how to come up with a methodological point to quantitative calculations in order to describe the numerical characteristics and assess the risk extent of precarious employment. This research study extensively analyzes and discuss some extended and narrow approaches. In narrow approach, category of precarious employment includes part-time job in the formal economy; the number of workers with fixed-term employment or civil contracts; the number of employees involved in the scheme of contract labor and informal employment. In the extended approach, it also includes the unemployed group; the working "poor"; employed under civil law contracts; people who have arrears of wages; employed in conditions that do not meet hygienic standards; seeking other or additional work due to the lack of wage or mismatch of specialty and illegal immigrants.

On the basis of previously stated point, the author prefers a narrow approach to the study of precarization problems, since it allows people to clearly define the boundaries of this phenomenon and give it a quantitative characteristic. An important area of research in the field of conceptual provisions of the employment precarization is differentiated understanding of precarization as a special form of flexibilization or as a systemic risk for the entire employment sector (Sankova, 2014). This is important for two reasons: first, it is important in choosing of emphasis in the development of social policy in general and the decent work

programmes; and secondly, it is essential for situational analysis and forecasting.

Obviously, the precarization of employment as a form of flexibilization is determined by the demand for labor in an accelerating innovative economy. The latter requires new, more flexible forms of employment such as temporary employment, self-employment, agency work, and freelance than the other one. The current and future changes are characterized by both positive and negative consequences. For example, the positive effects of new forms of employment are voluntary choice of temporary work by the individual, possibility to ensure the full protection of social and labor rights of workers in temporary contracts. In real life, a significant number of people with a good education also prefer part-time work in the offices. However, current practice gives more reasons to discuss the negative consequences of new forms of employment for the employee: a low level of guarantees and wages, under investment in human capital, lack of career prospects, the psychological state of depression and anxiety. Precarious work bears the risk of loss of social protection of workers. In our opinion, it is important to shift the focus of researchers to find ways to overcome the current asymmetries in relations between the employee and the employer, and establish a new balance between stability and instability of employment.

Finally, an important theoretical and methodological issue in the field of employment precarization is the ability to detect real prospects newly acquired employment. Keynesian theory predicts a huge reduction of part-time labor wage, apparently coming true and therefore the question of full employment is not as relevant as searching for the social security system, corresponding to the change coming into production and social life.

In our opinion, it is advisable to move from generalities to analysis of concrete problems of employment precarization. This will provide an opportunity to move away from the descriptive nature of the problem, which is mostly typical in sociological researches. In this article, the author makes a modest attempt to consider precarious employment, as a phenomenon, occupying an intermediate position between typically employed and unemployed in the structure of the economically active population. On this basis, it becomes possible to make a clear distinction between these components of the EAP. This creates a basis for a quantitative assessment of the phenomenon's extent to identify specific factors which affect it. Available statistical data can be used here, but it is important to complement it with corresponding indicators. Also, it is important to keep the right balance between the statistical data and the results of representative sociological research. Trends in employment in different countries are different, but it is important to highlight that part of employees, which are subject to the precarization. Identifying at least approximate scale of precarization can create some basis for appropriate measures of economic and social policy.

Official statistics do not provide data to reliably quantify workers' exposed precarization. Workers engaged in temporary work are not listed separately. Therefore, we used a simple indirect method in order to give at least a rough quantitative estimate precarious work. Its content is the comparison of statistical data on hired workers and listed number of employees who are recruited by an

employment contract, regardless of its term. According to calculations carried out by the author, the proportion of persons who are not covered by agreements, amounted to 37.3% in 2013 and 37.6% in 2014. This can give us an idea about the scale of precarious employment in Kazakhstan. If we adjust the figures to share of informally self-employed, it turns out that about a third of the economically active population in Kazakhstan is in a state of employment instability.

3. Main Part

3.1. The Impact of Globalization and Industrialization

Modern conditions of globalization and the economic crisis gave sociologists basis for the division of society on the basis of economic stability/instability, security/insecurity. The EU and the US are talking about the emergence of a new "dangerous classes" i.e. precariat. It is not integrated into any of the existing socio-structural systems. According to Standing (2011), precariat must be understood in the context of globalization, that is, the opening of labor markets around the world. As a result, a flexible labor market is replacing the traditional relationship between capital and labor, people increasingly have to change jobs and skills, and they increasingly lose touch with each other and with the corporate culture. They lose their social security; their professional identity weakens, and an anxiety about the future born.

An important factor affecting the nature of employment is an accelerated life cycle of innovation and asynchrony. It produces a variety of risks in the labor market affecting certain categories of workers. Innovative economy naturally leads to increased flexibility of employment and labor market, extend the scope of temporary contracts, the development of non-standard forms of employment. Thus, according to specialists of Kelly Services, 80% of people around the world will be working on temporary contracts after 45 years. This forecast was made by specialists of American headquarters of the company in 2005 (Litoshik, 2005).

At the last Davos economic forum, participants paid great attention to radical breakthroughs in recent years' technologies such as robotics, the Internet of things, financial technologies, IT-systems and intelligent production which are able to make decisions without human intervention. It was emphasized that the Fourth Industrial Revolution has the potential to raise the standard of living of all earthlings. Technological innovations will lead to long-term increase in efficiency and productivity. This will open up new markets, and impetus will be given to the growth of the economy. However, demand for highly skilled workers will dramatically increase on the one hand, but robots will replace people on the other hand as a result of technological innovation. According to some forecasts made by World Economic Forum (2016), 47% of the jobs of the modern world will be automated in 20 years. During the period from 2015 to 2020, trends mentioned above will lead to a loss of 71 million job places across 15 countries, most of which will be happened

in office and administrative positions.

The development of artificial intelligence widens the gap between rich and poor, reducing the competitiveness of low- and medium-skilled workers and the need for workers with low skills. At the opening ceremony of forum, Joe Biden (2016) talked about how the digital revolution can destroy the middle class in developed countries. Displacement of people from the labor pool by robots will increase uncertainty, anger, irritation, which can lead to a social explosion. Large-scale introduction of "cyber-physical systems" (CPS) in the leading developed countries, may harm developing countries who rely more on production. The emergence of autonomous transport, enhancement of artificial intelligence and machine learning techniques, superior materials and printing methods can add 100 million to the 200 million current unemployed people in the world by 2017. And most of all, it will affect developing countries since return to automation of industries may shift production to developed countries.

According to WEF (2016), enhancement of gender inequality in the labor force is predicted: one new will appear for three lost "male" positions; one new will appear on five lost women positions. The new industrial revolution entails a radical change in concepts such as "normal working day". Instead, they put forward the concept of "Flexibility" of social and labor relations, implying flexibility in working time and employment policies on the one hand, and the variety of worker's skills and the ability of workers to adapt to changes on the other. Flexible system of employment will become a norm and gradually replace stability of the eight-hour day and five-day working week. This will lead to increased power of employers who are interested in the transition on short-term labor contracts, reducing wages and lowering the level of social security of workers. For employees it means possible unstable employment. Excessive labor flexibility has a devastating impact on the worker, making it less resourced oriented, more vulnerable and less resilient (Eurofound, 2010).

3.2. Precarization of Employment in Kazakhstan

The problem of employment precarization in Kazakhstan has not been directly addressed by any of the works of national or foreign researchers in a modern term. Problems of precariat as a group in the social structure is almost not discussed. The term "employment precarization" only comes into use in the scientific environment. As a result, it has not received proper theoretical coverage and a corresponding reflection in Kazakhstan's socio-economic policy, legislation, and statistics; not raised the question of the need for the mechanism of their regulation at the state level. Nowadays, no one can reliably say how many employable Kazakhstani are in precarious employment situation. The employment relationship between employers and employees are on an urgent basis which does not correspond to their formal content or formalized. Therefore it creates additional difficulties in assessing the scale of employment instability.

Meanwhile, phenomenon of employment precarization itself has

already taken place in our country regarding the change of the social system after the collapse of the USSR, and the subsequent sharp drop in production. In the following conditions, there were a layer of entrepreneurs, but the majority of citizens lost their job security. If we assume understanding of the employment relationship as a system that adequately reflect the principles, the content and form of participation of the working population in social production for a certain period, then any violation of existing labor relations to the downside will stand for employment precarization thereafter.

During the Soviet period, social protection of workers was at a high level, full employment has been achieved by socially useful work. Another issue is that this type of employment was ineffective and inefficient. Social and labor relations in the country radically broken in 90 years: many social benefits were abolished. Unemployment has reached its peak of 13.5% in 1999. The employment rate has been growing steadily since 2000, due to the dynamic growth of the economy up to 2008, during the global crisis of 2008-2009, in the post-crisis period "during" 2010-2014, albeit with different rates <Table 1>.

<Table 1> The Dynamics and Structure of Employment According to ILO in Kazakhstan

	2000	2005	2010	2011	2012	2013	2014	2015 III quarter
The employment rate, in % to the economically active population	87,2	91,9	94,2	94,6	94,7	94,8	94,9	95,0
The share of hired workers in employed population, in %	56,5	63,9	66,7	67,2	68,3	69,4	71,8	72,9
The share of self-employed workers among employed population, in %	43,5	36,1	33,3	32,8	31,7	30,6	28,2	27,1
The share of the number of independents among self-employed, in %	92,0	93,7	94,2	96,4	94,7

Note: Compiled by the author based on the source (Statistical yearbook, 2014; Committee on Statistics, 2015)

According to official statistics, the share of employed in organizations and enterprises amounted to 88.4% (5.7 million people) for the third quarter 2015. The number of self-employed persons amounted to 2.3 million people. A significant part of the self-employed carried out its activities in agriculture (50.2%) and trade sector (22.4%), construction (9.1%) and transport services (8.5%). Self-employment is one of the clearest manifestations of the employment precarization. According to Table 1, self-employed

amounted to 28% out of all employees in 2014, which reflects a significant positive shift in the structure of employment. But on the other hand, we can see a negative trend in which the proportion of independents among self-employed has tended to rise. A high proportion of self-employed workers indicate not only the archaic structure of the economy, but also the presence of the essential employment issues. Not only working time is under utilized in the area of self-employment, but also the creative potential of the people. In this regard, the share of self-employed is an important indicator of social, economic and technological development of the country.

Two factors give special relevance of employment precarization in Kazakhstan. Firstly, it is a current economic crisis. The dynamics of economic growth is the dominant feature in the impact on employment. The author studied the influence of various factors on employment in Kazakhstan for two periods: from 1992 to 2014, and from 2000 to 2014. As a result, the highest correlation was found between the change in the gross domestic product (GDP) and the number of employees <Table 2>.

<Table 2> Initial Data for the Calculation of the Correlation Coefficient

Year	The volume index of GDP to the previous year	GDP growth - x	Employed as a percentage to the previous year	Employment growth rate - y
1992	94,7	-5,300	98,2	-1,800
1993	90,8	-9,200	91,9	-8,100
1994	87,4	-12,600	94,5	-5,500
1995	91,8	-8,200	99,5	-0,500
1996	100,5	0,500	99,5	-0,500
1997	101,7	1,700	99,3	-0,700
1998	98,1	-1,900	94,7	-5,300
1999	102,7	2,700	99,6	-0,400
2000	109,8	9,800	101,6	1,600
2001	113,5	13,500	108,0	8,000
2002	109,8	9,800	100,2	0,200
2003	109,3	9,300	104,1	4,100
2004	109,6	9,600	102,8	2,800
2005	109,7	9,700	101,1	1,100
2006	110,7	10,700	102,0	2,000
2007	108,9	8,900	103,1	3,100
2008	103,3	3,300	103,0	3,000
2009	101,2	1,200	100,6	0,600
2010	107,3	7,300	102,7	2,700
2011	107,5	7,500	102,3	2,300
2012	105,0	5,000	102,5	2,500
2013	106,0	6,000	100,7	0,700
2014	104,3	4,300	100,9	0,900

The coefficient of pair correlation of K. Pearson calculated in Excel according to the known formula:

$$r_n = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_{i=1}^n (x_i - \bar{x})^2} \sqrt{\sum_{i=1}^n (y_i - \bar{y})^2}}$$

The coefficient of correlation between these indices during 1992-2014 amounted to 0.83 ($R^2=0.68$). In the period from 2000 to 2014, when the economy had only a positive growth trend, the correlation coefficient between these figures were 0.72 ($R^2=0.52$). Thus, the primary determinant of employment status is the overall economic dynamics. For comparison, the coefficient of correlation between the rate of growth in investment and employment was equal to 0.30 ($R^2=0.09$), between the growth of foreign trade and employment amounted to 0.34 ($R^2=0.12$), between the rate of growth of exports and employment amounted to 0.36 ($R^2=0.13$), between the rates of M2 and employment growth amounted to 0.07 ($R^2=0.00$).

Kazakhstan's economy is one-side focused on the export of raw materials, and a sharp decline in the prices of the main export product i.e. oil, had a negative impact on economic growth <Table 3>.

<Table 3> Dynamics of the GDP of Kazakhstan for 2011-2015.

	2011	2012	2013	2014	2015		
					I quarter	II quarter	III quarter
Index of physical volume GDP, as a percentage to the previous year	107,2	104,6	105,8	104,1	102,3	101,7	101,2

Note: Compiled by the author based on the source(Committee on Statistics, 2015)

Decline of prices in the oil industry can lead to a sacking of 40 thousand workers. The number of personnel involved in oil production decreased by 1141 people only in the third quarter of 2015 compared to the fourth quarter of 2014 (Akhmetov, 2015).

In addition to the reduction of employment, crisis is likely to cause a transition from stable system of full-time to the perturbed system with unstable employment. Now businesses and organizations have to think about the application of various non-standard forms of employment as a transition to the 4-day working week; some companies introduced the program "Stop" in relation to the admission of new workers. The number of laid-off workers was greater than the number hired workers <Table 4>.

<Table 4> The Movement of Labor in Large and Medium-sized Enterprises in Kazakhstan

	2011	2012	2013	2014	2015			
					I quarter	II quarter	III quarter	IV quarter
Recruited	104.1780	1.112.471	941.916	968.601	163.869	178.760	193.184	152.228
Dismissed	903.042	983.905	886.320	907.848	172.877	186.673	209.631	181.743
The replacement rate	1.15	1.13	1.06	1.07	0.95	0.96	0.92	0.84

Note: Compiled by the author based on the source (Committee on Statistics, 2015)

Ratio of substitution of labor is defined by the formula:

$$Rate_{replacement} = \frac{\text{The number of employed in the period}}{\text{the number of dismissed during the period.}}$$

Increasing scarcity of work places and tensions in the labor market reduce an opportunity to work by standard employment contract. Employers get rid of excess labor and prefer fixed-term contractual relationships with employees. Most experts predicted a prolonged crisis for countries whose economies are based on oil exports. In this case, there is a real threat of further deterioration in Kazakhstan's labor market, an increase in instability of labor relations, reduction of the working life quality. Secondly, the task of becoming one of the 30 highly developed countries makes the problem employment precarization relevant. The successful solution of this problem requires the mandatory formation of an innovative economy, development of high-tech industries. A content analysis of the second phase of the State Program of Forced Industrial-Innovative Development (SP FIID) in terms of its impact on employment shows that it mainly refers to the creation of additional jobs by increasing the share of manufacturing sector (MFA, 2015). It does not pay due attention to the problems of technological transformation. This is evidenced by the results of Kazakh scientists' research which indicates that technological profile of the country is far from the modern requirements and changing very slowly.

The share of the fifth technological mode in the country's economy is less than 1%, the fourth is around 35%, the third is around 65%. According to the authors, the first results of SP FIID have not improved the ratio of technological structures (Dnishev & Alzhanova, 2014). Meanwhile, the introduction of new technologies leads to cost-effective and efficient economy in the long term, which is one of the main features of highly developed countries. A new technology usually results in the reduction and elimination of previous old jobs, and appearance is really new, requiring a high level of knowledge, expertise, and skills. Therefore, it is advisable to review content of SP FIID toward strengthening its focus on the introduction of new technologies, and at the same time to search for potential problems of employment precarization solutions.

Precarious work in Kazakhstan is temporary work above all, i.e. job on temporary labor contracts, subcontracts. Practice shows that the contracts between employee and employer are

often oral. Employees often do not give due importance to the contracts, since they do not guarantee a job in reality, the employer may terminate employment contract for any reason.

Informal employment i.e. any kind of labor relations based on an oral agreement has gained a large scale in Kazakhstan. There are ILO (2013) recommendations on which workers to include in informal employment. Essentially, there are two categories of informal employment of workers: one is workers in the informal sector who are unregistered and the other one is paid workers having in formal jobs in the formal sector. They receive a salary, but receive no other benefits, which are generally assumed to be on official work: they can not count on a pension, insurance and other social guarantees. Sinyavskaya (2005) points out a positive aspects of informal employment. For instance, the opportunity to receive the current labor income with greater regularity, and often at a higher amount than in formal employment. And it turns out to be beneficial not only to the self-employed and entrepreneurs, but also to employees (2005). Nevertheless, the negative aspects of informal employment are obvious. The absence of a written employment contract increases the infringement risk of labor rights and social security of workers; and labor relations instability deprives employee career prospects as well.

Given the complex nature of labor relations of people in the informal sector, the real volume of informal employment is difficult to estimate. According to the Committee on Statistics (2015) of the Ministry of National Economy, more than 59% of all employees work in formal sector enterprises, 37% in the enterprises of the informal sector, and 4% in households. Furthermore, 24% out of the total workforce were informally employed in the national economy, and 44.5% of those are self-employed workers while 55.5% are informally employed.

4. Results and Findings

It should be noted that precarious work in Kazakhstan is typical not only to low-skilled workers; it is also observed in education sector, activities of office workers and lower-level civil servants. Their work is heavily loaded but not compensated by proper wages. In this case, a specialist often has to do the job below his or her skill level. He or she spends a lot of time for a job that does not considered and not paid.

A significant part of migrants is also subject to the precarization of employment internally and externally since they are cheap labor force. As a result, this labor force reduces labor costs for employers. Thousands of citizens in the country move from the rural area to the urban cities the most attractive in terms of employment are the cities like Almaty, Astana, Mangystau, Karaganda and Atyrau region. In most cases, they do not find a worthy use of their talent and skill. Many of them are willing to work for low wages, without signing employment contracts, compliance with working hours or provision of adequate social guarantees.

A feature of precarization in Kazakhstan, in contrast to the

practice in developed countries, is the fact that every employee can get into the precarium regardless of age, gender or nationality. In addition, Kazakhstani employment precarization is characterized by followings: the ceszation of work by the employer with or without prior notice to the employee changes in the length of working time and the functions performed by the employer's wish carrying out works without filing an employment contract. Adequate social policies should be developed to prevent undesirable effects of employment precarization. It should be based on professional analysis of the existing practice of employment instability in the country and taking into account the best precarious labor management practices in developed countries.

Kazakhstan has taken certain steps to establish a new type of labor relations. The new Labour Code of the Republic of Kazakhstan simplified procedures for changing the conditions of the employment contract, the state will now take a minimum participation in these processes. There are measures to introduce a system of self-management of labor collectives; and the role of collective bargaining of workers and employers is strengthened. It is assumed that the liberalization of labor relations will help eliminate obstacles to the innovative development of the economy, increase flexibility of the labor market, create new jobs and productive employments.

The main role in the formation of labor relations will belong to workers and employers. This will require measures to improve the work culture and legal awareness of workers, their understanding of the role and functions of the main institutions of social and labor relations. This applies equally to Kazakh employers are not characterized by high culture and law-abiding. The degree of maturity of the social and labor relations will depend on the understanding of both sides of regularities of processes in the area of employment, especially employment precarization. For example, in the new conditions, workers should be able to respond correctly to plans taken by the employer aiming restructure the company. Relations based on social partnership should be established between them for this purpose. Timely and keen exchange of information between them will greatly facilitate the solution of problems related to employment. Informed workers are likely to manifest their interest in retraining, improving their skills to meet the demands of the new job, understand the need for continuous learning throughout their working lives. Therefore, this kind of communication between employer and employees will create a good basis for the elimination of the causes leading to precarious work.

The transition from strict regulation to minimized state regulation of labor relation parties' rights and obligations will require active workers union activities. Unfortunately, they have not become equal partners so far. It is sufficient to say that the total amount of collective agreements in the country is around 30%, whereas in small and medium-sized businesses, they are virtually none.

Given the novelty of the problems of employment precarization in our country, it is necessary to intensify research in this field, and to achieve recognition of the relevance of this

issue by all levels of government. This will allow identifying the specific features of labor precarization in our country, due to the levels of economic development, social justice, the mentality of the people, and the inertia of the old socialist thinking. And thus help establish a society with a flexible labor market, civilized labor relations.

5. Conclusion

Precarization of employment problem is becoming increasingly important for many countries. In these circumstances, it is essential, on the one hand, to achieve a common understanding of the phenomenon, on the other, to explore the features of its manifestations in different countries. In Kazakhstan, employment precarization is actualized in connection with experiencing an economic crisis. Proper implementation of industrial and innovative development may further exacerbate the problem of employment precarization. There is a growing differentiation of labor market segments, and all non-standard forms of employment are more distributed. There is a labor market transformation towards increasing its flexibility, decentralized collective-contractual regulation of labor relations.

In this regard, it is necessary to establish real partnerships between employers and employees as key stakeholders in the negotiations on the formation of the employment relationship. One of the main points of the process will inevitably become the question of the development of prevention and control measures precarious labor.

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