

ANNOTATION

**to the dissertation work of Bezler Oxana Dmitriyevna
on the topic: « Organizational and economic mechanisms of integration of
the labor markets and educational services in the Republic of Kazakhstan»,
presented for the doctor of philosophy degree (PhD)
by specialty «6D050600 – Economics»**

Topicality of the research topic. The strategic state programs emphasize the importance of combining the main goals of the labor market and the educational services market at the present stage of the development of economic relations. In his Message to the people of Kazakhstan «Strategy «Kazakhstan – 2050: a new political course of the established state», the President of the state set the main task of «modernizing the labor market, the market of educational services and increasing the level of social security of the population in conditions of social instability in the world».

In order to implement the President's Address, the Government of the Republic adopted and approved the state programs «Enbek» and «Roadmap of Business – 2025» in 2008 – 2009 years. During the operation of the «Roadmap of Business» program, about one million new jobs were created and about 500 thousand jobs were saved. The program provided for the balanced growth of regional entrepreneurship, the maintenance of existing and the creation of new permanent jobs, with the use of training courses for future entrepreneurs, to assist in employment and the development of productive employment.

The Concept of joining the 30 developed countries of the world emphasizes the importance of employment through new forms of employment, with the allocation of such a competitive factor of the country as professional competencies. The reserve in this case, of course, are the self-employed, the unemployed and graduates of professional and higher educational institutions.

Another important strategic document for the formation of state policy in the education system was previously the "State Program for the Development of Education and Science for 2020 – 2025" (SPDES), where one of the tasks in the field of higher and postgraduate education is designated "ensuring high-quality training of competitive personnel, in accordance with the needs of the labor market and the expectations of employers to strengthen interaction between education, science and industry".

According to this program document, the employment of university graduates is the basis for its implementation and was included as a target indicator of implementation. The share of university graduates who studied under the state educational order, employed in the first year after graduation in their specialty, by 2017 – 85%, in 2019 - 90%. At the same time, earlier the Ministry of Education and Science and the Ministry of Labor and Social Protection of the Population conducted joint monitoring of this indicator.

The SPDES was replaced in 2021 by the national project "Quality Education "Educated Nation", the main task of which is to increase the competitiveness of Kazakhstani universities.

In his Address to the People of Kazakhstan "Kazakhstan in a new reality: time for action", the Head of State Kassym-Zhomart Tokayev repeatedly focuses on increasing the level of employment of the population, the growth of small and medium-sized business participants through the prism of improving professional competencies.

In Kazakhstan, at the level of state decisions, certain steps are being taken to stimulate employment and education of the population and this cannot be denied. The labor and educational services markets are in a state of permanent development and improvement processes are constantly taking place and interacting have a direct impact on the change in employment.

The development of these markets should be accompanied by a relative equilibrium of supply and demand for labor at the state and regional levels. But at the present stage of development, there is an imbalance in the system of interaction between the labor market and the educational services market. Labor surplus and labor deficit regions are singled out, where neither the quantitative need for personnel is balanced, but there is also a shortage of qualified labor that ensures the competitiveness of enterprises and entire industries. The severity of this problem is of great importance in the context of integration and globalization. Improving organizational and economic mechanisms for regulating employment, ensuring the quality and competitiveness of the workforce are becoming key tasks of socio-economic development.

In the rapidly changing trends of labor and education, the question is no longer just in the interaction of their mechanisms, but their integration, with the combination of mechanisms of which quantitative and qualitative satisfaction of employment of the population will be achieved to improve the socio-economic stability of the country.

The degree of scientific development of the research topic. Theoretical and methodological issues of the development of the labor market and the market of educational services have been repeatedly studied by domestic and foreign scientists.

World-renowned scientists - A. Smith, D. Ricardo, V. Petty, A. Marshall, J. B. Clark, A. Pigou, T. Schultz, M. Friedman, conducted fundamental research in the formation of human potential and substantiation of its role in the modern economy.

In modern research, institutional concepts of the development of labor relations are considered.

Modern works devoted to changes in the content of labor, its organization and skills of workers under the influence of information and computer technologies belong to M. J. Handel, F. Green, H.C. Seo, Y. Lee, D.D. Gur, D.K. Kim, S. Frey and M. Osborn, S.M. Anpilov, A.N. Sorochoykin, E.S. Shishkina.

N.N. Tereshchenko, U.V. Popova, V.P. Shchetinin, N.A. Khromenkov, B.S. Ryabushkin, V.V. Kucherova investigate the institutional nature of the educational services market in their scientific works.

Consideration of the issues of interaction between the labor market and the educational services market are disclosed in the studies of S.Ya. Nekrestyanova, M.V. Borisenko, I.B. Sturova, D.G. Filippova, G.A. Zimina, V.V. Zavgorodnya, D.L. Agranat, V.A. Dikareva, I.V. Kruglova.

The works of N.T. Vishnevskaya, A.A. Zudina, A.N. Idrisova, Zh.K. Dalabaev, A.B. Daldybayeva, Zh.K. Omarbekova, D.L. Agranat are devoted to the study of the international experience of interaction between the labor market and the higher education market.

The issues of professional competencies are widely discussed by the international scientific society – S. Scarpetta, N.M. Lai and K.L. Teng, M.S. Velasco, G.S. Ronald, H. Kok.

Despite the great contribution of scientists to the development of the theory of labor markets and educational services, as well as issues of their interaction, at the moment there is no clear concept of market integration in the domestic literature, and factors and methods for assessing its effective functioning are not defined. The relevance and insufficient elaboration of the problem in the integration of labor markets and educational services, as well as the theoretical and practical significance of the study determined the choice of the topic, the purpose and objectives of the dissertation research.

The goal of the dissertation is to study the essence of the integration of the labor market and the educational services market and to substantiate the existing and promising organizational and economic mechanisms for achieving effective employment of young people of the Republic of Kazakhstan.

To achieve the goal, the following **tasks** were set and solved:

- the genesis of the conceptual foundations of the integration of the labor market and the educational services market was revealed;
- methodological approaches to the analysis and evaluation of the integration of labor markets and higher education are defined;
- the foreign practice of the existing mechanisms of interaction between the labor market and the educational services market is summarized;
- the state of the labor market of Kazakhstan is analyzed, the directions of improving the mechanisms of market regulation are determined;
- the features are revealed and possible trends in the development of the higher education market of Kazakhstan are identified;
- the assessment of the impact of the existing mechanisms on the integration of the labor market and the higher education market with the determination of the level of intensity of their interaction is given;
- the effectiveness of the SPDES for 2011-2025 as a regulatory mechanism for the integration of the educational services market and the labor market of Kazakhstan is evaluated;

- the main criteria of competitiveness of university graduates in the regional labor market are revealed;

- the factors influencing the employment of university graduates studying at the expense of the state budget are determined using an econometric model that allows for further forecasting;

- proposals for the development of mechanisms for the integration of public administration, business and education institutions are given.

The object of the dissertation research is the labor market and the higher education market of Kazakhstan, and the processes of their integration.

The subject of the study is a set of organizational and economic mechanisms for the integration of labor markets and higher education, methodological and practical approaches and recommendations for their integration.

Theoretical and methodological significance of the study. The theoretical basis of the study was the fundamental scientific works of domestic and foreign scientists on the specifics of the development of the labor market and educational services, as well as organizational and economic mechanisms of interaction of the institutions under study.

In the course of the dissertation research, a systematic approach, statistical methods of grouping, comparative economic analysis were applied, an economic and mathematical assessment was carried out using the correlation and regression analysis method, a logical and econometric model of forecasting factors related to the subjects of research was used. The results of the study are aimed at improving the methodological foundations for assessing the impact and effectiveness of mechanisms for regulating the labor market and the higher education market for predicting the socio-economic development of the country's population.

The empirical base of the study was the results of official statistical data of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, materials posted on the official websites of the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan, the Ministry of Education and Science of the Republic of Kazakhstan, the Ministry of Science and Higher Education of the Republic of Kazakhstan, the National Chamber of Entrepreneurs (NCE) "Atameken", the Organization for Economic Cooperation and Development (OECD).

The data of the sociological online survey of heads of enterprises of the Karaganda region were used in the work.

Scientific novelty of the dissertation research. The most significant results containing scientific novelty include the following:

1. Identification of the conceptual foundations of the integration of the labor market and the higher education market.

2. Systematization of mechanisms of state stimulation of labor market involvement in the educational services market in individual countries.

3. Methodological assessment of the current level of integration of labor markets and higher education with the identification, using correlation and regression analysis, of factors affecting the demand of graduates by the labor market and the supply of graduates by the higher education market, followed by forecasting and highlighting the typology of integration.

4. Disclosure of the effectiveness of reforming the higher education system as a regulatory mechanism for integration with the labor market of Kazakhstan.

5. Methodological systematization of predicting the employment of university graduates in order to increase the effective employment of young people in the Karaganda region.

6. Building a model of mechanisms for the integration of institutions of public administration, business and education.

The main provisions of the dissertation research submitted for defense:

1. The genesis of the conceptual foundations of the integration of the labor market and the market of educational services has been clarified.

2. The world experience of using mechanisms of state stimulation of the involvement of the labor market in the market of educational services for adaptation in the domestic environment is summarized.

3. The methodology for assessing the level of integration of the labor market and the higher education market has been adapted, followed by forecasting and highlighting the typology of integration.

4. The effectiveness of the SPDES as a regulatory mechanism for influencing the level of integration of the labor market and the market of educational services is revealed.

5. Statistically significant factors of predicting the employment of graduates of regional higher educational institutions are substantiated.

6. The model of organizational and economic mechanisms of integration of institutions of public administration, business and education is presented.

The practical significance of the study lies in the fact that the results of the analysis and assessment of trends in the development of the labor market can be used by the Ministry of Labor and Social Protection of the Republic of Kazakhstan in the development of program documents, since the results obtained provide an independent assessment of the processes occurring in the field of the subject of the study.

The methodology of assessing the integration of the labor market and the higher education market adapted within the framework of the dissertation work and the scheme of organizational and economic mechanisms of integration can be used in the development of joint indicators of strategic documents of the Ministry of Labor and Social Protection of the Republic of Kazakhstan with the Ministry of Science and Higher Education of the Republic of Kazakhstan and the Ministry of Education of the Republic of Kazakhstan, in order to achieve a balance between the supply and demand of labor, and also when forming a state order for education.

The method of evaluating the current effectiveness of targeted state program documents considered in the dissertation can be applied in the practice of state strategic planning to build an effective budgeting system based on the results.

The built-up model of organizational and economic mechanisms for the integration of public administration, business and education institutions can increase the effectiveness of regional policies to promote employment and entrepreneurship development conducted by NCE "Atameken" and Employment Centers.

Also, the results of the dissertation research can be used in the development of educational program by universities, as well as when lecturing at universities in the disciplines of "Labor Market Economics", "State regulation of the economy", "Econometrics", "Economic Analysis", etc.

Approval and implementation of research results. The main results of the dissertation research have been published in 15 scientific papers, including 1 article in a scientific journal included in the Scopus database, 4 articles in journals recommended by the Committee for Quality Assurance in Education and Science of the Ministry of Education and Science of the Republic of Kazakhstan, 7 articles in the materials of international scientific conferences, 1 article in the international the journal included in the base of the Russian Science Citation Index, 1 article in a Kazakh scientific journal and an article in a foreign scientific journal. The articles were published in collaboration with scientific consultants.

The structure and scope of the dissertation. The dissertation work consists of normative references, designations and abbreviations, an introduction, three chapters, a conclusion, a list of sources used and appendices. It contains 22 tables, 27 figures, according to the main text of the dissertation, a list of sources used, including 113 titles and 9 appendices.

In the first chapter of the dissertation "Theoretical aspects of the integration of labor markets and educational services" at the initial stage, the genesis of the conceptual foundations of the integration of the labor market and the market of educational services, with a built epistemological sequence of research, is revealed.

In the scientific community, there are many theories and concepts of the functioning of the labor market and the market of educational services, the differences of which indicate the versatility of the institutions studied. Each theoretical concept is characterized by the specifics of the approach to study, since the labor market and the market of educational services are categories not only of the economic, but also of the social order. The level of welfare and education of the population depends on the level of development of the labor market and the market of educational services, which are the main criteria of a country's competitiveness in the modern global world.

The considered approaches to the definition to a greater extent pointed to the importance of education in the functioning of the labor market. The labor

market is characterized by its internal factors and socio-economic indicators. Employment is one of the key indicators of the development of the socio-economic policy of the state. Higher education plays an important role in the growth of employment, since it determines the future development of the country, providing training in almost all areas of science, technology and production. There is a growing need to develop certain mechanisms for the integration of labor markets and higher education, the research and analysis of which is the main focus of the dissertation work.

In the economic interaction of the categories of supply and demand, different markets act – the demand of the labor market ideally waits for the supply of the higher education market. Participants in the interaction of the labor market and the higher education market are students/graduates, higher education institutions, employers and government agencies. A market in which demand is satisfied by supply reaches equilibrium, but this ideal model is not always preserved. The divergence of interests of the subject and the decrease in the quality of the object generates an imbalance, the elimination of which requires the participation of all subjects of this process. However, in modern conditions, the potential supply of personnel at the expense of graduates of higher educational institutions does not guarantee the reproduction of qualified labor market personnel for the economy in qualitative and quantitative terms, since each of the participants makes mistakes.

The employer's mistake is that he did nothing today in order to satisfy his need for high-quality personnel tomorrow - a low level of interaction with higher educational institutions. When choosing an educational program, a student is mistaken in its relevance due to low awareness and inaccessibility of information about the staffing needs of the labor market. An educational institution is not always aware of the potential volume of needs in the context of specialists in various fields and educational programs; it has a low level of communication with enterprises. The low level of macroeconomic forecasts and the degree of programmatic, motivational and financial incentives for participants in this process is observed by government agencies, due to the lack of a methodology for evaluating the effectiveness of implemented government programs for subsequent strategic planning. All participants act in their personal interests, to achieve their own goals, make mistakes and as a result of such interaction, a market failure occurs. This problem is increasing in scale as a result of external changes to which the labor and higher education markets are exposed.

In modern economic conditions of development, it is no longer enough for the labor market and the higher education market to simply interact, and the need for their integration is growing. The integration of the labor market and the higher education market is a close mutually beneficial cooperation using organizational and economic mechanisms with the direct participation of state regulators to achieve a positive socio-economic effect for all participants.

When analyzing literary sources on the content of the category "mechanism", it was highlighted that the most preferable is to determine the essence of various types of mechanisms through the category "system" and "totality", and the elements of this system interacting with each other to achieve the goal. I would also like to note that the organizational and economic management mechanism represents the integration of two mechanisms - organizational and economic. In our opinion, the organizational mechanism covers the organization of the structure of the management system and the organization of the functioning of the system that is managed. The effectiveness of the mechanism depends more on the management structure. The economic mechanism implements a system of economic relations in the management process.

Organizational and economic mechanisms of the management system and integration of the labor market and the higher education market at different levels of supply and demand are schematically defined.

Within the framework of the dissertation research, it is proposed to adapt the methodology for analyzing the interaction of labor markets and educational services proposed by Russian scientists and to assess the existing and projected levels of integration of the labor market and the higher education market under the organizational and economic mechanisms being implemented, with subsequent determination of the type and trends of integration. To assess the integration of the labor market and higher education, the authors of the methodology propose a consistent analysis procedure that adheres to in the process of dissertation research.

The solution of these problems is impossible without the participation of the state, the subject of both markets, which is able to exert a dominant influence on the process of their integration. The most important direction in strengthening the integration processes of labor markets and higher education is the state regulation and implementation of an active policy by the state with the use of organizational and economic mechanisms for the development of these markets, both individually and jointly, applying foreign experience of stimulating and predictive models of integration of the labor market and higher education.

As a result of studying the international experience of interaction between labor markets and higher education, the high role of the use of stimulating financial mechanisms was revealed, which allowed the author to systematize the main financial mechanisms of labor market involvement in educational policy, the experience of which can be applied and adapted in Kazakhstan.

In the second chapter "Research of mechanisms of integration of labor markets and higher education in Kazakhstan" the author analyzes the state of the labor market of Kazakhstan, identifies areas for improving market regulation mechanisms.

The analysis of the labor market revealed a number of problems:

- reduction of the number of people employed in the real sector of the economy;

- reduction of quantitative and qualitative indicators of the able-bodied population;

- branches of the economy annually reduce their demand (quantitative need) for personnel. However, there is a constant demand for the service sector, since the service sector is one of the most promising and rapidly developing sectors of the economy;

- reduction of the self-employed population in both quantitative and qualitative aspects;

- uneven distribution of labor resources in the regional context and, as a consequence, the emergence of labor-deficient and labor-surplus regions;

- reducing the number of newly created jobs, including through the implementation of state and government programs;

- a low percentage of annual wage growth in certain sectors of the economy, including employees of socially significant industries (education, healthcare), with a high level of demand for personnel with the highest level of qualifications in these industries;

- increase in the number of attracted foreign labor in material production.

Further, according to the adopted research procedure, an analysis of the development was carried out and possible trends in the development of the higher education market of Kazakhstan were identified. The overall analysis of the situation with the higher education market is characterized by the following trends:

- insufficient state funding of the education system, including higher education;

- a significant increase in the share of paid educational services;

- a wide range of educational services by types, forms and content;

- a significant gap between the minority of students who have the opportunity to receive higher education for free and the majority who pay tuition fees, which does not correspond – low availability of higher education;

- as a result of the dynamics of the state educational order for the training of specialists with higher education in educational institutions funded from the republican budget by groups of educational program, there is an industry disproportion of labor market demand for these specialists;

- gaps in the higher education system in the field of teacher qualifications;

- the distribution of the qualifications of the teaching staff and the graduation of students has a regional dependence, which affects the heterogeneity of the quality of education.

The considered trends and analyzed mechanisms affecting the development of the higher education market indicate the absence of stable links between universities and potential employers, which leads to a shortage of personnel in certain educational programs or an overabundance of others, uneven graduation of students in the regional context, which are factors in the emergence of labor-deficient and labor-surplus regions. State regulatory mechanisms provide little assistance in this direction. When using state financing mechanisms for higher

education, there is no industry-specific needs of the labor market with the emergence of market failures. However, the smallest gap is observed during the periods of implementation of state programs to support and develop labor markets and educational services, i.e. at the peak of state support and financing. These problems occur due to the lack of a system of state forecasting of the need for specialists and assessment of the needs of the labor market and the higher education market.

Using the results of the analysis carried out in sections 2.1 and 2.2, the author assesses the impact of existing mechanisms on the integration of the labor market and the higher education market with the determination of the level of intensity of their interaction. The existing organizational and economic mechanisms for the development and regulation of labor markets and higher education poorly contribute to the integration process in such groups of educational programs as "Pedagogical Sciences", "Law", "Art", "Social Sciences, economics and business", "Technical Sciences and Technologies", "Agricultural Sciences", "Services", "Health and Social Sciences". The integration of the labor market and educational services is weakened by the labor market due to the low intensity of job creation and movement, while the supply of labor exceeds the demand for it. In this connection, there is a need to analyze and evaluate existing organizational and economic mechanisms in the third chapter of the dissertation in order to determine the impact factors on the level of integration of labor markets and higher education in order to make further decisions and proposals.

In the third chapter of the dissertation "Directions of improvement of organizational and economic mechanisms of integration of labor markets and higher education", the author reveals the effectiveness of reforming the higher education system of the SPDES for 2011-2025 as a regulatory mechanism for integration with the labor market of Kazakhstan to achieve effective employment of the population.

Youth employment depends on the general employment situation in the labor market, its quantitative and qualitative parameters, as well as the mechanisms of state regulation used. If the aggregate demand for labor does not grow, then it is impossible to implement state programs to integrate university graduates into the labor market. The program-target method serves as the most important tool for the implementation of the state social and economic policy of the country's development, along with methods of forecasting and indicative planning. The target program for the development of education and science in the process of implementation and achievement of indicators was divided into three periodic programs. As a result of an interim evaluation of the effectiveness of the program implementation, it was revealed that the peak of the achievability of indicators was observed in the middle of the implementation period, which cannot be said about the initial and final stages. At the same time, the effectiveness of the achievability of target indicators has a direct impact on the qualitative level of the integration processes of the labor market and the higher

education market. In our opinion, this happened due to the fact that the indicators and tasks included in the program were implemented to a greater extent by the subjects of the educational services market. The Ministry did not separate the achievement of indicators by public and private entities of the educational services market and the labor market, which in general would clarify the effectiveness of each of them in achieving strategic and integration indicators. Including such an indicator as the employment of graduates of higher educational institutions, taking into account high-quality demand.

The conducted analysis of the employment of graduates showed a negative annual trend. In 2020, the share of employed graduates decreased by 9% compared to 2013, and the quantitative indicator of graduates tends to decrease every year (in 2013 – 171,7 thousand people, 2020 – 140,67 thousand people).

With the help of systematization of methods of analysis and forecasting, the main criteria for the competitiveness of university graduates in the regional labor market have been identified.

Satisfaction of employers with the level of training of graduates is a qualitative criterion of employment (employment) of young people. A survey of employers in the Karaganda region showed that the labor market and the higher education market need to create various mechanisms for the integration of the university and the business community using successful foreign practices for the development of social partnership and state motivational regulation.

With all the built-up system of state regulation and forecasting, the state does not provide a workplace to a graduate who has received an education at the expense of public funds, but redistributes this responsibility to the university and the graduate. Consequently, there is a question not only about the efficiency of the distribution of public funds and, in general, about the economic effect of this mechanism, which should contribute to increasing youth employment, but also determining the factors affecting the employment of a graduate-grant student – these are the university's ability to fulfill the obligation of employment transferred to it and the personal qualities and expectations of the graduate himself.

At the same time, an econometric analysis of the employment of graduates of economic specialties of a regional university with the construction of a Logit model showed that the laid foundation of the education received at a city school increases the chances for future employment; guys prefer to get a high-paying job to a greater extent, regardless of the educational grant received; the chances of finding a job increase for a graduate; the ability to learn does not increase the chances of effective employment if the graduate does not have high personal qualities, which are preferred by the employer.

In order to ensure effective employment of young people and minimize transaction costs in the labor market, there is an increasing need to build a model of a mechanism for integrating public administration, business and education institutions.

The final result of the study is the proposed model of integration of institutions of public administration, business and education, which will allow institutional structures to reasonably and responsibly approach the solution of social and labor problems and issues that have formed in the labor market and provide the educational services market with guidelines for further directions of employment of graduates together with integration institutions. For greater efficiency, it is necessary to provide at the legislative level effective mechanisms of Singapore in stimulating the involvement of the labor market in the market of educational services, providing tax incentives, preferences and subsidies for the return to stakeholders of part of the funds for training and retraining of employees, while providing financial support to educational institutions, which in general will allow achieving effective employment of youth and the population at the lowest cost in general.

Dissertation candidate



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