

**THE LABOR POTENTIAL OF RURAL AREAS OF KAZAKHSTAN
IN THE CONTEXT OF DIGITALIZATION OF THE ECONOMY**

**ЭКОНОМИКАНЫ ЦИФРАНДЫРУ ЖАҒДАЙЫНДАҒЫ
ҚАЗАҚСТАННЫҢ АУЫЛДЫҚ АУМАҚТАРЫНЫҢ ЕҢБЕК ӘЛЕУЕТІ**

**ТРУДОВОЙ ПОТЕНЦИАЛ СЕЛЬСКИХ ТЕРРИТОРИЙ КАЗАХСТАНА
В УСЛОВИЯХ ЦИФРОВИЗАЦИИ ЭКОНОМИКИ**

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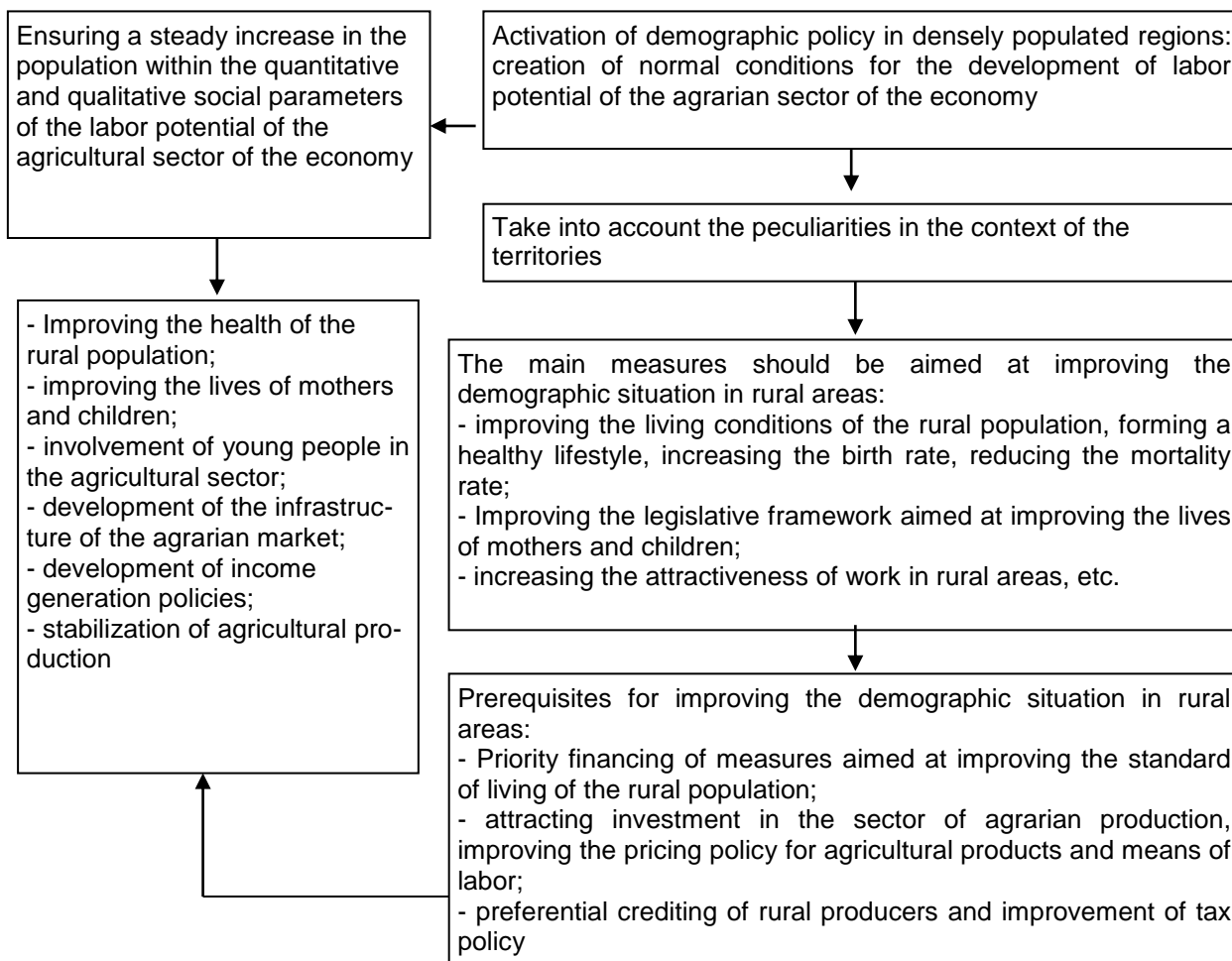
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Abstract. *The goal is to reveal main directions for increasing the efficiency of labor potential of rural areas of the Republic of Kazakhstan in the context of digitalization of the economy, to identify criteria and analyze factors of its growth. Methods – comparative analysis and scientific abstraction, allowing to determine the importance of rural labor resources in production of public goods and increasing reproduction. Results – there is no general indicator that determines the activity of the personnel and conditions for its formation. According to the authors, the prerequisites for this are ecological-geographical, socio-economic, technological development and digital transformation. The priority areas of demographic policy and mechanisms for increasing employment and profitability of rural workers are given. The structure of the agricultural labor market is considered: the level of innovative activity of enterprises in the context of regions; the number of farmers - users of the Internet system in different countries. Conclusions – information and communication systems in the economy have reduced the gap in the quality of education between rural and urban schools by more than 30%, and digital entrepreneurship also involves the*



Note: compiled by author

Figure - Priority areas of demographic policy in rural areas

Formation of market economy in agriculture, development of agro-industrial structures in a short period of time, improvement of agrarian economy deteriorated in the process of increasing production efficiency are evidence of growth of small and medium business of agrarian sector in entrepreneurial sphere [4]. The development of rural economy will be possible due to its industrial and social sphere and environmental protection. It means increase and development of productivity of agricultural enterprises and other farms.

In our opinion, it is very important that the population is interested in working in agriculture. Land labor processes must be efficient and attractive to the rural population

Thus, the efficiency of the use of labor potential in agricultural production depends on the freedom of economic management.

The prestige of rural labor increases with the results of peasant labor. At the same time, the importance of measures to regulate the labor market in rural areas is obvious. Three categories of people work in agriculture: people employed in agricultural enterprises, owners of peasant (farms) and people

employed on their own farms [5]. We believe that optimal employment in rural areas will be possible only with the formation of various forms of farming in the agricultural sector.

Today, the country's human resources are one of its competitive advantages, and the level of professional training is the main guarantee of quality of life. Especially rural youth is a vulnerable group in the labor market. The younger generation has limited opportunities for independent employment. In order to regulate this segment of the labor market on the part of the state, it is necessary to form regulatory measures taking into account the requirements for young people in the labor market [6].

It should be noted that in Ka-zakhstan the project «With Diploma - to the village!» has been implemented for more than 10 years. It was designed so that young doctors, veterinarians, and teachers could go to work in those villages that currently lack qualified specialists. The professional adaptation of young people begins at school and continues with the study of special professions [7].

Thus, in order to fully utilize the labor potential in rural areas, in our opinion, it is necessary to solve two main problems: technical and organizational-economic conditions of labor and social infrastructure of rural areas (living conditions) [8].

The development strategy is important for Kazakhstan and its regions, the launch of production through the development of science in the diversification of the country's economy, increasing the level of innovative development is one of the strategic objectives of Kazakhstan. This strategy defines the basic mechanisms of science and education, technological development in the country and regions [9].

We believe that in order to solve the complex issues associated with the effective use of labor potential in rural areas, it is necessary to increase the motivation of the rural population to self-employment.

At any stage, the educational system in the agricultural sector has developed faster

than in other areas, a vast experience in the training of qualified personnel has been accumulated [10]. Even today this experience shows that in many cases the final result of agricultural work depends on the organizational, political and business qualities of specialists and their managers. Therefore, mastering new technologies is of great importance in the education of agricultural specialists in Kazakhstan. On the other hand, the activity of agricultural specialists is important not only in their own business, but also in the cultural and educational sense [11].

Nearly half of the world's population now uses the Internet, disproportionately among nations. In Least Developed Countries (LDCs) only one in seven people use the Internet, and there are obvious differences between rural and urban areas (although patterns vary from country to country). As table 1 shows, the most active Internet users are farmers in Norway, Finland, Dania and Holland.

Table 1 - Farmers' use of the Internet system

Country	Number of farmers with full-time employment	Number of farmers working on the Internet system	
		чел.	%
Czech Republic	175 000	4 000	2,3
Dania	60 000	30 000	50,0
Finland	80 000	40 000	50,0
France	330 000	25 000	7,5
Germany	170 000	55 000	32,4
Ireland	40 000	10 000	25,0
Italy	260 000	10 000	3,8
Japan	426 000	52 000	12,2
Holland	100 000	50 000	50,0
Norway	70 000	40 000	57,1
Poland	2 000 000	5 000	2,5
Spain	1 000 000	10 000	10,0
Sweden	30 000	14 000	46,7
United Kingdom	80 000	30 000	37,5
Russia	275 000	3 000	1,1

Note: compiled from source [12].

Education level and income are strong determinants about how people use the Internet. Those with higher levels of education tend to use more advanced services such as e-commerce, online financial and government services. Users with low levels of education tend to use the Internet primarily for communication and entertainment [13].

In rural areas where education and literacy levels are low and generally lower, cell phones tend to be used primarily for communication and social networking. This presents a challenge to the implementation of a digital farming application that requires more advanced digital skills. The low overall level of

smartphone ownership in rural areas, combined with the high cost of internet and limited network coverage, also creates challenges for the use of mobile farming applications and limits the scope, using social media to help agriculture to support information flows between farmers.

The digital availability of information can help farmers to make better farming decisions that can increase yields, reduce environmental impacts and improve livelihoods [14].

The variety of technologies available and the lack of standardization and interoperability between them, such as for data exchange, also create barriers for farmers as there is a

lack of independent advisory services to support these decisions [15].

Countries that have high Information and Communication Technologies education programs can afford digital tools and have good access to the Internet using better digital skills.

In the agri-food sector, the digital transformation will change the structure of the labor market and the nature of work. It will redefine the role of farmers and agro-producers, and change the set of skills needed in the agrifood sector [16].

During the pandemic, in Kazakhstan, agricultural producers began to receive government subsidies online. During the coronavirus pandemic, the government managed not only to increase the amount of funding, but also the number of recipients. The online subsidy mechanism has markedly reduced costs for businesses and the state, thus procedures that used to take months of work by teams of specialists now take a few days [17].

Young farmers, in particular, are also more likely to take risks in running their busi-

nesses. In Italy, for example, more than 17 thousand agricultural startups were created in 2018 by men and women between the ages of 25 and 30.

Developed countries are still leaders in creating an entrepreneurial culture. Rural entrepreneurship is a promising development and business option for effectively harnessing the labor potential of rural areas.

At the beginning of 2018, there were 82 agri-tech startups operating in Africa, more than half of which had been launched in the previous two years.

However, despite the rapid growth of digital agriculture technology, most Information and Communication Technologies enabled solutions have yet to be developed and demonstrated at scale.

As shown in table 2, Kostanay region and Astana city are the leaders in the level of implementation of innovations at the enterprises. Low activity level of enterprises in the field of innovation is noted in Mangistau and West Kazakhstan regions.

Table 2 - Level of activity of enterprises in the field of innovation by region, in %

Region name	Number of enterprises in total, units					
	level of innovation activity, in %					
	2015	2016	2017	2018	2019	2020
Republic of Kazakhstan	31 784	31 077	30 854	30 501	28 411	28 087
	8,1	9,3	9,6	10,6	11,3	11,5
Akmola region	1 325	1 301	1 299	1 207	1 148	1 160
	6,8	7,0	7,5	7,7	7,7	7,4
Aktobe region	1 236	1 234	1 149	1 174	1 144	1 118
	7,0	9,3	10,1	10,6	10,6	11,1
Almaty region	1 643	1 648	1 797	1 830	1 715	1 666
	6,9	7,8	8,1	8,3	9,3	9,8
Atyrau region	1 276	1 193	1 145	1 161	1 081	1 074
	8,0	8,5	8,0	8,3	9,0	10,1
West Kazakhstan	857	917	932	952	834	786
	4,1	3,6	5,3	5,3	5,3	5,9
Zhambyl region	852	834	846	841	739	732
	10,6	10,8	11,3	11,4	13,1	13,7
Karagandy region	2 340	2 235	2 309	2 289	2 175	2 196
	9,2	10,6	11,1	14,7	13,5	12,8
Kostanay region	1 502	1 438	1 475	1 342	1 357	1 337
	14,5	11,2	11,3	12,1	12,8	14,3
Kyzylorda region	846	812	784	756	653	635
	11,7	11,2	11,4	12,2	12,3	12,4
Mangistau region	1 027	1 060	1 131	1 128	988	1 035
	4,0	4,1	3,5	4,0	3,4	7,9
Pavlodar region	1 354	1 286	1 292	1 272	1 148	1 128
	4,8	6,5	8,7	9,1	9,1	9,0
North Kazakhstan	1 047	1 049	1 023	1 013	964	965
	10,6	11,3	11,2	11,7	9,5	14,1
Turkestan region	884	905	939	927	795	832
	5,9	6,6	5,3	6,5	9,1	11,2
East Kazakhstan	2 091	1 985	2 010	2 050	1 836	1 831
	11,5	14,9	15,1	15,5	14,9	12,9

Nur-Sultan (Astana)	4 103	4 003	4 039	3 975	3 821	3 605
	13,2	13,6	14,4	14,7	14,8	12,6
Almaty	7 970	7 716	7 124	6 997	6 646	6 561
	4,7	7,6	7,7	9,6	12,2	13,0
Shymkent	1 431	1 461	1 560	1 587	1 367	1 426
	7,5	6,6	7,2	7,4	7,3	7,1
Note - Compiled from source [18]						

To drive digital entrepreneurship in the agricultural sector, companies must build pools of digitally qualified employees. This includes identifying potential employees with relevant skills and determining how to attract and retain them, as well as recognizing talent that can be developed within the existing base and investing in developing digital skills in existing roles.

Young entrepreneurs play a key role in the digitalization of the agricultural sector. They gain unique knowledge by listening to the experience of their parents, their ancestors, and watching for missed opportunities.

Startups from small farming communities often draw inspiration and aim to help the farming communities in which their creators grew up. Nowadays, young people need sprint programs and financial support to break into the entrepreneurial market. Such programs attract investment and startups.

Conclusion.

Thus, taking into account these issues, the following general conclusions can be drawn from this study:

1. The current state of labor potential in rural areas requires an active labor market development policy. An important component of this policy is the interaction of subjects of employment policy in rural areas and measures to effectively coordinate the mechanisms of implementation of targeted programs aimed at increasing employment.

2. The effectiveness of the use of labor potential in rural areas must be addressed through the creation of alternative forms of employment and normal conditions for the activities of private farms.

3. It is necessary to improve the regulation of entrepreneurs in agriculture, to adopt programs for their professional training and re-training to protect the social status of workers. At the same time, the state needs to support the effective activity of producers engaged in entrepreneurship, specialization in entrepreneurship, and attraction of investment in it.

4. Increase the cost to rural residents of training related to the development and use of information and communication technology (ICT) and digitalization.

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