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UNEMPLOYMENT IN MEGACITIES

Annotation

The article discusses the causes of unemployment in megacities, especially the development of unemployment in a metropolis and a decrease in unemployment in a metropolis, as well as the policy of controlling the unemployment rate. Also article describes the basic features and causes of unemployment, characterizing it in the current socioeconomic reality. Unemployment can be account as a one of the serious problem in world we take as a observation a several cities of all around the world. The article states that youth unemployment is one of the most urgent problems in the world. Without doubt in many metropolis, this is a very actual problem.

Key words: *unemployment, cities, youth unemployment, labour market.*

Introduction

In the modern world, without saying in the context of the global economic crisis, the problem of employment is relevant and it can be account as a one of the most important problem with what the world labor market have to face .

According to the standards of the international labor organization(ILO),the unemployed are people who are already 16 years old and above, who do not have regular earnings and are standing in line in search of work.

As in any developed country the labor market plays a very important role in the modern world economy. Actually As an extremely complex distribution mechanism of economy, it provides the connection among workers with workplaces in labor market . Even, it affects both productivity and growth as rule of economy regulations, and many other parameters of the world economy. As the matter of fact the unemployment rate is the most important indicator which can show the real level of economic development of the country in the world.

Unemployment has a negative impact on the economy and brings large-scale problem in social sector of any country. The problem of unemployment destabilized the social situation, on the basis of which the level of alcoholism, drug addiction and crime among the population increases. The level of single-parent families is increasing, where children grow up in criminal environment, there is a demographic decline and the level of suicide among socially vulnerable population is also rising. And against the backdrop of unemployment, people are more likely to suffer from mental disorder that lead to illnesses.

As it can be mentioned above the unemployment rate is an economic indicator, one of the main indicators on the labor market of the country. It can show the relationship between unemployed citizens in society and those who have permanent jobs in the country. As a rule of the modern economy in modern society, when the world economy has entered a new period, characterized by a combination of lower growth rates, increasing inequality, the emergence of new jobs does not keep pace with the growth of the workforce.

As a matter of fact employment opportunities have declined in mega cities in both developing and developed regions of world megacities . Referring to the statistics between 2015 and 2019 the share of employed in the total population of developing regions decreased by 2.3 percentage points, while in developed regions this indicator amounted to 1 percentage point. The greatest decrease is observed in cities of East Asia and South Asia, where the decrease in the share of employed in the total population was 6.7 and, accordingly, 4.6 percentage points [1].

The main features of not having a job in large cities are only three important reasons or roots: job loss due to a market economy, the first appearance on the labor market and the rapid development of urbanization. In addition, according to data provided by the international labor organization, the most common type of unemployment in large cities of the world is frictional unemployment, which is associated with job search.

In developed countries, they believe that unemployment rate is growing from uncontrolled population migration, as the flow of rural people began to move to cities in order to get good income. In the context of the financial and economic crisis and market relations in industrialized countries, there was a massive closure of enterprises and thereby led to an increase in unemployment. Therefore, we can say that the question of the unemployed class of the population is sharply building not only the developing countries have, but also the industrialized countries and the solution and practice to reduce the unemployment rate in each country are universal.

Obviously, finding a job takes time and effort, so a person who is waiting or looking for work has been unemployed for some time. A feature of frictional unemployment is that ready-made specialists with a certain level of professional training and qualifications are looking for work. Therefore, the main reason for this type of unemployment is the imperfection of information and information about the availability of jobs. A person who has lost his job today usually cannot find another job tomorrow.

There are unemployment issues in every country, every year the unemployment rate is growing and this is due to the economic and political situations within the country. Therefore, decisions to reduce unemployment are individual for each country. Large cities can be considered as one of the instruments of the market economy institute. Because the labor market and types of unemployment in large cities are different and have their own characteristics.

In large cities, frictional unemployment is not only an inevitable phenomenon, since it is associated with natural trends in the movement of labor, but also desirable, as it contributes to a more rational distribution of labor and higher productivity.

For example, frictional unemployment according to the international labor organization was the main cause of unemployment in many cities. In 2018, unemployment in the world will grow from 5.7 to 5.8%, to 201 million people. In 2019 reports that in large cities, the figure will grow by another 2.7 million people. The main reason for the increase in the number of unemployed, the authors of the study noted, in large cities there is an increasing number of labor, and jobs are not appearing fast enough [2].

As for the European Union, in May 2019, compared with May 2018, the unemployment rate in major EU cities fell by 0.9% to 7.8%, which was the lowest value since December 2018. In the Eurozone, unemployment fell from 10.2% in May last year to 9.7% in May 2018. The lowest unemployment rate among cities in May 2018 was recorded in Prague - 3%, Frankfurt - 3.9% and Malta - 4.1%, and the highest unemployment rate - in cities in Greece - 22.5% and in Madrid and Barcelona - 17.7%. From 2017 to 2018, unemployment in Warsaw decreased by 7.66%, the average annual change in unemployment in other major cities in Poland over this period was -0.638% [3].

During the research, one can observe a steady decline in unemployment in large cities in Germany (Munich, Berlin, Cologne and Frankfurt). Over the past 10 years, it has more than doubled from 10.2% in 2009 to 4.3% in 2019 [4]. The peculiarity of the low unemployment rate in these cities was one of the reasons for the open border policy pursued by Chancellor A. Merkel, which led to a huge influx of immigrants who are attracted by high unemployment benefits. However, another situation is observed in Tokyo, the unemployment rate in May 2018 in Tokyo increased to 3.1% compared to 2017, a feature of which was a large influx of workers in Tokyo due to the growth of urbanization [4].

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Nowadays, unemployment in large cities is the main obstacle to the development of the labor market and it has numerous problems that require reforms and solutions.

Another feature is structural unemployment in large cities, structural unemployment is caused by structural changes in the economy, which are associated with a change in the structure of demand for products of different industries and with a change in the sectoral structure of the economy, which is caused by scientific and technological progress. The structure of demand is constantly changing. Demand for the products of some sectors is increasing, which leads to an increase in demand for labor, while demand for the products of other sectors is falling, which leads to a reduction in employment, layoffs and growth in unemployment. Over time, the industrial structure of production also changes: some industries become obsolete and disappear, such as the production of steam locomotives, carriages, kerosene lamps and black-and-white televisions, while others appear, such as the production of personal computers, VCRs, pagers, and mobile phones. The set of professions required in the economy is changing. The professions of a chimney sweep, glassblower, lamplighter, coachman, salesman disappeared, but the professions of a programmer, image maker, disk jockey, and designer appeared.

The cause of structural unemployment is a mismatch between the structure of the workforce and the structure of jobs. This means that people with professions and level of qualifications that do not meet modern requirements and modern industry structure, being fired, cannot find a job. In addition, structural unemployed include people who first appeared on the labor market, including graduates of higher and secondary specialized educational institutions, whose profession is no longer required in the economy. Structural unemployed also include people who have lost their jobs due to a change in the structure of demand for products from various industries. At different periods, demand for the products of some industries is growing, so production is expanding and additional workers are required, and demand for products of other industries is falling, production is declining, and workers are being fired.

Since both frictional and structural unemployment are associated with job searches, these types of unemployment are classified as “search unemployment”. Structural unemployment is longer and more expensive than frictional unemployment, since it is almost impossible to find work in new industries without special retraining and retraining. However, like frictional, structural unemployment is an inevitable and natural phenomenon (i.e., associated with natural processes in the development and movement of labor) even in highly developed economies, since the structure of demand for products of different industries is constantly changing and the sectoral structure of the economy is constantly changing in connection with scientific and technological progress, and therefore in the economy structural changes are constantly taking place and will always occur, provoking structural unemployment.

For example, due to structural unemployment, Canada increased the number of jobs in major cities such as Vancouver and Toronto by 45,300 in 2018. Compared to June 2017, the number of jobs increased by 1.9%, which was the strongest annual growth since February 2016. Over 2/3 of the new jobs that have appeared in the past 12 months are full-time jobs. In June 2019, the unemployment rate fell to 6.5% from 6.6% a month earlier [5].

The mentioned above the problem of unemployment exists in all major cities of the world. For example, both in Almaty and in Nur-Sultan, which is also caused by a large flow of workers from different regions. The number of unemployed citizens is growing, especially in such large cities as New York, Shanghai, Tokyo and others. As the matter of fact the reasons for this situation lie both in the economic situation and in the political system of countries. In this regard, an individual approach to solving this problem is noted. The positive point is that the problem of unemployment is always given due attention at the state level and, as a result, the government is developing certain solutions.

As mentioned above as a big metropolises in the world the large cities of Kazakhstan are also characterized by high levels of unemployment, including a high level of hidden unemployment in labor market. Our cities are characterized by secondary employment. Under the circumstances, it is crucial important to study the

experience of combating unemployment in different cities of the world in order to solve the existed problem. The use of other people's experience contributes to the development of their own effective methods of solving the problem, the formation of a flexible labor market, support for incomes, and the prevention of mass impoverishment.

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