IRSTI 05.11.55

Urbanization Trends and Processes in Kazakhstan

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Abstract

Goals and objectives of the research: the main goal of the research is to analyze urbanization processes occurring in Kazakhstan in the period between 2009 and 2019.

Methodology: the author uses comparative analysis and synthesis via statistics taken from the Committee on Statistics of the Republic of Kazakhstan by the period of 2009-2019. There is a comparison of the share of urban population, unemployment rate and average monthly salary wage in Almaty, Nur-Sultan, Shymkent.

Findings : primarily, there is shown an overview of worldwide trends towards urbanization processes. Main causes of these processes globally and regionally are presented either. Afterwards, diagrams and graphs with main indicators as well as description of urbanization in Kazakhstan can be seen. Then it leads to conclusion. The structure of this paper: abstract, main part (with diagrams and tables), conclusion, references.

Value: The paper reviews the changes of urbanization processes in Kazakhstan. Urbanization today is one of the main trends of the world. Currently the urban population has exceeded the number of people living in rural areas, and this trend will only intensify. Regarding developed countries, it can be seen that 3/4 of the country population tend to live in cities: in the United Kingdom, the rate of urbanization hits 82%, in the USA - 81%, in France - 79%, in Germany - 75%. In

accordance with UN forecasts, by 2050, 6.2 billion people will reside in cities, which will be 66% of the total population of the earth. Therefore

Theoretical or Practical implications: the given research results can be used by governmental committees and implemented for theoretical courses and disciplines towards urbanization.

Keywords: urban population, urbanization, level of urbanization, rural population.

Introduction

The level of urbanization is one of the essential indicators of the social, economic and political development of the country. Urbanization refers (to the population shift from rural areas to urban areas, the gradual increase in the proportion of people living in urban areas, and the ways in which each society adapts to this change. In numerous countries, there is a steadfast trend toward urbanization, which is a natural result of economic development going through the stages of industrialization and post-industrialization.

Nowadays there are about 25 large metropolitan areas on the planet with over 10 million people: São Paulo and Rio de Janeiro, Tokyo, New York, Shanghai and Beijing, Bombay, Jakarta, Mexico City, Moscow and others. The largest city in the world is Shanghai with a population of more than 24 million people.

An important factor in clarifying the importance of urbanization towards state development is a positive impact on economic growth. There is a direct link between urbanization and GDP growth. It is estimated that, on average, for every 5% increase in the number of urban residents of the country, there is a related increase in per capita economic activity by 10%. It can be suggested that in the future there will be competition not of the economies of countries, but of large cities. According to the 'The New Climate Economy' (2018) report, Tokyo's GDP is already larger than Spain's. According to UN data, by 2030, 600 cities will account for 60% of global GDP growth, but the focus will shift to developing countries and their growing urban agglomerations (China, Africa, Asia).

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Urbanization provides obvious positive signs and new opportunities for business development, which consists in the centralization of would-be consumers, the presence of demand for a more diversified domain of products and services, which leads to enlarged production and the investigation for new development spheres, as well as the upbuilding of human, financial and information resources. Moreover, the city contributes to the development of entire sectors of the economy: the construction sector, metallurgy, mechanical engineering, automotive, services, banking, information technology, media, etc. At the same time, the rapid growth of cities actualizes the issues of uncontrolled urbanization, which is fraught with a number of manifestations negative trends. In this regard, it is important to understand the need for planning, the use of new technologies and innovations to build the most comfortable urban environment.

The main cause of urbanization is industrialization. Industry located in cities requires workers to function, and industrially produced agricultural machinery and fertilizers make agriculture more efficient and reduce the number of farmers needed for its work. Furthermore, most of urban areas grow due to the decline of rural areas, forcing impoverished rural residents to move to cities looking for a job.

Thereby, main causes of urbanization globally can be highlighted:
- The development of industrial production;
- Development of non-production city-forming activity;
- Intensification of agriculture;
- Cross-functional interaction (integration of various activities);
- The influence of the world economy, the development of international trade.

Literature Review

Urbanization is closely connected with many political processes in the state, therefore it is being studied by many scientists. For example, Adams in his book *The Evolution of Urban Societ* (1996) claims that the presence of cities is an indispensable sign of the state. Eric Hobsbawm's book *The age of revolution: 1789–1848* (published 1962 and 2005) chapter 11, stated "Urban development in our period

[1789–1848] was a gigantic process of class segregation, which pushed the new labouring poor into great morasses of misery outside the centres of government, business, and the newly specialized residential areas of the bourgeoisie. A. Levada, L. B. Kogan, A. S. Akhiezer and O. N. Yanitsky are the researchers of the urbanization theories that developed among the Russian-language sources in the 1960s. Already in recent years, Grinin and Korotaev point to the close relationship between urbanization and the evolution of statehood.

Methods

The author uses the traditional methods of comparative and functional analysis, a systematic approach, and induction. Considering the trends of urbanization in Kazakhstan and their impact on key social processes, it is necessary to first assess the extent of this phenomenon. To carry out such an assessment, the author researched the period from 2009 to 2019 (10 years). The main source was statistical data from the Committee on Statistics of the Ministry of National Economy.

Findings and Discussion

According to the *Ministry of Agriculture of the Republic of Kazakhstan*, an analysis of the migration flows of the rural population over the past five years has shown that the level of migration activity of the rural population remains high. This is proven by the negative balance of interregional and intraregional migration of the rural population in almost all regions of the country. The outflow of rural residents from rural areas is a natural process. The main reason is the improvement of their social conditions. People are moving from a countryside with a low development potential to cities with a high development potential. The second reason is the lack of employment. Third reason is that young people leave rural areas to continue their studies at higher and secondary special educational institutions.

Along with high birth rates, rural infrastructure develops poorly, and often falls into decay. In most of rural areas there is no large-scale production. Schools and hospitals are closed in some places. In other regions, people still do not have enough water. There is a lack of specialists in the social spheres like health, education, culture and sports (Nagaeva, 2020).

In the coming years, 90 billion tenge will be allocated from the National Fund to create infrastructure and a rural climate. This is a special project called "Auyl - El Besigi". The need for such a program in our country was discussed back in 2018 (Official information resource of the Prime Minister of the Republic of Kazakhstan). Government decided to create comfortable living conditions in the rural areas.

In Kazakhstan the reasons people move from rural to urban areas are:
- low social conditions in rural areas;
- lack of employment;
- continue study in the universities;
- malfunctioning healthcare system;
- low salaries.

However, some projects arranged by government did not work. For example, the project "With a diploma - to the village", according to experts, practically did not pay off. Over the eight years of the program, only 3,552 young professionals were directed to the countryside regions. Nevertheless, many of them returned back to the city.

Due to the lack of employment, low salary, undeveloped infrastructure, people are forced to move to the cities. Cities like Almaty, Nur-Sultan, Shymkent are the main directions of migration flow. People migrate to these cities, since they want better social conditions, get education, to be employed.

Today, 57.6% of the country's population lives in the cities of Kazakhstan (Adjusted population of the Republic of Kazakhstan of 2009 and 2019). The biggest cities such as Almaty, Astana, Shymkent have a population more than 1 million people. Shymkent is one of the fastest growing cities with great development potential. In

this vein, the further promotion of Shymkent as a city of a million-plus population and the issues of its development seem relevant.

An analysis of the level of urbanization over the past 10 years has shown that the shares of the urban and rural population of Kazakhstan underwent certain changes both in general and in the regional context. The share of urban population increased by 4.4 percentage points compared to 2009. In the context of regions, an increase in the level of urbanization occurred in most regions, only in some regions there is a decrease in the share of urban population.

To sustain a harmonious development of the country, it is important to identify the optimum level of urbanization. *Strategy «Kazakhstan – 2050»* claims that the share of the population in urban areas should rise to 70%. Currently in two regions of the Republic of Kazakhstan, the level of urbanization exceeds the indicated value. Thus, the share of urban population in Pavlodar region is 70.7%, in the Karaganda region - 79.6%, which is the highest value in the country.

Additionally, one of the seven most crucial systemic reforms of the *Strategic Plan for the Development of the Republic of Kazakhstan until 2025* is the reform of «Strong Regions and Urbanization». As mentioned in the plan, the level of the urbanization development and the urban environment represents the level of the country development as an entire and is an important factor for future development of socio-economic life.

"Strong regions and urbanization" is the economic development of regions by increasing their independence and ensuring equal quality of life for the population, regardless of their place of residence.

As stated in information given by *the Statistics Committee of the Republic of Kazakhstan*, total urban population of Kazakhstan in 2009 was about 8.5 million people. Then in 2019 urban population in Kazakhstan slightly increased by 23%, from 8.5 million to 10.5 million people. Population in cities considered as significant on republican level rose: in Shymkent – from 615 000 to 1 011 511 people, in Almaty – from 1 361 877 to 1854656 people, in Nur-Sultan – from 605 254 to 1 078 384 people.
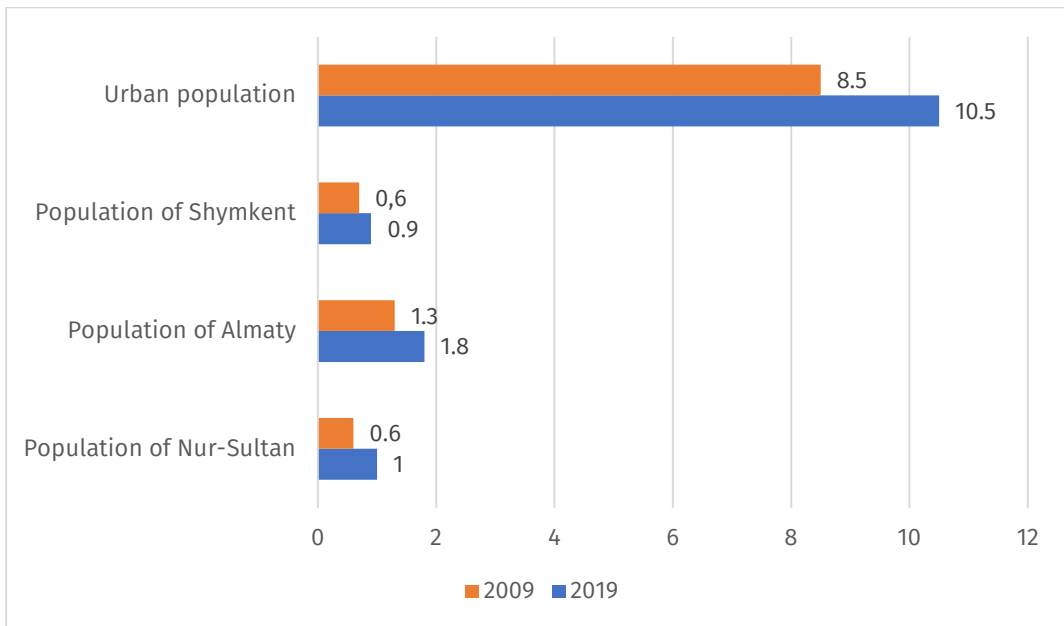
Figure 1. Statistic data between 2009 and 2019. In "million" people

In the economic system of the republic in the IV quarter of 2009, 7.9 million people were employed. In the structure of employed, the share of employees amounted to 66.6%, self-employed - 33.4%. The number of unemployed in the IV quarter of 2009 amounted to 531 thousand people; the unemployment rate was 6.3%. In December 2009, an employee's average monthly nominal wage amounted to 82 779 tenge (About the average monthly wage and the situation on the labor market in 2009 and 2019 in Kazakhstan).

In the III quarter of 2019, in accordance with the results of a sample survey of employment in the economy of Kazakhstan, 8.8 million people were employed. The employment rate for the population was 66.8%. The number of unemployed amounted to 442 thousand people, the unemployment rate - 4.8%. In the II quarter of 2019, the average monthly nominal wage of one employee, taking into account small enterprises engaged in entrepreneurial activity, amounted to 177 461 tenge.

In 2019 Almaty population has reached 1 854 656 people. Men share is 847 273, and women share is 1 007 383 people. In the city's economy 936 700 people were employed. The employment rate was 65.3%. The number of unemployed is 50 300 people; the unemployment rate is 5.1%. In the III quarter of 2019, the average

monthly nominal wage of one employee, taking into account small enterprises engaged in entrepreneurial activity, amounted to 218 005 tenge.

In Nur-Sultan population has reached 1 078 384 people in 2019. Men share is 529 723, and women share is 574 403 people. In the city's economy 552 300 people were employed. The employment rate was 65.1%. The number of unemployed is 25 700 people; the unemployment rate is 4.4%. In the III quarter of 2019, the average monthly nominal wage of one employee, taking into account small enterprises engaged in entrepreneurial activity, amounted to 308 071 tenge.

In Shymkent population has reached 1 011 511 people. Men share is 484 572, and women share is 526 939 people. In the city's economy 408 500 people were employed. The employment rate was 63.6%. The number of unemployed is 22 200 people; the unemployment rate is 5.1%. In the III quarter of 2019, the average monthly nominal wage of one employee, taking into account small enterprises engaged in entrepreneurial activity, amounted to 141 007 tenge.

Table 1. Key indicators of population, employment rate, unemployment rate and average monthly salary wage in Kazakhstan by the year of 2019.

City/ Indicators	Population (men/ women)		Employment rate	Unemployment rate	Average monthly wage
Almaty	1 854 656		65.3%	5.1%	218 005 tenge
	847 273	1 007 383			
Nur-Sultan	1 078 384		65.1%	4.4%	308 071 tenge
	529 723	574 403			
Shymkent	1 011 511		63.6%	5.1%	141 007 tenge
	484 572	526 939			

Comparing with data on 2009 given by Agency of statistics of the Republic of Kazakhstan, for 10 years in country employment rate did not experience huge change, whereas unemployment rate slightly decreased from 6.3% to 4.8%. The average monthly nominal wage increased for about 2 times by 53%. The urban population in Kazakhstan grew by 23%, from 8.5 million to 10.5 million people.

From January to September 2019 the amount of arrived people in Almaty accounted by 2675 people, while the amount of people who left the city drew up 777 people. The amount of arrived people in Nur-Sultan accounted by 1407 people, while the amount of people who left the city drew up 447 people. In Shymkent, 293 people arrived and 622 people left.

Table 2. Migration of city population in 2019.

City/Indicators	Arrived (people)	Left (people)
Almaty	2675	777
Nur-Sultan	1407	447
Shymkent	293	622

According to article 3 of *the Law of the Republic of Kazakhstan "On the administrative-territorial structure of the Republic of Kazakhstan"* there are several types of cities:
- Cities of republican significance, which include settlements of special state significance or having a population of more than one million people.
- Cities of regional significance, which include settlements, which are large economic and cultural centers, having developed industrial and social infrastructure and a population of more than 50 thousand people.
- Cities of regional significance, to which settlements belong, in whose territory there are industrial enterprises, utilities, state housing stock, a developed network of educational, cultural, educational, medical and commercial facilities, with a population of at least 10 thousand people.

14 cities are regional centers: Aktobe, Aktau, Atyrau, Kokshetau, Karaganda, Kostanay, Kyzylorda, Petropavlovsk, Pavlodar, Taldykorgan, Turkestan, Taraz, Uralsk, Ust-Kamenogorsk.

Three cities have the status of republican significance: Alma-Ata, Nur-Sultan (capital), Shymkent. Most of the remaining major cities are cities of regional subordination: Semey in the East Kazakhstan region; Kentau in the Turkestan region; Ekibastuz in the Pavlodar region; Rudny and Arkalyk in the Kostanay region; Zhanaozen in the Mangistau region; Temirtau, Zhezkazgan, Balkhash, Satpayev, Shakhtinsk in the Karaganda region; The cities of Kaskelen in the Almaty region and Kulsary in the Atyrau region are cities of regional subordination.

The influx of rural population into the cities and the increasing pendulum movement of the population from the rural environment and the nearest small towns to large cities, as well as the formation of wide suburban areas characterize the urbanization process in Kazakhstan.

Conclusions

Urban agglomerations form because of the growth and development of the suburban area of large cities (suburbanization). Around the largest urban centers, there is an accumulation of settlements, mainly of urban type, growing together due to intensification of economic and cultural ties.

Urbanization has positive effects on city economy. GDP of cities grow, new enterprises open, arriving people fill unemployment gaps etc. However, it also has negative effects such as ecological problems, occurring of slums and rise of crime rate. As Deputy Prosecutor General Marat Akhmetzhanov reported to Central Communications Service under the President of the Republic of Kazakhstan in three large megacities with large population, the crime rate is objectively higher than the national average. In Nur-Sultan, the level of crime decreased by 15 percent compared to last year (2018); if last year the figure was 256, this year it was 218. At

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the same time, unfortunately, crime is growing in Almaty (Newspaper: Crime in Nur-Sultan has decreased, in Almaty is growing).

To sustain a harmonious development of the country, it is important to identify the optimum level of urbanization. Strategy «Kazakhstan – 2050» claims that the share of the population in urban areas should rise to 70%. It should be mentioned that currently the level of urbanization exceeds the indicated value in two regions of the Republic of Kazakhstan. Therefore, the share of urban population in Pavlodar region is 70.7%, in the Karaganda region - 79.6%, which is the highest indicator in the country.

In addition, one of the seven most crucial systemic reforms of the Strategic Plan for the Development of the Republic of Kazakhstan until 2025 is the reform of «Strong Regions and Urbanization». As mentioned in the plan, the level of the urbanization development and the urban environment represents the level of the country development as an entire and is an important factor for future development of socio-economic life.

Thus, the topic of urbanization is a worldwide trend for the tomorrow. In the long run, the trend of urban population growth will only intensify. The urbanization rate in a numerous cities of developed countries has already exceeded 75%. The UN forecast shows that 65% of the world population will reside in cities by the year of 2050.

However, the urbanization process in Kazakhstan is slight - over the past 10 years, the share of the urban population has increased from 53.2% in 2009 to 57.6% in 2019. According to this indicator, the country is among the weakly urbanized states. In some regions, rather low rates of urbanization are observed, which significantly differ from the national average.

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