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## The Precariousness Employment in the Eurasian Economic Space: Measurement Problems, Factors and Main Forms of Development\*

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### Abstract

This research aims to generalize the conceptual basis of precariousness of employment, study the factors and scale of unsustainable of employment in the countries of the Eurasian Economic Union (EAEU). The concept of precariousness of employment is formed in social and economic studies about 40 years ago, but objective and subjective conditions and forms of unsustainable employment existed before. This study proposes a classification of forms of precariousness of employment on 16 criteria: the duration and timing of agreements, contract terms, the nature of income; the degree of labor autonomy; the level of formality; the level of openness; the level of vulnerability; the conditions of growth of qualification; the level of flexibility; the level of stability; regularity; the severity of the danger of work; in relation to the workplace; the quality of employment, the level of social security. In this research highlighted factors (globalization, demography, migration, structure factors, shadow and informal economy, social development and living standards, unemployment), and systematized certain trends of precariousness of employment, channels and means, forms of manifestation. The empirical analysis identified of the labor potential of the Eurasian countries and new quantitative estimates of the levels of unsustainable employment in the Eurasian Economic Space.

**Keywords:** Employment, Vulnerable Employment, Informal Employment, Eurasian Economic Union, Kazakhstan.

**JEL Classification Code:** J01, J08, J21, J28, J46.

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### 1. Introduction

In scientific research in the field of social and labor relations, one of the most pressing is the problem of precarious of employment. The reduction of standard labor relations, including due to the digitalization, the emergence of non-standard, non-guaranteed and unprotected forms of employment (temporary employment, part-time employment, multilateral labor relations, self-employment, remote employment, mobile workplace, flexible schedule, fixed-term employment contract) becomes a challenge for the institutions of the labor market and social policy (ILO, 2016). The phenomenon of precariousness of employment is widespread in the Eurasian economic space. This phenomenon is due the increased unemployment, the liberalization of markets, deregulation of labor relations, the

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reduction of social security, labor migration, the large size of the non-observed economy and self-employment, informal employment and increasing inequality. The precariousness employment carries with it great social risks and consequences in the form of increased social vulnerability of workers, reduction of social guarantees and social protection.

The precariousness employment has an extremely wide range of forms and types. Due to the multidimensionality of precarious, the assessment of the scope risks and consequences of precariousness remains a serious research problem. The purpose of this research is to generalize the conceptual basis of unsustainable employment, study the factors and scale of precariousness of employment in the EAEU countries.

## 2. Literature Review

The concept of precarious of employment formed in social and economic studies about 40 years ago. At the same time, it is obvious that aim and subjective conditions and forms of unsustainable employment considered in the classical political economy. For example, Adam Smith described in "The Wealth of Nations" in 1776 the problems of inequality in labor and unsustainable employment. He identified five main conditions for wage differentials. According to him, wages are due, firstly, "the ease or difficulty, cleanliness or untidiness, honor or humiliation of the work", i.e. he highlighted the problem of profession and employment. Thirdly, by the persistence or interruption in work. "In some industries, the employee is confident that he will have a job all year round, while in others the workers have an unstable work depending on the season, weather, and random orders of their customers". Here we are talking about flexibility of employment. Fourthly, from the level of confidence in the employee. The new scientific research about precarious point out such features as minimal trust relationships with capital or the state. Fifthly, the probability of success in the profession – "high for mechanical training (e.g. shoemaker), low in liberal professions (e.g. lawyer)" (Smith, 2007).

Karl Marx in his work "Capital" in 1867 noted that the labor force could appear on "the market as a product only when it is offered by the free owner of his ability to work for a certain period" (Marx, 2001, p.154). Thus, the limitation of time for the use of the labor force is an inherent feature of the labor market and wage employment. Marx considered such forms of precariousness employment as forced labor migration and employment at home. He noted that domestic work enhances the irregularity of employment, exploitation becomes stronger, workers' ability to resist decreases, and

poverty negatively affects working conditions - accommodation, light, ventilation, etc. (Marx, 2001).

At the beginning of the 20th century J.M. Keynes in his book "General Theory of Employment, Interest and Money" introduced the concept of "forced unemployment" (Keynes, 2010). Forced unemployment creates conditions, in which a person is willing to accept less attractive working conditions or greater intensity of work. It is correspond to modern ideas about precariousness. Workers who take temporary jobs after a period of unemployment generally have lower incomes and less long-term jobs (Autor & Houseman, 2010). It should be noted that the new forms of flexible, non-standard employment with the spread in economic policy ideas neoliberalism, natural unemployment rate (Friedman, 1978), flexible of employment (Atkinson, 1984) are formed. These forms include self-employment, fixed-term employment contracts, part-time employment, out staffing contracts, combining different types of work, employment outside the location of the employer, etc.

Precariousness (as opposed to sustainability) is considered in new scientific studies with different social and economic aspects. Thus, Pierre Bourdieu notes that precariousness are not only cover the sphere of labor, but they isolated the individual, leads to a state close to the conditions of unemployment or exclusion from society (Bourdieu, 1998). Similar ideas expressed also (Sennet, 2006). They highlighted social, existential, professional, economic precariousness, focusing on the risks of destruction of human resources and social instability. Guy Standing, links precariousness with the institutionalization of neoliberalism in public policy, which is expressed in increasing the flexibility and openness of markets (Standing, 2011). Standing, as many other authors, notes that precariousness affects people who do not have permanent employment, legal guarantees in the field of labor relations and the appropriate education. Among the main social groups potentially exposed to precariousness, Standing includes youth, women and the elderly. The European Commission defines vulnerable employment as the combination of a low level of confidence in the continuity of the work, poor individual control over work (especially working time), the low level of protection (against unemployment or discrimination) and low opportunities for training and career development (EU, 2013).

The international labor organization considers four main types of non-standard forms of employment: temporary employment, part-time employment, multilateral labor relations, and dependent self-employment. In some cases, non-standard employment becomes an informed choice and has positive results. However, for most workers, non-standard employment is related to insecurity (ILO, 2016). In recent years, the problems of precarious have investigated

in Eurasian countries (Jumambayev, 2016; Gasyukova, 2015; Bobkov, Novikova, & Odintsova, 2017). They connect the precariousness employment with the fact that the labor market is becoming increasingly diverse in all modern economies.

The literature review allows us to formulate the following definitions, which is based on to evaluate and measure of precariousness. The precariousness employment is a form of self-employment (or wage employment of individuals) based on employment contracts (or informal agreements) with the employer, which is to characterize by the absence or limitation of the rights of the employee in the workplace, access to social protection mechanisms, guarantees, in obtaining a stable employment and income, in preserving the qualification, professional status and ensuring decent work. The precariousness employment is a process of increasing volatility in employment and using precarious forms of employment in the labor market. The definition "precariousness of employment" relates with forms of employment or precarious, unstable, precursory type of work. The precariousness employment is a concept that is relevant to the process of increasing the volatility of the labor force in the labor market.

### **3. Research Methodology**

The precariousness employment is a multidimensional phenomenon that takes different forms and is assessed through a variety of methods. The methodology of the ILO is fundamental in the assessment of unstable employment. It takes into account contractual arrangements and precarious working conditions. The ILO to unstable contractual agreements include limited duration of the contract (fixed-term contract, short-term contract, temporary, seasonal, filed and casual work), terms and conditions of employment relationships (multilateral and covert employment relationships, fictitious (false) self-employment, subcontracting and agency contracts). The ILO refers to precarious working conditions as low wages, poor protection against termination of employment, lack of access to social protection and benefits (traditionally associated with standard employment) and lack or limitation of access for workers to exercise their rights in the workplace.

An important problem in the study of precarious is its measurement and evaluation. A. Kalberg notes that the diversity of manifestations of precarious leads to the fact that it is difficult to distinguish it as a statistically measurable unit (Kalleberg & Hewison, 2013). For this reason, the study of precarious suggests various aspects of its measurement.

These are temporary aspects (connected with continuity of work), organization aspects (control over work and its planning, working conditions), economic aspects (remuneration) and social aspects (degree of protection) (Rodgers & Rodgers, 1989). The level of precariousness employment can be estimated based on vulnerable employment as a share of vulnerable employment in total number of employment. The simplicity of such an assessment is that quantitative methods can be assessed based on the ILO methodology (for determining self-employment). It is important to note that self-employed persons, which belong to vulnerable employment. They do not use hired labor and unpaid workers of the family enterprises and households.

In Kazakhstan, the number of self-employed determines by a sample population survey. In particular, the statistical form of the state statistical observation "questionnaire of the sample survey of employment of the population" is used. Population survey carries out by interviewing method, by direct visiting of households by interviewers. The statistical form fills in for each individual household in the sample. The precariousness of employment can be assessed based on the vulnerable employment and unemployment. In various studies, precarious work in the labor market considered taking into account the unemployment (Bobkov, 2012). This makes sense because the unemployed cannot be considered more secure or stable than, for example, self-employed persons. This method is more representative of the labor force as a whole, which is in a state of instability. For such an assessment of the level of precariousness, it is necessary to bring two indicators vulnerable employment and unemployment to one denominator - the labor force. Exactly, the unemployment rate is measured in the composition of the labor force.

The level of precariousness can be calculated by measuring employment in the informal economy. Thus, the ILO calculates three indicators for the informal economy: the share of informal employment, the share of workers in the informal sector and the share of informal employment outside the informal sector. The key criteria for determining the informal sector is the state registration of the organization. Thus, precariousness of employment is multidimensional, which is to evaluate by using different methods and indicators. With account the difficulty of obtaining a quantitative assessment of the precariousness employment can be carried out based on factor analysis (Fedorova, 2015). In our view, for a better understanding, it is necessary to clarify what is the impact of each factor or through which channels and means this effect occurs (Table 1).

**Table 1.** Factors of the precariousness employment

Factors	Channels and Tools	Forms of manifestation
Global / International		
Transnationalization	Direct foreign investments	Flexibility of enterprises. Moving jobs abroad. Attraction of foreign labor. Outsourcing.
	Migration of labor	Legal and illegal labor migration. Seasonal employment. Employment in dangerous, heavy work. Quotas for attracting foreign labor.
	Market liberalization	Deregulation and competition. Flexible employment. Precarious work. Long-term unemployment.
Technologies	Structural shifts	Growth of employment in the service sector. Services 24/7, call-centers. Remote employment.
	ICT development	Labor mobility. Work "without a job". Remote employment. Flexible employment.
	Automation	Underemployment
Country /regional factors		
Institution factors	Laws and international labor agreements.	Deregulation. Employment based on fixed-term contracts. Decrease in job security. Flexible labor market. Work migration. Quotas for attracting foreign labor
Structure factors	Growth and decline of industries, new industries, services	Structural unemployment. New work place. New qualification requirements. Labor mobility. Labor migration. Retraining
Demography	Population structure, migration	Inequality. Women, youth, rural unemployment. Part-time work. Unpaid internships for young people.
Social	Income	Productive and unproductive employment. The working poor. Income inequality. Work migration. Vulnerable employment.
Branded factors		
Employer	Labor contracts	Agency work. Part-time employment; contract work, etc. Flexible employment. Split labor relations
Individual factors		
Employee	Individual perception	Voluntary and forced precariousness. Freelancers. Self-employed. Informal employment. Flexible employment.

In the study of employment precariousness in the EAEU countries, we decided to use two groups of factors – global and country factors of precariousness.

#### 4. Results and Discussion

The analysis presents the main social and economic indicators of the EAEU countries for the period 2012-2016. This analysis shows that in most of the EAEU countries of associations there is a general normalization of the main indicators on the labor market. At the same time, the problem of precariousness of employment in the EAEU countries remains quite acute. For a more generalized characteristic of precariousness of employment, it is necessary to identify a number of criteria for classifying the forms of precarious employment in order to measure and estimate it. We propose the following 16 criteria and specific features of the classification of forms of precarious employment (Table 2).

The basis of this classification takes into account the approaches that use the ILO, the EU, the OECD, the Committee on Statistics MNE RK, including methodological

explanations for the study of the economic activity of the population, methods for determining the number of self-employed, migration of the population and evaluation of the shadow economy. We carried out an assessment of employment precariousness in the EAEU countries taking into account the proposed classification and precarious factors.

**Globalization.** Since the early 1990s, the EAEU countries have involved to varying degrees in globalization processes: foreign investment has attracted, migration processes have intensified, and labor mobility has increased. Russia and Belarus have the highest level of globalization, which is due to a higher level of social globalization in terms of such indicators as cultural intimacy. While Kazakhstan and Kyrgyzstan had a higher level of attracting foreign investment relative to GDP – 13,2% and 7,1% respectively.

**Demography.** The EAEU countries have different demographic trends. In Kazakhstan and Kyrgyzstan, there is an increase in the population, labor force. In particular, Kazakhstan has overcome the consequences of the 1990s due to the decline in fertility and external migration. This has resulted in a reduction of almost 2 million people. Now, the population of Kazakhstan has exceeded 18 million people. In Russia, Belarus and Armenia, there has been a decline in

**Table 2.** The classification of forms of precarious employment

No.	Criteria	Forms of precarious employment
1	Based on the reasons and conditions	Voluntary. Forced.
2	By duration and terms of agreements	Contract for a fixed period. Short-term employment contracts. Temporary, seasonal, day-work and casual labor. Part-time employment. Forced part-time work (less than 30 hours per week).
3	Under the terms of the contracts	Multilateral and hidden employment relationships. Explicit, implicit, written oral agreements
4	By nature of income	Unproductive employment. Productive employment. Low salary. Flexible salary. Legal income. Illegal income.
5	By the degree of labor autonomy	Dependent employees. Independent workers (freelancers). Quasi-dependent employment, self-employment (outsourcing, out staffing, leasing). Hired entrepreneurship.
6	By the level of formality	Informal employment in the formal sector. Formal employment in the informal sector. Informal employment in the informal sector.
7	By the level of openness	Open, recorded precarious employment. Shadow employment, employment of illegal labor migrants. Hidden precariousness (latent).
8	By the level of vulnerability	Self-employed, not using hired labor. Unpaid workers of family enterprises and households. Working poor.
9	According to the conditions of qualification growth	Work is not in the specialty obtained because of training. Lack of conditions for professional development. The lack of connection between the growth of skills and wages.
10	In terms of flexibility	Functional flexibility. Quantitative flexibility. Temporary flexibility. Financial Flexibility
11	On the level of stability	Stable precariousness; unstable precarious (transition from one employer to another); transitional pre-occupation of employment
12	By regularity	Seasonal. Casual employment. Temporary employment. Additional employment (second job).
13	By severity, danger	Work in adverse or dangerous conditions. "3D jobs". Work of high intensity.
14	In relation to the workplace	Remote employment. Lack of a workplace. Workplace outside the employer's location.
15	On the quality of employment	Employment that does not meet the principles of decent work
16	On the level of social protection	Unstable labor agreements that do not contain social responsibility Unstable labor agreements containing social responsibility.

three categories: the population as a whole, the population aged 0-14 years and the workforce (Table 3).

Generally, the expected reduction of population in Russia to the level of 120 million people, and in Belarus up to 7 million people. The situation in the field of demography determines the conditions for migration. Therefore, migration in Russia and Belarus will remain an important source of replenishment of the labor force. Thus, both countries will experience a greater impact of external labor migration compared to other countries of the EAEU.

**Table 3.** Dynamics of population and labor force in the EAEU countries in 2016 /1990

	Labor force, 2016 to 1990 (%)	Population, 2016 to 1990 (%)	Population aged 0-14 years, 2016 to 1990 (%)
Armenia	99,9	82,7	54,8
Belarus	91,1	93,3	67
Kazakhstan	118	108,9	94,9
Kyrgyzstan	144,9	138,5	116,6
Russia	98,5	97,3	73,5

Source: World Development Indicators

**Migration.** In the EAEU countries, migration is solved problems in the field of employment. More than 50% of migration flows are formed between the EAEU countries. In the framework of the EAEU, Kazakhstan and Russia are the largest donors of the labor force. They account for 89% of migration flows to the EAEU. Armenia and Kazakhstan have the highest outflow in the accumulated migration. At the same time, Kazakhstan, unlike Armenia, managed to create conditions for the inflow of a significant volume of migrants, in that force and at the expense of returnees. In 2015, the EAEU countries, except Russia, had a negative balance of accumulated external migration. The positive balance of Russia is formed due to the migration flow from the EAEU countries (Table 4).

Russia is one of the largest countries receiving migrant workers according to research by the International organization for migration (IOM) along with USA and Canada. More than 70% of labor migrants in Russia are residents of the EAEU and the CIS countries. In Russia, 38% of migrants come from the EAEU countries and 38% from Ukraine (3270,0 thousand persons) and Uzbekistan (1146, 8 thousand persons). Many forms of precariously employed workers are linked with labor and illegal migration. In 2015,

20% of foreigners were engaged in legitimate work in Russia (Shatilov & Galas, 2017). The high level of precariousness among migrant workers is a global trend. It is possible to form an idea of the prevalence of unstable

employment within countries, which makes migration to be considered as a more attractive alternative based on the scale of labor migration and personal money transfers (Table 5).

**Table 4.** Cumulative migration in the countries of the EAEU in 2015

	Emigrated from, thousands of people				
	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
Armenia		0,3	0,8	0	20,6
Belarus	5,7		70,0	5,2	682,3
Kazakhstan	9,1	69,1		6,7	2352,6
Kyrgyzstan	1,7	9,9	12,9		111,8
Russia	527,3	764,3	2560,3	591,4	
In the EAEU countries	543,8	843,7	2644,0	603,3	3167,3
Total to countries of the world	937,3	1485,3	4075,7	760,8	10576,1
Migrants from the countries of the EAEU, thousands of people	21,8	763,3	2437,6	136,3	4443,2
Migrants, thousands of people	191,2	1082,9	3546,8	204,4	11643,3
The proportion of migrants from the countries of the EAEU, %	11,4%	70,5%	68,7%	65,9%	38,2%
The share of migrants in total, % from the total population	6,3%	11,4%	20,1%	3,4%	8,1%
Lives outside the country, in % from the population	23,7%	13,5%	18,9%	11,4%	6,9%
Migration balance, thousands of people	-746,1	-402,4	-529	-556,5	1067,2
Migration balance within of the EAEU, thousands of people	-522,1	-80,4	-206,4	-467	1275,9

Source: (IOM, 2017)

**Table 5.** Personal remittances in the EAEU countries and groups of countries

Country, groups of countries	1995	2000	2005	2010	2015	2016
	Personal remittances received, % of GDP					
High-income countries	0,2	0,2	0,2	0,3	0,3	0,3
Middle-income countries	1,1	1,6	1,8	1,4	1,5	1,5
Low-income countries	2,8	4,1	4,9	4,3	4,5	4,1
Armenia	4,9	9,5	18,7	18,0	14,2	13,1
Belarus	0,2	0,9	0,7	1,0	1,6	2,0
Kazakhstan	0,6	0,4	0,1	0,2	0,1	0,2
Kyrgyzstan	0,1	0,2	12,7	26,4	25,3	30,4
Russia	0,0	0,2	0,4	0,3	0,5	0,5
	Personal remittances, paid (current US\$)					
Armenia		3,5	207,4	227,4	363,8	358,0
Belarus	11,9	9,6	52,2	115,7	162,3	123,8
Kazakhstan	6,6	121,4	1893,1	3005,8	3116,5	2394,5
Kyrgyzstan	9,8	11,2	53,3	167,7	362,6	377,6
Russia	468,7	232,2	6827,2	21454,0	19688,8	16590,3
	Personal remittances, received (current US\$)					
Armenia	71	182	915	1669	1491	1382
Belarus	29	114	199	575	932	961
Kazakhstan	116	67	62	226	194	275
Kyrgyzstan	1	2	313	1266	1688	1995
Russia	166	500	3437	5250	6903	6678
	Personal remittances, balance, mln. US\$					
Armenia		179	708	1442	1128	1024
Belarus	17	105	146	460	769	838
Kazakhstan	109	-54	-1831	-2780	-2922	-2119
Kyrgyzstan	-9	-9	260	1098	1325	1617
Russia	-303	268	-3391	-16204	-12785	-9912

Source: World Development Indicators

Armenia (13,1% of GDP) and Kyrgyzstan (31,4% of GDP) have the highest level in terms of personal remittances. This indicates the large scale of labor migration, as well as the fact that in Armenia and Kyrgyzstan, the incomes of the population and the maintenance of living standards depend heavily on the opportunity to find work outside the country. This situation demonstrates a high level of the precariousness employment. In terms of personal remittances, Kyrgyzstan and Armenia are at a much higher level than middle-income and low-income countries.

In 2010, the EAEU countries signed an Agreement on cooperation to combat illegal labor migration from third countries (EEC, 2010). On 1 January 2015, the agreement on the Eurasian Economic Union entered into force. According to this agreement, the stage of free movement of capital, goods, services and labor within the EAEU begins (EAEU, 2015). The agreement on the Eurasian Economic Union established equal rights for the citizens of the EAEU in the labor market and employment, which reduced the motives for illegal migration and the opportunity to apply discriminatory measures against migrants. A significant number of migrants from Ukraine and Tajikistan remain outside the agreement's influence. In the section, XXVI "Labor migration" of the agreement on the EAEU provides for the following conditions: increased terms of temporary stay in the territory and excluded the requirements for obtaining a work permit, which are applied to foreign labor force to protect the domestic market, social security of migrants and accounting for length of service for social security. Labor migrants from the EAEU countries have the right to receive medical care and medical services. The legislation of the countries of residence regulates pension provision. These measures are aimed at ensuring security and reducing precariousness in the field of labor migration. In addition, many factors of the precariousness employment lie outside the influence of this agreement and are due to internal processes in the EAEU countries.

**Structure factor.** The scale of the spread of unsustainable employment is largely due to the structural features of the EAEU countries. Structural features of the countries determine the degree of resistance to cyclic fluctuations. The decline in commodity prices, reduced investment, weak external demand, and the decline in solvency because of the devaluation of the national currency had a negative impact on the economic growth of the EAEU countries and employment. The structure of the economies of the EAEU countries has significant differences. Armenia and Kyrgyzstan have a high share of agriculture and high rural employment (up to 30%). Since 1991-2016, the share of agriculture in Kazakhstan has decreased six times in GDP, but the share of the rural population and employment in agriculture remains high. In the EAEU

countries, the most developed is industrial sector. Especially manufacturing in Belarus and Kyrgyzstan. Russia and Kazakhstan have a developed extractive industry and the service sector is faster here than in other EAEU countries. Overall, the structure of GDP is changing: the share of services is increasing and the share of agriculture is declining. A similar trend is observed in the rest of the world (Table 6).

**Table 6.** The structure of GDP, employment, population growth in the EAEU countries for 2016, %

	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
Agriculture Value added (% of GDP)	19	7	5	16	5
Agriculture The share of employment, %	35	10	18	29	7
Industry Value added (% of GDP)	29	38	33	28	33
Services The share of employment, %	16	31	21	21	27
Urban population growth (annual %)	0,1	0,7	1,4	2,5	0,3
Rural population growth (annual %)	0,6	-1,5	1,5	1,9	-0,2

Source: World Development Indicators

The EAEU countries can be classified as highly urbanized countries in terms of urbanization (urban population accounts for more than 50% of the population). Urbanization rates in Russia and Belarus are the highest among the CIS countries the share of residents of urban settlements is 74% and 76%, Armenia -62%, in Kazakhstan – 53,2%, Kyrgyzstan - 35,9%. At the same time, urban population growth is faster in Kazakhstan (1,4%) and Kyrgyzstan (2,5%). Armenia, Kyrgyzstan and Kazakhstan have a high share of employment in agriculture, which has an impact on unemployment, self-employment and precariousness.

**Shadow economy.** In this research, there is a proof of the relationship between the precariousness employment and the shadow economy. Workers in the informal sector are covered by employment contracts and are not protected by legal protection mechanisms. This process mainly affected developing countries and countries with economies in transition. Experts give different estimates of the size of the shadow economy in the EAEU countries. According to national statistical offices, the share of non-observed economy in Kazakhstan is 25, 8%, in Kyrgyzstan – 23, 8% (CS of MNE RK, 2017; NSC of KR, 2017). According to

estimates (Medina & Schneider, 2017) the share of the shadow sector in the EAEU countries exceeds 40%. The desire to evade taxes gave rise to a new phenomenon in the economy as one-day firms. In the Post-Soviet space, this problem represented in Russia. In total, commercial organizations registered in the tax system of Russia - 3,9 million firms. Actually making payments through the banking system about 2 million firms (which makes payments through the banking system). Nevertheless, there are 11% organizations, which do not pay any taxes and another 4-6% of organizations, which pay purely symbolic amounts (Ignatiev, 2013). Such organizations hide the staff of workers who are classified as informal workers, but no contracts have been concluded with them.

**Informal sector.** Informal employment is seen as one of the forms precariousness employment and difficult for calculation. The results depend on the interpretation of the boundaries between formal and informal employment, illegal employment and economic inactivity, informal employment and the shadow economy. Informal employment, along with other labor market distortions, is an obstacle to economic growth and modernization in the EEA economies. In the informal sector and the precariousness employment are involved from 20% (Russia, Kazakhstan), 47% (Armenia) to 70% (Kyrgyzstan) of the employed population in the EAEU

**Social development and standard of living.** A standard of living and the income structure in the EAEU countries are different. In 2015, money incomes per capita per month in the EAEU countries were US\$ 63 in Kyrgyzstan, US\$ 110 in Armenia, US\$ 303 in Kazakhstan, US\$ 304 in Belarus, US\$ 498 in Russia (Table 7).

**Table 7.** Living standards of the population in the Eurasian Economic Union

Indicator	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
Monetary income per capita per month, US\$	110	304	303	63	498
Average monthly nominal wage, US\$	359	413	568	209	561
Minimum wage, US\$	114	121	66	13	86
Average size of pension, US\$	85	156	121	65	158
Minimal amount of pension, US\$	33	116	73	20	63
The number of pensioners per 1000 person of the population	155	273	112	107	292

Minimum subsistence per month in per capita terms	No data	88	61	65	136
Minimum wage in % of the subsistence minimum of the able-bodied population	No data	124,5	90,8	17,6	58,6
Level of poverty, in %	29,8	5,1	2,7	32,1	13,3
Coefficient of funds (on 10 percent groups of the population)	16,4	6,1	5,6	11,8	15,6

Source: (EEC, 2016a)

The minimum wage in the EAEU countries, with the exception of Belarus, is below the subsistence minimum. The minimum wage in Kyrgyzstan is 17%, in Russia - 58% and Kazakhstan - 90%. Almost 30% of the population of Armenia and Kyrgyzstan are in poverty.

**Unemployment rate.** In the EAEU countries, there is a different level of unemployment and self-employment. Official statistical data of the EAEU countries on the unemployment rate demonstrate comparative stability in the labor market. At the beginning of 2016, unemployment in the EAEU countries averaged about 9% (EEC, 2016 b). However, a high level of unemployment remains in Armenia and Kyrgyzstan. In Belarus, the unemployment rate is low, but there is a problem of hidden unemployment.

**Vulnerable employment.** Now, the most vulnerable to the problem of precariousness of employment is the data on vulnerable employment. In the EAEU countries, a different structure of vulnerable employment can be noted. If in Belarus (93,7%), Russia (93,1%) and Kazakhstan (99,6%) the bulk of self-employment is formed mainly at the expense of the own-account workers. Then in Armenia (28,9%) and Kyrgyzstan (26,3%) a very large proportion of contributing family workers. This suggests that the point of view of the quality of self-employment in Armenia and Kyrgyzstan the problem of precariousness is more important than in other countries of the EAEU (Table 8). Armenia and Kyrgyzstan have the highest precariousness level in the labor force (vulnerable employment with account unemployment more than 40%). In Kazakhstan, this indicator is also high (about 30%).



**Table 8.** Unemployment and vulnerable employment in the EAEU countries

Country	2000	2005	2010	2016
Vulnerable employment share of total employment, %				
Armenia	38,7	39,4	42,0	40,3
Belarus	2,5	2,4	2,6	2,6
Kazakhstan	38,5	35,3	31,1	25,1
Kyrgyzstan	54,7	48,7	38,1	36,6
Russia	7,9	6,3	5,6	6,2
Unemployment, total (% of total labor force)				
Armenia	10,9	8,2	19,0	17,6
Belarus	2,1	1,5	1,1	5,8
Kazakhstan	3,7	8,1	5,8	5,0
Kyrgyzstan	7,5	8,1	8,6	7,2
Russia	10,6	7,1	7,4	5,5
Vulnerable employment share of labor force, %				
Armenia	31,7	32,6	34,0	33,6
Belarus	2,5	2,4	2,6	2,6
Kazakhstan	33,5	32,4	29,3	23,6
Kyrgyzstan	50,6	44,7	34,8	33,9
Russia	7,1	5,8	5,2	6,4
Vulnerable employment in the EAEU, share of labor force, %				
Labor force of the EAEU, total thousand people	88365	91762	94069	94443
Vulnerable employment in the EAEU, thousand people	9245	8 564	7986	8516
Vulnerable employment share of labor force, %	10,5	9,3	8,5	9,0

Source: ILOSTAT

These data reflect part of the problem of precariously employed without regard to precariously employed formal sector employment and hidden forms of precariousness. However, the level of precariousness will be higher taking into account informal employment, insecure and non-standard forms of employment in the formal sector. In Armenia and Kyrgyzstan, the level of precariousness employment in terms of the proportion of self-employed among the employed population is 40%. This creates great problems and risks for the social and pension systems of these countries, the reproduction of labor potential through increased migration. It should be noted that the unemployment rate exceeding 10% according to world criteria is considered dangerous. Nevertheless, with the possible decrease in unemployment rates, the share of self-employment in the EAEU countries remains high in Armenia, Kazakhstan and Kyrgyzstan.

Thus, the precarious employment in the countries of the EAEU is multifactorial and multidimensional. The influence of factors has different effects on the depth and extent of precarious. In Armenia, the precarious employment associated due to the high level of unemployment and vulnerable employment. In Kazakhstan and Kyrgyzstan, the

precarious employment associated with structure features and a high share of rural employment, in Belarus - demographic characteristics, in Russia - the level of migration, demographic trends. In addition, institutional systems in all countries are not yet well adapted to the challenges of precarious.

## 5. Conclusions

The structure of labor market institutions, which has formed in the market economy, cannot respond to the challenges of precariousness employment and the complex problems of precarious. Thus, labor market institutions and other social guarantees in the sphere of labor relations have not formed. This process preceded by reflection in society problems, difficult periods of social struggle and institutional changes. The comprehension of this problems leads to the understanding that we should expect major transformations of institutions in the field of employment and labor market in the framework of the EAEU, and in each of the countries. The study of possible manifestations of precarious is important for overcoming the negative consequences. In this regard, we propose the following specific features of the classification of forms of precariousness employment: the duration and timing of agreements, under the terms of contracts and by the nature of income; the degree of labor autonomy; the level of formality; the level of openness; the level of vulnerability; the conditions of growth of qualification; the level of flexibility; the level of stability; regularity; severity, danger of work; in relation to the workplace; the quality of employment and the level of social security. The study of the problems of precarious in accordance with the selected factors led to the conclusion that the precariousness employment in the EAEU countries is a multi-factor and multidimensional phenomenon. In each country the influence of factors having a different influence on the depth and scope of precarious. The EAEU countries have been involved in globalization processes to varying degrees. There are different demographic trends in the EAEU countries.

Kazakhstan and Kyrgyzstan demonstrated growth in population and labor force. While in Russia, Belarus and Armenia showed a decline in the population as a whole, the population aged 0-14 years and the workforce. The demographic situation determines the conditions for migration, including labor migration. The high level of labor migration poses great risks to the social and pension systems of these countries in the future. In Russia, taking into account the declining trend in fertility, migration will be the main source of replenishment of the workforce, which creates risks of rising precariousness, which are caused by

illegal labor migration. The agreement on the Eurasian Economic Union has changed the conditions for labor migration, established equal rights of citizens in the labor market and employment, and reduced the motives for illegal migration and the ability to apply discriminatory measures against migrants. This situation is aimed at reducing precariousness, especially due to labor migration.

It should be noted that the EAEU countries have a different structure of vulnerable employment. Thus, in Belarus, Russia and Kazakhstan, the self-employment form on an individual basis. In turn, in Armenia and Kyrgyzstan, family household workers form the self-employed. This suggests that the quality of self-employment and the problem of precarious is much more acute in Armenia and Kyrgyzstan than in other EAEU countries. Thus, Armenia and Kyrgyzstan have the highest level of precariat in the labor force. In Kazakhstan, the level of precariousness is highly - about 30%. The precariousness employment in these three countries is associated mainly with the solution of structured problems: with the growth and diversification of industrial production, increase of efficiency of agriculture and reducing rural employment, increase labor mobility within countries.

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## Abbreviations

EAEU - Eurasian Economic Union  
EEC - Eurasian Economic Commission  
EU-OSHA – European Agency for Safety and Health at Work  
SC of RA - Statistical yearbook of Armenia. Statistical Committee of the Republic of Armenia.  
NSC of KR -National Statistical Committee of the Kyrgyz Republic  
FSSS Federal State Statistics Service of Russia  
CS of MNE RK - Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan  
IOM - International Organization for Migration  
ILO - International Labour Organization