

ANALYSIS OF THE DEVELOPMENT OF THE HUMAN POTENTIAL OF THE EAEU COUNTRIES

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Abstract: *the article analyzes the achievements of the Eurasian Economic Union countries on the human development index (life expectancy, GDP per capita, education level) and the income and standard of living (the average size of salaries, pensions, the minimum subsistence level, the Gini coefficient and other indicators). Also noted the similarity of many problems in the field of human development, which should be taken into account in each country - a member of the EAEU, and the level of integration association.*

Keywords: *integration, human development, Eurasian Economic Union, human potential.*

АНАЛИЗ РАЗВИТИЯ ЧЕЛОВЕЧЕСКОГО ПОТЕНЦИАЛА СТРАН ЕАЭС

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Аннотация: *в статье проведен анализ достижений стран Евразийского Экономического Союза по индексу человеческого развития (продолжительности жизни, ВВП на душу населения, образовательному уровню) и по доходам и уровню жизни (средние размеры заработной платы, пенсий; величина прожиточного минимума; коэффициент Джини, другие показатели). Отмечено сходство многих проблем в сфере развития человеческого потенциала, которые должны быть приняты во внимание как в каждой стране — члене ЕАЭС, так и на уровне интеграционного объединения.*

Ключевые слова: *интеграция, человеческое развитие, Евразийский экономический союз, человеческий потенциал.*

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Eurasian Economic Union (EAEU) - the international economic integration association (union), the agreement on creation of which was signed on 29 May 2014 and entered into force on January 1, 2015 As said the leaders of the founder states, the basic idea is the creation of the Union of economic integration countries. The ultimate goal of integration association - cooperation, upgrading and improving the competitiveness of national economies. The basis of association is the free movement of capital , goods and services, and labor. Countries agreed to pursue a common policy in key sectors of the economy, in particular in the field of human resources.

Traditionally, economic integration is defined as the process of mutual interweaving of national economies and the creation of a qualitatively new economic space. Regional integration in the wider sense, including also political, social, scientific and technical, cultural integration, is treated as a process of creating common rules, regulations and policies in the region. This involves the integration of a large-scale territorial differentiation, including the progressive reduction of internal barriers and the possible creation of new barriers to external players.

Integration only in the economic field, which is not supported by the political, cultural and social integration, is quite risky and vulnerable project in the long-term concept. After all, the positive impact of regional integration in the standard of living of the population appears quite slow and uneven [1].

Some experts see in modern Eurasian idea the instrument of identity and unity of the nation required for the conservation and enhancement of human capital [2]. The basis of the EAEU economy is human capital, which is the main driving force for socio-economic development of society.

"One of the important directions in modern economic system of Kazakhstan and countries of EAEU is the development of human capital. Creating EAEU allows freely receive qualitative education and professional skills, employment." In the context of the EAEU in general policies to improve the quality of life of the population in the country's economy, as well as projects to improve the quality of life and poverty reduction are becoming increasingly important for investment attractiveness, which will also contribute to the growth and development of the economy [3].

On January 1, 2015 launched a new international organization of regional economic integration - the Eurasian Economic Union, which united the Republic of Kazakhstan, the Russian Federation, Republic of Belarus, the Republic of Armenia, the Kyrgyz Republic. The main purpose of the formation of EAEU - the formation of a common market of goods, services, capital, labor, implementation of a unified, coordinated policy in the sectors of the economy.

Table 1 shows the main macroeconomic indicators of the development of the three countries. According to the data 2014 EAEU has a population of around 2.5% of the world's population; GDP - about 3%, and the territory - 13% [4].

Table 1. Characteristics of EAEU countries for 2014 year

Countries	Population(mln)	Real GDP	GDP per capita	Inflation %	Level of unemployment %
Russian Federation	146.3	1880.6	12.8	11.4	5.2
Republic of Belarus	9.4	75.9	8.0	16.2	-
Republic of Kazakhstan	17.4	227.4	13.1	7.4	5.0
Republic of Armenia	3.0	11.6	3.8	4.6	17.6
Kyrgyz Republic	5.8	7.4	1.3	10.5	8.0
EAEU	182.0	2202.9	12.1	11.1	5.4

Dynamics of human development according to the different economic potential of the country at the beginning of this century reveals a significant increase in the proportion of countries with high human development. In this group the procedure evaluating the Human Development Index (HDI) of the United Nations and includes all the countries - members of the EAEU, except Kyrgyzstan (Kyrgyzstan belongs to the group of countries with medium HDI). Depending on the value of the HDI are four groups of countries: with very high HDI (0.808 or more), high (from 0,700 to 0, 808), with an average (0.556 - 0.699) and low-HDI countries (less than 0.556) [5].

Over the past decade, all the Member States EAEU have shown positive results in the dynamics of the HDI, calculated on the basis of the achievements in the fields of education, life expectancy, income: in 2014 none of the Union countries has HDI lower than in 2005 [6].

At an average of this indicator for countries with very high human development - 0.890 and a high level of human development - 0,735; in Russia this figure is - 0.798, in Armenia - 0.733, in Belarus - 0.798, in Kazakhstan - 0.788, in Kyrgyzstan - 0.655. Dynamics of HDI over the past decade shows that even during the global crisis, there was an increase of its value in all countries (2008-2009 years) - EAEU members, with the exception of Armenia and Kyrgyzstan, where there was a reduction of this indicator in 2010, but from 2011 these countries restored growth [6].

Table 2. Comparative analysis of the performance and the position of the Republic of Kazakhstan for a number of indicators of the HDI in 2014

№	Indicator	Indicators of the top three leading countries in the world	Indicators of Member States of EAEU
1	Human development index	1. Norway - 0.944 2. Australia - 0.935 3. Switzerland - 0.930	50. Belorussia - 0.798 50. Russia - 0.798 56. Kazakhstan - 0.788 85. Armenia - 0.733 120. Kyrgyzstan - 0.655
2	Life expectancy at birth	1. Hong Kong - 84.0 2. Japan - 83.5 3. Italy - 83.1	Armenia - 74.1 Belorussia - 71.3 Russia - 70.1 Kyrgyzstan - 70.6 Kazakhstan - 69.4
3	Expected years of education	1. Australia - 20.2 2. New Zealand - 19.2 3. Iceland - 19.0	Belorussia-15.7 Kazakhstan - 15.0 Russia - 14.7 Kyrgyzstan - 12.5 Armenia - 12.3
4	The average length of education	1. Germany, England - 13.1 2. Australia, Canada 13.0 3. USA - 12.9	Belorussia-12.0 Russia - 12.0 Kazakhstan - 11.4 Armenia - 10.9

			Kyrgyzstan - 10.6
5	Gross national income (GNI) per capita dollars. US	1. Qatar - 123,124 2. Kuwait - 83,961 3. Liechtenstein - 79,851	Russia - 22,352 Kazakhstan - 20,867 Belorussia - 16,676 Armenia - 8,124 Kyrgyzstan - 3,044
6	Government expenditure on health (% of GDP), 2013	1. USA - 17,1 2. Micronesia - 12,6 3. France - 11,7	Kyrgyzstan - 6.7 Russia - 6.5 Belorussia - 6.1 Armenia - 4.5 Kazakhstan - 4.3

As a result of the marked dynamics in the middle of the current decade in the HDI ranking (2014) EAEU countries took the following position: Russia and Belarus - 50th place, Kazakhstan - 56th, Armenia - 85th, Kyrgyzstan - 120th.

In terms of duration of education, all EAEU countries held in high regard. All member countries, except Kyrgyzstan, are closer to the level of a group of countries with very high human development.

In terms of life expectancy at birth (number of years, which is expected to live newborn, provided that his health and living conditions will not change throughout life), which shows the state of health of the population of a country, the quality of healthcare, Russia, Armenia and Belorussia is at the level of countries with high human development, and Kazakhstan and Kyrgyzstan - below the level of countries with medium human development.

Considering individual groups, it becomes clear, that for those aged 60 years and older, life expectancy in all countries of the EAEU in 2010-2015 years with the exception of Armenia (20 years) was lower than that of the countries with medium human development (18.5 years). In Belorussia, the figure is 17.1, 16.5 years in Kazakhstan, Kyrgyzstan - 16.8 years and in Russia - 17.5 years.

One of the factors for this situation is the condition of health spending relative to GDP. Though in countries with very high human development of health-care costs are on average 12.2% of GDP, in countries with high levels of human development - 6.0%; Only in Russia, Belorussia and Kyrgyzstan health expenditure above 6% of GDP, respectively, 6.5%, 6.1% and 6.7%. Armenia - 4.5%, Kazakhstan - 4.3%.

The level of GDP per capita, indicators of education, life expectancy are basic ones, but to assess the state of human resources must be used other comparable indicators, characterizing the level of incomes, their structure, such as the average size of salaries and pensions; the subsistence minimum; Gini coefficient and other indicators characterizing the level and distribution of income.

According to the Eurasian Economic Commission the highest average wages - in US dollars at the average exchange rate of the National Bank in 2014 - was in Russia (856 USD.), Kazakhstan (675 USD.); in Belarus, the figure was 590 dollars, in Armenia - 381 dollars, Kyrgyzstan - 229 \$.

As we can see there is a substantial gap in average pensions also - from \$ 240 in Belarus (December 2014) to 77 dollars in Armenia.

According to official data within all EAEU countries lowest unemployment rate has Kazakhstan - 56.1 thousand people, or 0.6% of the economically active population.. It is followed by Belarus - 39 thousand unemployed, or 0.9%, 1.3% of the economically active population, while in Russia - the quantity of unemployed people around 1 million.

In Kyrgyzstan officially registered 59.3 thousand unemployed people, the unemployment rate is 2.4%, and 73 thousand unemployed registered in Armenia.

It should be noted that, except Russia, where vacancies more than the unemployed - 1.2 million in the rest of the integration association occurs reverse situation.

In all countries, EAEU Gini coefficient (0 means perfect equality, 1 perfect inequality), according to the UN had high values for the entire period 2003-2012, especially in Russia and Kyrgyzstan, averaging 41.6 in those years (Russia) 42.9 (Kyrgyzstan). The Gini coefficient in Kazakhstan is 27.8, in Belarus - 26.5, and in this sense these states are in varying degrees of socio-oriented countries.

Table 3. Incomes and living standards of citizens by the EAEU countries

Countries	Salaries(\$)	The subsistence minimum per capita for a month(\$)	Poverty rate(%)	The Gini coefficient	The average size of pensions for December 2014	The minimum wage at the end of 2014
Russia	856	212	11.2	0.416	197	100

Belorussia	590	128	4.8	0.275	240	167
Kazakhstan	675	106	2.8	0.278	198	110
Armenia	381	-	30	0.373	77	108
Kyrgyzstan	229	93	30.6	0.429	81	15

* The subsistence minimum per capita in Armenia is not setting

With regard to human capital, a significant reduction in the population is waiting for the three countries of EAEU: Belarus - to 8.98 million in 2030 and to 8.1 million in 2050, Russia - to 138.6 million people in 2030 and 128, 6 million in 2050, Armenia - up to 2.9 million people in 2030 and 2.7 million in 2050. In Kazakhstan and Kyrgyzstan, the UN predicts population growth: in Kazakhstan - to 20.7 million in 2030 and 22.5 million in 2050, in Kyrgyzstan - to 6.6 million in 2030, and 7,3 million in 2050 [7]. For an economic growth rate of growth (reduction) of the economically active population is more important. The figure shows that the Belarus, Russia and Armenia can compensate the loss of this factors, only by workers and the use of retirees labor (for example, from a partner in Union - Kyrgyzstan, where it is expected a significant increase (52%) of the economically active population), and also due to the growth of its quality.

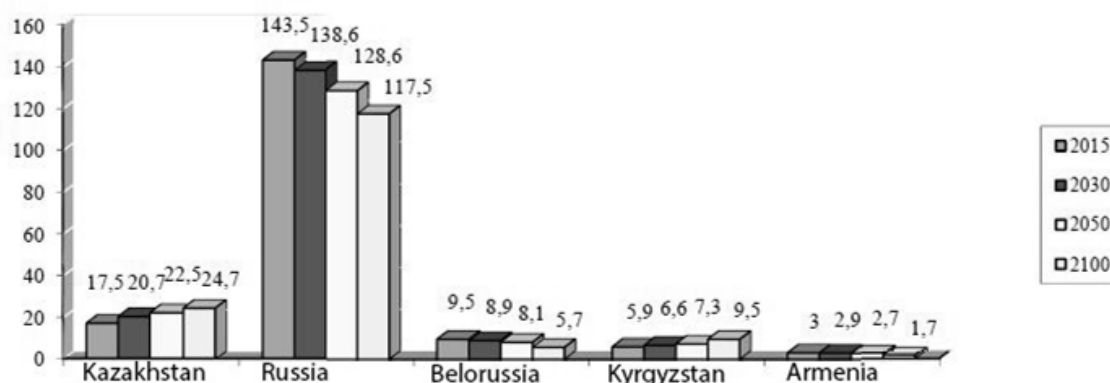


Fig. 1. Population in EAEU countries in 2015, 2030, 2050 and 2100 years (millions) according to www.un.org.

Reduction of labor in Russia, Belarus and Armenia for more than 20% and an increase in life expectancy, even with an increase in the retirement age to the European level will create the problem of reducing the share of the working population from 62% in 2010 to 52% in 2050, which will lead the country to difficulties with pensions for an aging population. In Kazakhstan, the labor force growth of 24% will be observed [8, 9].

Thus, the low level of labor incomes of the population in relation to GDP, the high degree of inequality of income distribution of EAEU countries population are represented not only as a factor of social stratification in each of these countries, but also brake enhancing their economic development, and the differences between the countries - members of the Union these indicators are aiming to harmonize social policies.

Human development should be a priority of economic policy of countries - members of the EAEU. In the context of the current socio-economic situation and the problems facing the EAEU economic growth and welfare improvement actualized development of measures to optimize the social policy at Union level and at the level of each Members.

Solving the problems of human development will require an integrated approach in the development of a unified concept in relation to the elderly population, the development of the social security retirement system of guarantees, support of motherhood and childhood and improving the level of education.

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