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I ECONOMICS

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Socio-Economic Growth Model Agglomerations: Practice and Prospects for Development

Abstract. The new millennium has been proclaimed one of the cities. Issues of urbanization have become relevant in connection with tasks of entering of Kazakhstan among the 30 years of highly developed countries of the world. In The President of Kazakhstan, Nursultan Nazarbayev the people speak on the need to ensure the development of an infrastructure of the triad-centres, transport, energy. Agglomeration is the skeleton of the knowledge economy. Research methodology is based on a combination of methods: mathematical modeling, statistical groupings of sociological research methods.

Key words: agglomerations, mathematical modeling, socio-economic growth model, infrastructure.

Introduction

In a historic settlement evoluciiform replacing the traditional types of localities-isel skim urban settlements, developing relatively autonomously, is increasingly prihodâtnovye «group» the highly concentrated form of settlement, forming and shaping and prisbližennom settlements in between intense relationships. There are the urban agglomeration is a rapidly developing worldwide gatherings of inhabited places, often consisting of dozens, sometimes hundreds of naselennyhpunktov, including rural settlements are closely related to each other. Urban agglomerations of people, become the basis of their material and spiritual culture, highly developed forms of life. Urban agglomerations in the world economy is one of the main forms of modernization and rapid development and increasing the competitiveness of territorial entities, and Therefore, national economies.

As world experience shows consolidation settlements in the metropolitan territory of the area makes sustainable and dynamic growth with significant social and economic impact. Development of virtuous cities contributes to the well-being of society, the development of culture, the diversity of social life. Development centres aims to expedite the modernization of the economy, its transformation into an innovative and knowledge-based. The Office is the main aspect in any economy, regardless of its magnitude. Of course, the new challenges fac-

ing nthe agglomerations, requires a new approach and new management.

Methods

1) Description of the scientific methods used in the draft as justification of the ways to achieve the objectives, the rationale for the chosen approach.

To achieve this goal will apply methods from graph theory and cluster analysis, including methods for k-means, hierarchical clustering and dvuh-vhodovogo join.

To take account of the factors and risks that affect the development of agglomerations will apply methods for evaluating the effectiveness of the project, based on the discounted estimates because they a much more accurate, as are various types of inflation, interest rate, etc.

To develop a strategy for the development of urban agglomerations are used the methods of mathematical and econometric modelling. Forecasting models includes its development, experimental analysis, comparison of the results of the preliminary forecast calculations with the actual State data object, or process refinement and adjustment model.

For the development of the quality, management system will be used by expert prediction methods.

Software-target method will be used to develop a methodology for rating analysis of agglomerations and involves the development of a prediction, since the final assessment needs to under develop-

ment in further defining and finding effective ways and means to achieve them, as well as resources.

Towards the standardization of urban agglomerations will be used as a normative method of technical-economic justification of predictions using standards and norms.

In order to improve the management of urban agglomerations will use methods of sociological research (survey, observation and content analysis of the experiment). For the calculation of economic effects would apply mathematical models, taking into account the population size threshold; temporary availability threshold; the threshold level of the kernel, and to assess the applicability of statistics and compare them on a global scale is a method of panel data.

2) Critical point, alternative ways of realization of the project.

In this project, there are risks-industrial-technological risk, business risk, risks of volatility of market demand, the risk the unpredictable actions of project participants, natural damages, etc. An alternative way of realization of the project is to build a strong business management model based on discriminant analysis and the prediction by kointegratsionnyh ties.

3) Observance of the principles of scientific ethics.

This project will comply with all principles of scientific ethics. In particular: integrity, teamwork, universalism, selflessness.

4) Conditions of registration and the separation of intellectual property rights to the research results.

For the successful implementation of the project, it is necessary to protect the project, through the registration of intellectual property rights (copyright).

Main body

The five leading largest agglomerations of the world include Tokyo, new-Jorrk, Mexico City, Sao Paulo, Shanghai. Among the CIS countries in terms of the level of urbanization is leading Russia, Armenia, Kazakhstan, etc.

Republic of Kazakhstan highly specific transition to oil and rare metals countries. There are 87 cities in Kazakhstan, including 2 cities of Republican subordination-Almaty and Astana, 40 cities of regional subordination, 45 cities of Raion subordination. Kashagan field firing at full power Kazakhstan will enter the five major oil exporters. The first modern urbanističeskimi centres of Kazakhstan to become the largest cities of Astana and Almaty, Shymkent and Aktope then.

Urbanization also brings a lot of environmental, social, economic and other problems, which implies an integrated approach to the study.

Without analyzing the patterns of urbanization and without taking into account the particularities of their manifestation in different socio-economic systems cannot be accurately model further the development of society.

Questions of formation of spatial and settlement structure of cities and urban agglomerations were worked out by representatives of the various economic schools in the 19th and early 20th centuries century.

The term «metropolitan area» in relation to the resettlement was the French scientist m. Rouget, according to which agglomeration occurs when the concentration of urban activities beyond the administrative borders of the neighbouring iraspros-tranâetsâ human settlements [1].

The problem of economic growth have explored such scientists as Minh Dao, María Jesús Freire-Serén, Judith Panadés i Martí [2-3].

His contribution to the study of problems have made Henderson J.V., Rossi-Hansberg (E). to address urbanization and economic Government standards [4-5].

Contribution to this topic introduced Taylor P.who proposed the model of urban agglomeration based on minimizing the cost of moving [6-7].

At the end of the twentieth century in the West, a new interdisciplinary course-new urban economy (NUE) provided by Black D., Matthew e. [8-9].

Urban infrastructure and development of the resources discussed in the writings of Chinese scholars: Van Lina, Iuan Blue, Sunian Hu, Zeng Czenguan, du Cânžen, Li J nin , Nor Penfy, Zhu Bin, Zhang Sanuj, Wang Sujfen [10-19].

Urban environmental management issues at the regional level, considered in his works, Russian scientists: Ravens y. p., Zausaev s. a., Emelyanova n., Nešadin A., Kudryavtseva on.To., Lappo g.m., Luzhkov Y.m., Maksimov S. N., Mikhailov, Muza-levskij m.a., K.l., Percik, e. n., Pivavarova j. l. Poly-an Tm, Ponosov a.n., Smirnov S. A., Yanickiy o.n., Ugryumova A.a. [20].

Among the scientists of Kazakhstan, dealing with the problem include: Aubakirov Z.g., Iskakova U.m. Djumabaeva, s.k., Dulambaevu g. Mutanov r.t., M, Sedenova W.c. Sedenovu, N.u. [35-41].

In the Republic of Kazakhstan, the issue is considered at the governmental level, in particular in the message of the President of the Republic of Kazakhstan. Nazarbayev, Kazakhstan's way: 2050: One goal, common interests, common future [42].

Covers this topic in the programme of development of the regions of the Republic of Kazakhstan [43]. The problem of the development of agglomerations is reflected in the law of the Republic of Kazakhstan «on administrative-territorial unit the Republic of Kazakhstan» (with amendments and additions as at 03.07.2013). The Government of the Republic of Kazakhstan approved the programme for the development of single-industry towns in the 2012-2020 period, where the goal is to achieve sustainable socio-economic development in single-industry towns in the medium and long term.

Paying tribute to our scientific expertise in this area, it should be noted that, having published on these subjects affect only selected issues related to the management agglomerations. Along with this, the analysis of the literature shows that many of the management issues of socio-economic processes of major cities given the urbanization is studied. Despite the initial contribution of the scientists involved in this issue, are not investigated the factors that influence the development of urban agglomerations. Analysis of the studied literature also shows that there is still no clear and appropriate recommendations on strategy development and planning of urban agglomerations, methods quality management and control of the new urban economy. In General, not a regional system of rating analysis of the management of urban agglomerations. Almost no regulatory mechanism of virtuous urban agglomerations. Hence, there is a need to address the research approaches for developing management models and socio-economic growth of urban agglomerations, in particular, Almaty, as the virtuous town.

The lack of research into sustainable development of agglomerations is the relevance and the need to examine this issue, as from a scientific perspective, and practical point of view.

The scientific novelty of this work consists in the fact that for the first time, a mechanism for regulating the virtuous urban agglomerations and propose effective management and economic growth model Of agglomerations of Kazakhstan, in particular the city of Almaty.

2) Significance of the project in national and international scale.

Study on ranking countries according to the level of urbanization is the United Nations Department of economic and Social Affairs, which studies and publishes the results of comparative analysis of statistical data on the proportion of the urban population in the total population of the countries and territories of the world. Our research is aimed at developing a methodology for rating analysis of

sustainable management of agglomerations and includes indicators of the effectiveness of social and environmental policy, socio-economic analysis of urbanization, investment analysis and production processes. In addition, for the first time, we will identify economic, technological, social and organizational factors affecting urban agglomerations (for example, Almaty). An absolute novelty is the optimal strategy development and planning of urban agglomerations in the complex industry, agriculture, construction, transport, Almaty, for the next 15 years. Us first-time quality management system will be developed a new virtuous, urban-based economic, social and cultural conditions modernization and diversification. In addition, for the first time will be offered standards of agglomerations and their regulation mechanism has been improved.

The distinctive feature of our study is that we will develop structural models of growth urban agglomerations with high scientific and educational capacity, by increasing the efficiency of public management based on strengthening innovation capacities, integration of the country in the development of the industry.

This project will enable Kazakhstan to 2050 year become one of the world's 30 most developed, which implies the need to achieve a certain target indicators-GDP per 60 per thousand \$., an increase in non-oil exports up to 70% of the total exports, productivity growth in the 5 times from the current level, bringing the share of SMES in GDP up to 50%. Urbanized areas contribute to the growth of non-oil GDP, and will contribute to a further GDP growth at 2-3%.

A new model of efficient management of agglomerations Of Kazakhstan proposed in the project will contribute to increasing productivity, development of small and medium-sized businesses and allows you to measure the regional effects, to determine the direction of movement of the factors of production, goods and services, to identify the extent to which production and spatial factors on the rate of growth of the economy of the regions.

This may be the case, the system policy on territorial concentration of people, knowledge and capital in long-term growing points, and levelling negative effects of spontaneous agglomeration development and fostering agglomerations with the given properties. This in turn determines the significance of the project in national and international scale.

Internationally, contained provisions, recommendations and findings contribute to the development and management of urban growth of world

population, as well as a higher level of interaction with other countries.

Agglomeration in international practice, can always be used as a tool of crisis:

- smoothing of imbalances in the agglomeration territory development and strengthening sintering ties through the creation of new industries in the new territories creates more comfortable environment for business development, will improve the quality of life;

- limited territorial resources and the possible directions in the outer zone of the metropolitan area. Often cities have no reserves of land for further development without restructuring the industrial zones. The closure of the industrial enterprises will give an opportunity for restructuring under the new market opportunities (related to the reconfiguration of the world economy);

- restructuring and modernization of the city-formation base of the city, the development of its «core» functions and industries that define the scientific and technological progress;

- improvement of the quality of the environment in the city by reducing the concentration of industrial production, transformation of the economy towards a post-industrial eco safe production;

- development of the agricultural zone of agglomeration-»import substitution» product line;

- housing solutions, Inc. modernization old low-rise residential development zones, old/dilapidated housing, the establishment of a new type of construction;

- infrastructure: transportation, engineering-key factors in the employment of the population in times of crisis.

3) social demand and (or) economic and industrial interest in the project and its results.

The results of the project can be used:

- The Ministry of investment of the Republic of Kazakhstan, the line ministries, the Office of the President, the Cabinet of the Prime Minister, Governors Office programming industrial and innovation development of Kazakhstan for the future,

- public authorities at various levels, the Agency of statistics of the Republic of Kazakhstan, the World Bank, the Government of the Republic of Kazakhstan, Association of appraisers, the National valuation standards, the labour code, the methodology for assessing the cost and others,

- various agencies in devising programmes of urban development, quality management practices, evaluation of investment projects, implementation and effectiveness of the management system,

- higher education institutions in the preparation of teaching materials and lecturing in the classroom, in the design and teaching of courses in the training system and and retraining of specialists in the field of quality management of public institutions, in particular (the Kazakh National University. Al-Farabi Kazakh National University, the Institute of Economics of the MINISTRY of EDUCATION and SCIENCE of RK, Kazakh economic University. T. Ryskulov, Eurasian National University. Gumilev, Kazakhstan Institute of management, economics and forecasting),

- researchers in conducting further research.

4) influence the results obtained on the development of science and technology and the expected social and economic benefits.

This study provides significant economic and social benefit and contribute to the system policy on territorial concentration of people, knowledge and capital in long-term points of growth, as well as the quality of service to the public. The effect will be the growth of per capita GDP up to 60 thousand. \$., an increase in non-oil exports up to 70% of the total exports, productivity growth in the 5 times from the current level, bringing the share of SMES in GDP up to 50%.

Most models of effective urban growth: integrating real regional factors, particularly the factors of production; use innovation and their distribution as a key factor in growth areas, especially distribution channels; possession of certain opportunities and align the interregional levels economic development through the diffusion of innovation and diversification.

Practical and scientific findings contribute to the strengthening and development of the cities, out of Kazakhstan on an equal footing with developed countries on the world market. Specific provisions and recommendations may be used by the Government of the Republic of Kazakhstan, Ministry of, Committees to create a practical, methodical and socio-economic floor for the development of effective management of large and small urban agglomerations.

Socio-economic impact of the development of agglomerations is the same in terms of their development contributes to:

- the strengthening and growth of small and medium-sized cities, the transformation of rural areas;

- the feasibility of more major infrastructure projects-energy, transport systems and the associated service, information communications, education and innovation infrastructure;

- growth of well-being of the population, increasing education opportunities and professional

self-realization to reduce migration outflow of the population;

- increasing the competitiveness of the economy and ensuring a stable flow of resources for development;

- modernization and integration of community resources to create a United territory of new businesses and homes;

- management of internal migration of small and medium-sized cities in the regional capital,

- monitoring the development of the city-core and prevent oversaturation and excessive pressure on infrastructure; stable development of the city centre through the shift in emphasis to development «periphery»;

Aglomerirovanie is becoming a key tool for the development of the country and its territories, providing a high quality of life, creating a comfortable environment for development business and raising the competitiveness of the Republic of Kazakhstan as a whole.

Conclusion

The expected results will be:

1. The economic, technological, social and organizational factors affecting urban agglomerations (for example Almaty).

2. Proposed optimal strategy development and planning of urban agglomerations in the complex industry, agriculture, construction, transport, Almaty, for the next 15 years.

3. The quality management system is a new virtuous city economy.

4. A method for rating analysis of sustainable management of the centres, including the performance indicators of the social and environmental policies States, socio-economic analysis of urbanization.

5. Improved management of urban agglomerations, based on economic and social development indicators of the country's economy.

6. Proposed new standards for urban agglomerations, which will examine the economic and social factors, showing endogenous models economic growth.

7. Developed structural models of growth of urban agglomerations with high scientific and educational potential in enhancing competitiveness, investment attractiveness and socio-economic security, by increasing the efficiency of government regulation and based on building innovation capacity, integration in the development of the industry.

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Risk Management in the Innovation Project

Abstract. The object of this research is to recognize the sources of risk in innovation projects and to determine whether they could be managed better. Due to the variety of opinions and theories over the nature of risk, reaching an agreement about risk management is difficult. This will be a major problem if any effort is made to proactively manage «risk» in naturally «risky» areas such as innovation. Some risk management could be valuable, but perhaps too much, or inappropriate risk management might repress the creativity that is core to innovation. It is necessary and valuable to consider the process of innovation from conceptualization to commercialization, how uncertainties are formed, how they are managed in that context, and how the techniques of risk management can be further deployed to improve the success rate of innovation projects.

Key words: innovation, management, risk, analyzing risk, project.

Introduction

Establishing something new is the essence of product innovation. Since this process necessarily involves risk, an early risk identification and management is required in innovative firms. So the purpose of this paper is to explore methods for managing risk in the innovation projects. In the meantime, the proposal method for managing the risk in specific kind of innovation will be explained more.

Methods

Different approaches have been proposed to risk management in general, however the extent to which they are relevant for managing innovation is uncertain. Thus, during this paper, the general model of innovation and the process of risk management for managing the parameters, which create the risk in these projects, are explained. Strategic and Capability Risk Analysis that focuses on identifying, analyzing, and prioritizing risks to achieve strategic goals, objectives, and capabilities is used.

Main body

Innovation is the main source of economic growth and a key source of new employment opportunities as well as providing potential for realizing environmental benefits. One of the most impor-

tant arguments is that, in the global economy, where economic actions can be more cheaply carried out in the low-wage economies such as China, the main way in which the other economies can compete and survive, is to find new and better products and processes. In other words, to innovate.

According to the Oxford Dictionary of Economics 'innovation refers to the economic application of a new idea. Product innovation involves a new or modified product; process innovation involves a new or modified way of making a product'. According to Afuah (2003) innovation is the employing of new knowledge to provide a new product or service that the customers want. In another words, it is invention + commercialization. Van de Ven (1986) describes innovation in terms of a new idea, which may be a recombination of old ideas, a plan that challenges the present order, a formula, or an exclusive method which is perceived as new by the involved individuals.

Joseph Schumpeter provides a classic definition of innovation as the development of new ideas (which he called «inventions») into products and processes, which are then spread across the market in a process he called diffusion. Innovation, as we shall use the term, encompasses the full chain from basic research to the diffusion

of ideas, goods or services across an economy. Schumpeter envisaged this occurring in a linear way, in the sense of a distinct time sequence. In reality, these different stages overlap and interweave, as parts of a complex system that feeds back to and influences future developments. Nonetheless, this model provides one starting point for thinking about innovation.

Literature provides different categories of innovation classified by type, degree, competence,

impact, and ownership. Innovation can be considered in both manufacturing and service sectors of different sizes (small, medium and large). Although there is a difference between these two sectors, the general definition and process of innovation are the same. Services have their own characteristics different from manufacturing.

Each innovation projects (in all manufacturing or service industry) may have five following stages (figure 1).

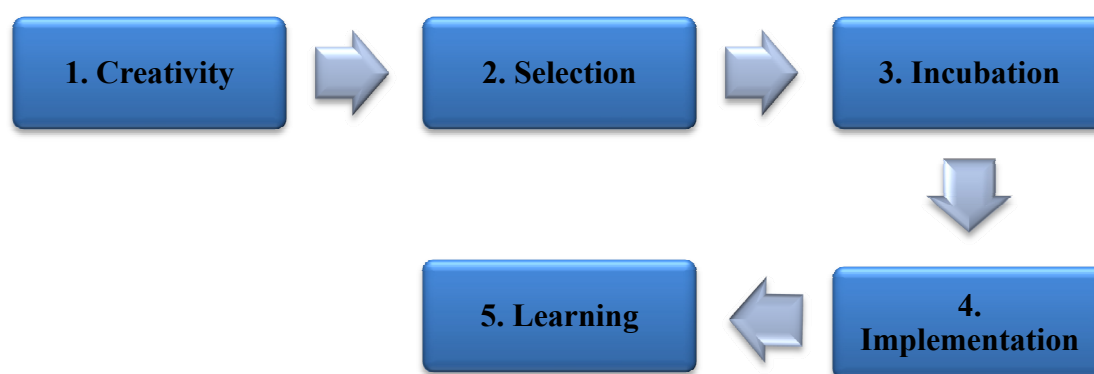


Figure 1. Stages of innovation projects

On the Figure we can see 5 stages of innovation projects: 1. Creativity. On this stage we are searching the external and internal environment and processing relevant signals about threats, opportunities and also ideation. Second stage – selection is preliminary assessment and deciding by considering a strategic view of how the organization can be best developed; to know which of these signals to respond to. Incubation – is transacting to the actual product development and producing the prototype production. Implementation – is translating the potential idea into something new and launching it in an external or internal market. The last stage, learning – is learning from progressing and building their knowledge base and improving the ways in which the process is managed.

For companies in order to launch new products speedily and successfully, taking risk is essential. The ability to identify and manage risk is considered to be vitally important in risky innovation. According to the standard definition of risk, it is «the combination of the frequency or probability of occurrence and the consequence of a specified hazardous event». Some former writers in the field drew a distinction between uncertainty and risk. A

risk situation is defined as one in which a probability distribution for consequences is made on a meaningful basis, agreed upon by the set of relevant experts, and therefore it is «known». Uncertain situations arise when an agreement among the group of experts cannot be gained, so there will be an undefined probability distribution on the set of outcomes.

In order to represent the different aspects of risk in an accurate way, it is important to consider risk as systemic. According to them the categorization of risk is: Political, Customer, Partner and Supplier, People, Reputation, Market and Financial.

Risk aspects of the enterprise may be considered under the following major headings: Property and personnel, Marketing, Finance, Personnel and production, Environment. So with paying attention to the different sources of risk and purpose of this paper, the best categorization of them, which suits for this study, could be found as follow:

- Environment (government policy, exchange rates, availability of skilled labour, weather, culture)
- Technical (new methods, technologies, materials)
- Resources (staff, materials, finance)

- Integration (software modules, new & old systems)
- Management (multiple parties' experience, use of project management techniques, HRM, set the tight goals, product transition management, organization structure, organization behaviour)
- Marketing (customer, competitors)
- Strategy

Risk management means «the process of understanding the nature of uncertain future events and making positive plans to mitigate them where they present threat or to take advantage of them where they present opportunities». By considering that one of the main features of innovation will al-

ways be «risk», risk management needs to facilitate innovation rather than stifle it. A methodical approach to risk management enhances the ability of an organization to manage risks at all stages. The important purpose of risk management is to improve project performance by means of systematic identification, appraisal and management of project-related risk. A systematic approach to risk management has to encourage decision-making inside an organization which is more controlled, more consistent and yet at the same time more flexible.

All risk management systems have the four following phases (figure 2).



Figure 2. Phases of risk management systems

Method which will be used in this research consists of four phases. In following, the summary of different stages of this method (how they work) will be described and in next section the case application will be explained for analyzing the risk. It should be emphasized that various parameters like kind of innovation, industry and company have an effect on method, so therefore different methods may be appropriate for different conditions. Consequently this general method should be calibrated with different situations.

For the first phase of risk management -Identifying Parameters- some of the parameters can be selected as parameters that create risks based on the kind of industry, size of companies, the countries which the companies are located in and situation of company.

In the second phase -Analyzing- the company should estimate probabilities of events and the impact of their consequence and also prioritize these different risk factors in order to solve them, because, the company cannot solve all the risks (limited resources, time etc.) and also the innovation is inherently risky, and if the company wants to manage all risks, it may cause to stifle the innovation.

In phase three, the company should find different methods for solving these risks in different stages of innovation and in phase four, the company should monitor the process and also learn for future risk management system.

Conclusion

On the one hand companies need innovation to endure in the market competition but on the other

hand one of the most important aspects of innovation is risk. If the companies do not consider the risk, the project will be failed and if they apply a lot of risk management systems, these methods could stifle the innovation. This research attempts to pro-

vide the system for managing the risk in the innovation projects and also to create a method for prioritizing different risks factors and to manage the most important ones in second stage of this risk management system for some kind of innovation.

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Analysis and Measuring Performance of the International Transport Corridor Project «West Europe-West China» in the Republic of Kazakhstan and Propose Ways for Its Development

Abstract. The paper aims measuring performance of the project of international transport corridor «West Europe-West China» in the Republic of Kazakhstan and propose ways for its development.

Recognition of the role of international transport corridors (ITC) in the modern world has generated a large number of theoretical and applied researches.

The nature of ITC, projects of their creation and their role in competitive advantages formation are the subject under consideration in works of commissions in different countries all over the world.

The competitiveness of the economy and the state, in the context of globalization, given the vastness of the territory of Kazakhstan, will largely depend on the efficient operation of transport and communication complex.

Key words: transport corridor, transportation, Kazakhstan, EAEC, freight traffic, transit, development prospects, «Western Europe-Western China» corridor.

Introduction

The paper aims measuring performance of the project of international transport corridor «West Europe-West China» in the Republic of Kazakhstan and propose ways for its development.

Recognition of the role of international transport corridors (ITC) in the modern world has generated a large number of theoretical and applied researches.

The nature of ITC, projects of their creation and their role in competitive advantages formation are the subject under consideration in works of commissions in different countries all over the world. E.Y Vinokourov, M.A Jadrallyev, Y.A. Shcherbanin studied transport corridors in Eurasian Economic Commission (EAEC), their effectiveness and future development at national and regional levels. The authors describe the transport system and transit opportunities of the Republic of Kazakhstan.

Foreign authors, who investigated this field of research, are K.P Glushchenko, A. Golovin, A.V. Nesnov, V.M. Sovereign, O.A. Padbyarozkina, Hibbs J. (2003), Holslag J. (2010), Tridivesh M. (2012).

Local professors and Doctors of Sciences T.K. Balgabekov, J.M. Kuanyshbayev, Ph.D. Professor

N.K. Aydikenova, G.A.Bodoubayeva work in this field. In their articles, they consider the problems and prospects of development of transport corridors of the Republic of Kazakhstan [1].

The competitiveness of the economy and the state, in the context of globalization, given the vastness of the territory of Kazakhstan, will largely depend on the efficient operation of transport and communication complex.

Methods

The prerequisites for the analysis of the transport corridor project «West Europe-West China» were many factors, but chief among them are an increase in the volume of turnover between the two or more countries and the inefficient use of existing transport corridors as rail and maritime communications. This corridor is of fundamental importance for the countries: China, Kazakhstan, and Russian Federation.

In this paper we were investigated the statistical data provided by the sites of the Russian Federation and the Republic of Kazakhstan, China. Theoretical and methodological basis of the work are legislative acts, these statistical books, periodicals, works

of foreign, Kazakhstan scientists in the field of economic research of the international project.

Modern literature in economics suggests a variety of methods and models to assess the effectiveness of projects, as well as strategic management system (Tafti, SF, Jahan M., EMAMI, SA, 2012, Kortelainen, S., Y. Bogatin, Shvandar VA 2009 Vilna PL, Livshits VN, Smolyak NA, 2009) [2,3,4].

We used statistical functions in Excel such as TREND () and the formulas created by the authors to calculate the economic benefits from the introduction of the project ITC «Western Europe-Western China».

Research findings and results

The research has two parts:

1. Analysis the project of transport corridor WE-WCh.

2. Measuring performance of the project of international transport corridor «West Europe-West China» for Republic of Kazakhstan.

In the result of first part of research, we found out main information according the project.

The official name of the project «Western Europe-Western China» has been defined in the decree of the President of the Republic of Kazakhstan, Nursultan Nazarbayev, on April 6, 2007 № 310 «On further measures for the implementation of the Strategy of Development of Kazakhstan till 2030». Later announced in the letter of President of the Republic of Kazakhstan to the people Kazakhstan on February 6, 2008. Heads of transport departments of Russia and Kazakhstan in December 2007 decided to consider the inclusion of the route Western Europe – Western China through Kazakhstan and

Russia in the list of the Asian Highway within the UNESCAP Asia-Pacific region and other international consolidation of the above route [5].

The value of the corridor for RF due to its location between the two rapidly developing world centers – Europe and Asia, so that it plays a special role in ensuring Euro-Asian relations.

The attractiveness of this route for cargo is to reduce the cost and time of delivery of goods in comparison with the sea through the Suez Canal.

The corridor has greater importance for the Republic of Kazakhstan. The country is landlocked, which significantly complicates the process of normalization of international relations. However, despite that out of 209 countries in the world Kazakhstan trades with 192[6]. In addition, the territory of the republic might take transit routes to other countries interested in trade with the countries bordering with Kazakhstan, especially since one of them is China. He has several decades is the priority trading partner for every country in the world.

By 2020, the possible increase in the volume of export transactions in Kazakhstan from 96 million tons to 147 million tons, which, in turn, will require additional cargo flows to Russia, China and South Korea, Europe and Central Asia from the transport and logistics service system [7].

Overall, the project cost is 825.1 billion tenge. With all of this will require minimum cost from the state budget. Economic and political stability in the country made it possible, in the context of the global financial crisis, in such a short time, realize the borrowing of funds from international financial institutions (see. Figure 1) [6].

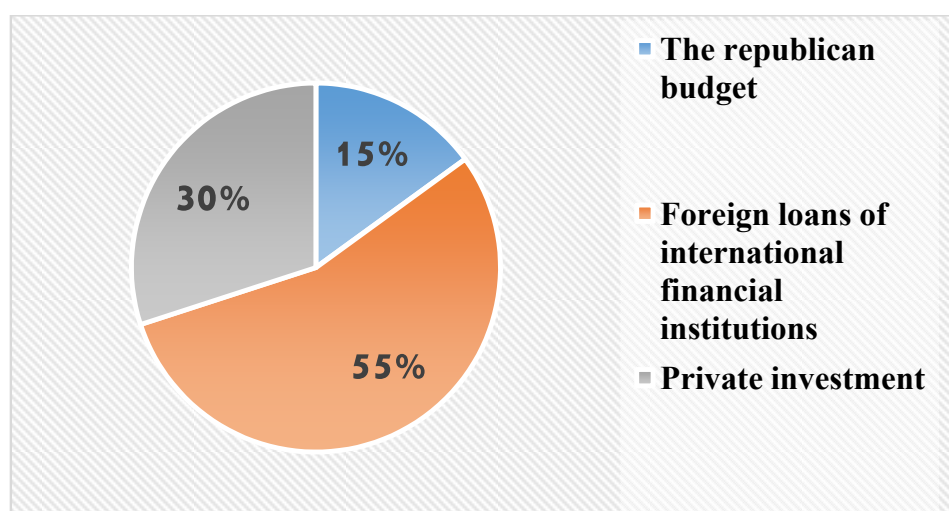


Figure 1 – Sources of financing of the «Western Europe - Western China»

Figure 1 shows the three main sources of funding TC «WE-WC» project in Kazakhstan, where international financial institutions funded 55% of the project, 30% are private investments, and 15% of the national budget.

After analyzing the concepts of the project, the authors analyze the effectiveness of the project.

Construction of the WE-WC Corridor has great importance for improving the external economic relations and the economic situation of the countries through which the corridor will pass (Russia, Kazakhstan, and China). High positive effect has a connection corridor with China. This fact is caused by the fact that China, in spite of the internal problems of the country, now is virtually the only country with a steadily growing economy.

In the coming years, China will be the center of international trade flows. The country remains the

world's major exporter and manufacturer of goods, will buy more imported goods. Analysts say that in 2030 12 of the 20 largest existing trade flows are attributable to China.

In this regard, the project can be justified by the creation of a corridor-effective in terms of improving external relations with China.

To calculate the economic benefits associated with the reduction of the costs of operation of motor vehicles (MV) per 1 km of road for each site until 2020, it was necessary to predict the data traffic volume of vehicles on portions of the transit corridor through 2020. For this we used function TREND () from package, Microsoft Excel functions.

The following Table 1 with the data to predict the intensity of motor traffic on portions of the transit corridor to 2020 was obtained based on calculations.

Table 1 – Forecast of traffic density of vehicles on portions of the transit corridor to 2020 items / day [*]

The road section name	2013	2014	2015	2016	2017	2018	2019	2020
Border RF.-Martuk	2 389	2 580	2 786	2982,5	3181,25	3380	3578,75	3777,5
Martuk -Aktobe	6 989	7 548	8 152	8726,108	9307,6	9889,092	10470,58	11052,08
Aktobe – Khromtau	4 533	4 896	5 288	5659,9121	6037,078	6414,245	6791,411	7168,577
Khromtau – Karabutak	1 767	1 909	2 061	2206,5455	2353,586	2500,626	2647,666	2794,706
Karabutak – Irgiz – Aralsk	1 050	1 134	1 225	1310,8028	1398,152	1485,502	1572,851	1660,201
Aralsk – Kazalinsk	1 181	1 276	1 378	1474,8583	1573,14	1671,422	1769,704	1867,986
Kazalinsk -Zhusaly	2 573	2 779	3 001	3212,2052	3426,261	3640,316	3854,372	4068,427
Zhusaly – Kyzylorda	2 641	2 852	3 081	3297,514	3517,254	3736,995	3956,735	4176,475
Kyzylorda – Shiili	2 933	3 167	3 421	3661,7171	3905,727	4149,737	4393,748	4637,758
Shiili – border region	3 246	3 505	3 786	4052,169	4322,198	4592,227	4862,257	5132,286
Border-area Turkestan	3 160	3 413	3 686	3945,5329	4208,456	4471,379	4734,302	4997,226
Turkestan-Tortkol	5 170	5 480	5 809	6125,6709	6445,19	6764,71	7084,229	7403,748
Tortkol – dressings Badan	9 282	9 839	10 429	10996,87	11570,47	12144,08	12717,68	13291,29
Pow. at Badan – Shymkent	13 708	14 530	15 402	16240,897	17088,03	17935,17	18782,31	19629,44
Shymkent-gr.obl	5 400	5 724	6 067	6397,6513	6731,357	7065,063	7398,769	7732,475
c. Region – 529 km	7 479	7 927	8 403	8860,7547	9322,938	9785,121	10247,3	10709,49
529 km (on the bypass)	2 147	2 276	2 413	2544,0863	2676,788	2809,489	2942,19	3074,892
405 km Taraz	6 973	7 392	7 835	8261,7867	8692,727	9123,668	9554,608	9985,549

405 km (on the bypass)	1 318	1 397	1 481	1561,5953	1643,049	1724,503	1805,957	1887,411
Kulan – Merke	6 853	7 264	7 700	8119,6846	8543,213	8966,741	9390,27	9813,798
Merke-dressings Blagoveschenka (Kynar)	3 452	3 660	3 879	4090,4019	4303,76	4517,118	4730,477	4943,835
pov.na Blagoveschenka – p.Korday	7 042	7 464	7 912	8342,7696	8777,934	9213,099	9648,264	10083,43
p.Korday – pov.na Otar	6 186	6 558	6 951	7329,719	7712,042	8094,366	8476,689	8859,012
dressings. on Otar – Uzunagash	6 057	6 421	6 806	7176,4509	7550,78	7925,108	8299,437	8673,766
Uzunagash – Kaskelen	9 919	10 514	11 145	11751,692	12364,67	12977,65	13590,62	14203,6
Kaskelen – Almaty	27 212	28 844	30 575	32240,373	33922,05	35603,73	37285,41	38967,1
Almaty-Alekseyevka	31 638	33 536	35 548	37484,4	39439,61	41394,83	43350,04	45305,25
Issyk-Alekseyevka	21 346	22 627	23 985	25291,121	26610,32	27929,53	29248,73	30567,93
Issyk-Shelek	11 212	11 885	12 598	13284,256	13977,17	14670,09	15363	16055,92
Shelek-Kokpek	3 884	4 117	4 365	4602,2751	4842,333	5082,391	5322,449	5562,507
Kokpek – Chundzha	3 041	3 223	3 417	3602,9763	3790,91	3978,844	4166,778	4354,711
Chundzha – Koktal	3 504	3 714	3 937	4151,5211	4368,067	4584,614	4801,16	5017,706
Koktal – Zharkent	3 617	3 835	4 065	4285,9833	4509,543	4733,103	4956,663	5180,223
Zharkent – Horgos	8 619	9 136	9 684	10211,489	10744,13	11276,77	11809,4	12342,04

[* Note- Compiled by the authors based on 6, 8, 9, 10]

Table 1 shows that by 2020 is expected to significantly increase intensity of motor-vehicles movement by the corridor and which increase the economic efficiency of the corridor, as the planned introduction of toll roads along the corridor.

During the development and implementation of the project, leading economists and managers in the field of project management, we conducted numerous studies of the feasibility study of the project. The results of these studies show that by 2020 the volume of freight traffic will increase by 2.5 times – from 13 million tons to 33 million tons per year.

For the economy of Kazakhstan, as well as for all EAEC and European countries, project has great importance, especially in terms of development of individual regions. Regional development will have five major regions of the country, through which

the corridor passes – Aktobe, Kyzylorda, South Kazakhstan, Zhambyl and Almaty.

Route the Western Europe – Western China will improve transport links between Europe and Asia. Its construction is planned to be completed by 2020 [6].

By 2020, it is planned to achieve the following indicators:

- The total turnover of 283 billion. tcm (including the implementation of projects SPAIID)
- Growth of transit cargo – 28 million tons, including container -. 1.5 million TEU..

Commissioning of the transport corridor «Western Europe – Western China» will speed up the economic development of regions of the country, which has a positive impact on its socio-economic status.

JEL Classifications: *F14, F15*

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Quality Analysis of the Product

Abstract. In this article, the analysis of the quality of the product is presented and new approaches based on the indices methods for the product quality are considered. Quality includes various components. The main of them are technical and economic indicators of the product quality as well as quality of production technology and capacities. Furthermore, indicators of reliability, durability, labor, capital and research intensity are also in this list.

Key words: quality, key indicators of the product and service quality.

Introduction

When market relations occur, the strategic priority of any enterprise is provision of necessary product quality level. Furthermore, the key concept related to market items (product, service) is its competitiveness. Quality is complex concept reflecting various factors (beginning from dynamics of development of national economy to the process of organization and management of the product quality in any economic unit). In addition, international experience shows that in the open market, where competition is intense, there are some factors that make quality essential for survival of manufacturers, and determine the results of their economic activity.

The quality is multidimensional concept. Its provision requires consolidation of creativity and real life experience of various specialists. The problems related to quality provision might only be solved in cooperation of government, managers and enterprise's labor unions. Consumers dictating their preferences play a very important role in the solution of this problem.

Product quality is all the features of goods that make it suitable to satisfy particular needs. Quality is determined only for particular period and might be replaced by more developed technology.

Nowadays, product quality is the main component of effectiveness, profitability of the enterprise and therefore, this area shall be prioritized.

The issues of competitiveness and quality are considered in scientific works of domestic sci-

entists such as Dimidenko D.C Derevyanko V. I., Bogomolov L.A. Dzhuran D., Dreiper and others.

Methods

It might be stated that economic science accumulated many theoretical and empirical materials reflecting quality as an important factor of competitiveness in contemporary conditions.

However, some aspects of this problem require further research because transformations in market economy, forms of ownership and methods of economic management changes industrial relations and determine new quality criteria. It might be asserted that theoretical and methodological aspects of competitiveness in relation to the quality are not considered sufficiently in most of scientific works. Not all of the problems related to evaluation methodologies of product competitiveness have been solved. Furthermore, only few scientific works consider model of sustaining competitive position of a company through increase in the level of product quality.

Main body

One of the important indicators in the activities of industrial companies is product quality. Constant improvement in quality is one of the tools for competing in the market and defending positions. High product quality increases the level of demand and profit not only through higher turnovers, but also through high prices (figure 1)

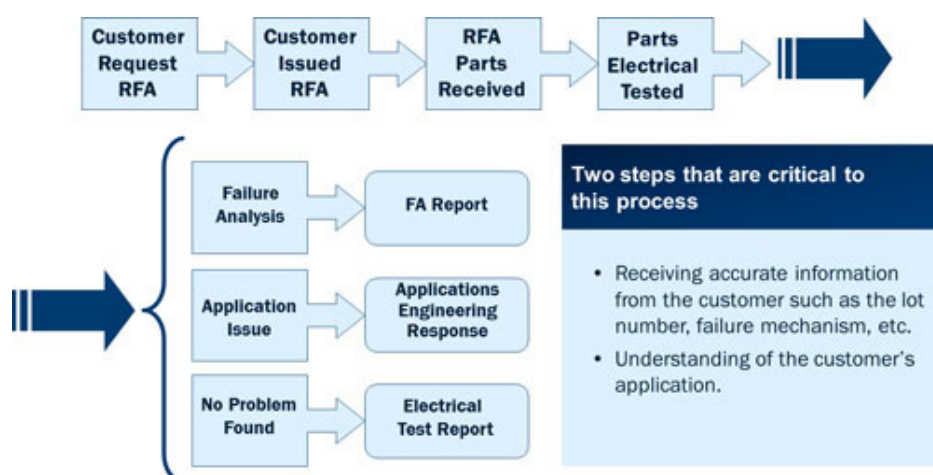


Figure 1 – The product quality

The product quality shall guaranty the customer satisfaction, product reliability and low costs. All these properties are produced in manufacturing activities, stages and sections of the enterprise. The value of the product is also created with these properties. The value creation starts with product development and finishes with its realization and post sale support.

Because a manager is responsible for each stage, division or production activity it is clear why he is also responsible for the product quality. It is assumed that guaranties are technological, ecological, ergonomic, economic and other quality indicators satisfying consumers demand. Quality costs are related not only with product production, but also with production management.

Result 1. The purposes of the analysis and evaluation of quality cost are:

- Determination and evaluation of level of investments necessary to increase and provide quality;
- Provision of required product quality with minimization of overall production and exploitation costs

- Determine the relation of quality provision costs with enterprise's economic performance;
- Determine critical areas of production activity requiring measures for improvement production administration.

The costs related to technological quality control are usually classified in the following categories: labor costs of workers involved in the control process, material costs, and goods in process used in the control process, depreciation of control equipment; other expenses related to overall support services.

Analysis of quality provision costs is usually made to determine the most important objectives for quality improvement. Depending on aims, objectives of the analysis, availability of information there might be different cost management methods. Competently administered analysis of quality provision costs might be the potential for significant cost reduction and improvement of the enterprise's image. Analysis of the product quality shall be presented as a table (Table 1)

Table 1 – Analysis of overall goods quality indicators

Indicator	Previous period	Reporting period	
		Plan	Fact
Weighted average goods quality grade.	0,65	0,81	0,75
Proportion of, %			
a) Highest quality goods	70	80	80
b) Exported goods	0,5	1,5	1,0
c) Defective goods	0,8	0,4	0,3
d) goods reclamation.	0,4	0,7	0,6
Defect losses, thousand tenge.	520	450	400

The evaluations provided in the table show that for the reporting period the organization has performed some work for improvement of goods quality. This is supported by the increase of highest quality goods proportion by 10 % in comparison with previous period. Decrease in share of defected goods result in the decrease of losses by 120 thousand tenge. The negative factor is increase in number of consumer reclamations.

The share of goods, average grade coefficient, and weighted average price are computed for the goods that are characterized by categories or standards on comparative basis. When plan execution is evaluated, actual share of each category in overall goods volume is compared with planned volume. When the quality dynamics is studied, actual shares are compared with shares of previous periods.

Table 2 – Quality analysis of product X

Product grade	Unit price thousand tenge.	Production (units).		Production volume in thousand tenge			
		planned	actual	planned	actual	for first grade price	
						Planned	Actual
I	1,2	10450	11200	12540	13440	1 2540	13440
II	0,8	4800	5050	3840	4040	5760	6060
Total:		15250	16250	16380	17480	18300	19500

From table 2, it might be conclude that if all goods were sold at first grade prices, the full production volume would comprise 18300 thousand tenge which is bigger than actual volume for 3050 thousand tenge and volume of production would increase up to 18300 thousand tenge exceeding actual amount by 3250 thousand tenge. The amount of 3250 is enterprise's lost benefit. If all the goods were the first grade, the planned volume of goods production would comprise 18 300 thousand tenge. Actual – 19500 thousand tenge. The panned and actual grade coefficients

Planned grade coefficient = 16830 / 18300 = 0,895,

Actual grade coefficient = 17480 / 19500 = 0,896.

Increase or decrease in the goods production based on their grades in reporting period in comparison with plan is determined by the following formula:

$$\Delta \text{Grade coefficient} = \frac{\text{Actual grade coefficient}}{\text{Planned grade coefficient}} \quad (1)$$

The reserve of increase in quality of goods is equal to the difference between value of actually produced goods and the production volume of first

grade goods. For planned indicators this comprises: 18300 - 16380 = 1920 thousand tenge and for actual ones 19500 - 17480 = 2020 thousand tenge.

Goods quality is criteria influencing such indicators as revenue, profit or goods production.

Since changes in goods quality firstly influence on price and cost of goods, the following formula might be derived

Change in the volume of produced goods

$$\Delta V_p = (P_1 - P_0) * Q_p, \quad (2)$$

change in revenue of sold goods

$$\Delta B = (P_1 - P_0) * Q_{\text{ПК}}, \quad (3)$$

Change of profit:

$$\Delta P = [(P_1 - P_0) * Q_p] - [(C_1 - C_0) * Q_{\text{hq}}], \quad (4)$$

where P_0, P_1 – is the price of the item before and after change in quality;

C_0, C_1 – cost of item before and after change in quality

Q_p – Quantity of highest quality goods produced;

Q_{hq} – The quantity of sold goods of highest quality.

It might be also useful to consider analysis of influence of goods grade structure on production volume (in monetary terms) of each item (table 3).

Table 3 – Influence of goods grade structure on its price

Grade	Wholesale price, Thousand tenge.	Goods grade structure %			Change of average price, tenge.
		Planned	actual	+, -	
I	1,2	68,5	68,9	+ 0,4	+ 4,8
II	0,8	31,5	31,1	- 0,4	- 3,2
Total:		100	100	-	+ 1,6

The table 3 shows that with the increase of goods quality in regard to planned indicators (increase in share of 1st grade goods and decrease of 2nd grade goods), the average price increase for 1,6 tenge, while the overall actual value of production by 26 thousand tenge (16250*1,6 tenge).

Similar calculations are performed for all types of goods for which grades are determined, after that the results are totaled.

Important indirect indicator of quality is defective products. It is divided by removable, irremovable, internal (identified in organization) and external (identified by consumer). In the analysis process, the deficiency dynamics is analyzed based on total amount and share in overall goods production. Losses from defective products are determined (Table 4).

Table 4 – Analysis of losses from defective goods

Indicators	Thousand tenge.
Cost of defective goods	620
Expenses related to defects removal	90
The amount of defective products	210
The amount withholder from chargeable workers	100
Losses from defective products	400

The main causes of decrease in goods quality might be:

- Bad quality of raw materials
- Low level of technologies and production administration
- Incompetent workers
- Production arhythmy and others.

After studying the causes of decreases in quality and defective products, the responsible centers are established and measures for defective product prevention are developed. Economic effectiveness of such measures is evaluated based on the level of goods quality, increase of profitability and decrease of costs.

Result 2. The indicators of standardization and unification – are indicators showing if product comprise of standardized, unified and original components as well as the level of unification in comparison with other items.

All the details of the product are divided into standard, unified and original ones. The higher is the percentage of standardized and unified details, the better it is for manufacturers as well as for customers. The indicators of standardization and unification include the following:

- a) object standardization coefficient;
- b) the coefficient of inter-project unification of construction objects sets;
- c) coefficient of repetition of object components.

The control of the quality of bread products is performed to avoid defective finished goods. There are many defects types but we will consider most common of them. We also consider the ways to remove the defects when it is possible. The most common defects of the bread are bubbles and spots at the crust, lack of luster at crust, bleak or very dark crust colors, bent or convex crust and others.

Result 3. The contemporary approach for the entrepreneurship strategy is notion that the quality is the most effective way to satisfy consumer demands and reduce the production costs.

Overall indicators characterizing the quality of produced product (any type or purpose)

- a) Share of new product in total production value;
- b) Share of the highest quality products;
- c) weighted average product grade ;
- d) average grade coefficient;
- e) share of approved and unapproved products;
- f) share of certified products;
- g) share of products complying with international standards;
- h) share of exportable products, including products exported to developed industrial countries.

Individual indicators of the production quality, characterizing one of its features:

- a) usefulness (milk fatness, ash content, iron content in ore, protein concentration in food).
- b) Reliability (durability, operational safety)
- c) Technological effectiveness, construction and technological effectiveness (energy capacity, labor intensity)
- d) Product aesthetics

Indirect indicators are penalties for low-quality products, volume and share of defective products, share of deficiency products (complained), loss from defective goods etc.

First purpose of the research– to study the dynamics of mentioned indicators, in comparison with planned ones, the reason for their changes.

For production which quality is characterized by a grade or standard, the share of production of each grade (standard) in total production, average grade coefficient, the average price of a product are calculated. For evaluation of plan implementation based on the first indicator, the actual share of each grade in the total amount of production is compared with planned shares and for studying the dynamics actual share of each grade is compared with past periods data.

If a company produces products in accordance with grades and grade contents are changed, it is necessary to calculate the change in weighted average prices and cost of the production unit and then based on the algorithms above determine the effect of grade content on revenue, income from sale and production of goods.

The calculation of effect of the grade content of the product on production volume in monetary terms might be performed by all four approaches (those used in analysis of product production structure) described in the previous paragraph.

The level of correlation between particular quality characteristics reflected in monetary terms and their costs or overall product price might be determined by *correlation coefficient*. It might be calculated by the following formula:

The value of r is +0,758, indicates high positive correlation between package of goods (one of its quality indicators) and the price that includes all the cost of goods. This is also supported by scattered diagram.

Result 4. One of the methods used in the analysis of quality cost changes is index method.

The index of cost might be calculated with consideration of quality and influence of such factors as consumption of new raw material and their costs on this index might be analyzed.

For the evaluation of quality and competitiveness of the product, the score method and unit price method are used. According to the score method, each quality parameter is assigned a score based on different scales (from 5-10, or 100). After, the average score characterizing the quality of the product is identified. For the calculation of price of a new product, the following formula might be used:

$$P_n = P_b / T_s * T_n \quad (5)$$

Where P_n –is the price of new product (monetary unit), P_b – the price of basic product (monetary unit) T_s – total scores characterizing quality parameters of basic product, T_n – total score, characterizing quality parameters of new product

The method of unit price is determined based on main quality parameters: capacity, productivity etc. the following formula is used:

$$P_n = P_{arB} / P_{arB} * P_b \quad (6)$$

Where – P_{arN} the value of new product quality parameters (score); where – P_{arB} the value of basic product quality parameters (score).

Both of these methods shall be used in making decision regarding the production start-up and analysis of effectiveness of quality improvements. However, to select raw material for goods production all the types of project analysis shall be conducted (commercial, technical, organizational, social, ecological and economic). In addition, all available methods shall be used in accordance with particular conditions. Only such analysis will provide comprehensive and reliable information for the decision- making.

Conclusion

The level of quality of the product is determined based on qualitative and quantitative characteristics. If they meet standards, the production shall be certified.

The ultimate purpose of certification is not only increasing the product quality, but also provision of safety and healthy environment for the future generations.

Low-level (noncompetitive) quality of goods is not abstract concept, but real reason for business failure. Therefore, the quality problem is recognized as the strategic problem. The entities ability to achieve its objectives is determined by its system of administration and management - the quality management system.

Quality management system – includes organizational structure, methods, processes and resources necessary for overall quality management.

Therefore, it is necessary to create and improve the quality management system. Since external as well as internal factors are substantially influence on the produced goods quality, the quality indicators shall meet the following requirements:

- shall result in the increase of the production effectiveness;
- shall take into account new technologies and achievements of the industries;
- shall be stable;
- shall include all the properties of goods that satisfy the needs in accordance with these goods designations.

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II JURISPRUDENCE

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System of Providing the State Services: Theoretical Legal Aspect

Abstract. In this article legal development of system of the state services in the Republic of Kazakhstan and foreign countries taking into account the existing provisions, transformations and the taken measures of regulatory impact on system of availability of the state services that allowed to formulate recommendations about improvement of the legislation in the field is considered. When carrying out reform in the sphere of the state services for achievement of steady results it is necessary to develop at the same time the corresponding elements of infrastructure in support of system of providing the state services. Use of experience of foreign countries in the sphere of state regulation will create prerequisites for increase of competitiveness of domestic businessmen both on internal, and in foreign markets.

Key words: state services, legal regulation, public administration, public service, legislation.

Introduction

Now for Kazakhstan the policy of open trade with the extending world markets and the accession to the World Trade Organization is especially actual for obtaining advantages of access to modern technologies. In annual Messages of the President to the people of Kazakhstan of January 17, 2014 and on November 30, 2015 it has been indicated the need of entering of serious changes into system of public service for increase of level of public administration and quality of the provided state services. Today the Great Kazakhstan way and idea of *М әңгілік Ате* aims Kazakhstan at the solution of the global and conceptual tasks urged to give the answer to modern calls and to create prerequisites for formation of powerful and competitive economy, reliable social policy, hi-tech industrial sector [1].

Methods

In Kazakhstan certain success in reforming of public service is currently achieved, the legislative base is created, the status, the rights and duties of public servants are defined, powers of government bodies are regulated [2]. At the same time development of society, change of conditions and require-

ments of this day demand an assessment of opportunities of change in relationship of the state and citizens for more effective and high-quality increase of a standard of living of the population

Introduction of «the electronic Government», standards of providing the state services will allow accelerating process of the entry of Kazakhstan in the world community, will create favorable conditions for effective development of the economic relations with the leading countries [3]. Use of experience of foreign countries in the sphere of state regulation will create prerequisites for increase of competitiveness of domestic businessmen both on internal, and in foreign markets.

Main body

When carrying out reform in the sphere of the state services for achievement of steady results it is necessary to develop at the same time the corresponding elements of infrastructure in support of system of providing the state services. The similar infrastructure means creation of a network of the organizations and establishments facilitating process of providing the state services through carrying out researches, formation of information da-

tabases, providing consultations and training both government employees, and consumers of services. Abroad the similar organizations carry out the activity on the basis of the following principles: – maximum nearness and orientation to needs of the consumer; – professionalism in management of activity and rendering of services; – stability of results; – practical advantage of their activity. For example, in Canada the provided telephone connection centers «1-800 Canada» which provide necessary information to the population about where and when it is possible to receive a certain service work. Also «The centers of access» which render services in consultation of the beginning businessmen work. These centers are located in buildings of public institutions across all Canada. Their feature consists that besides providing consultations to businessmen they render a significant amount of the state services and work by the principle of «one window» [4].

In Poland in 2002 the Information center of public service has been created. The purpose of his creation is expansion of access for ordinary citizens and government employees to information on types of the state services, fields of activity of separate government bodies and establishments, etc. In Greece within reform of a management system «The program of quality» which provides creation of advice centers on the state services, united in a uniform information network is developed. In Hungary in one of regions the pilot project within which with the assistance of all public institutions the information center has been created has been carried out. This center has opened for citizens access to information on interaction with various public services. Further this experience will be widespread on all country [5].

Summarizing foreign experience in the field, it is possible to tell that efficiency of the considered institutes is defined by professionalism in management of their activity, availability of the offered services and broader coverage of potential consumers of the state services.

Use of new information and communication technologies will allow to expand access for consumers to the state services and information on them.

In Australia in 1997 the law «About Rendering of Services Agencies in the Commonwealth» has been adopted. According to this law, the public institution of «Centrelink» has been the same year created. It provides state services from a name

and in partnership with 25 federal ministries and the state agencies by means of worldwide network the Internet, the provided telephone connection centers for customer service and at usual offices. Information on the website is provided in 56 languages. «Centrelink» provides services of the Ministries of Labour, transport, the ministries of affairs of veterans, health care, science and education, agriculture, foreign affairs and trade, communications, information technologies and arts and many others. At the same time the payment for services can be made by wire transfers, checks etc. In 2002 this body has served 700 000 disabled people, 500 000 young people, including students, 1,1 million unemployed, 2 million pensioners, 1,8 million families. 24 000 employees are involved in this body. Other example in the sphere of rendering of services on the basis of use of information and communication technologies is the Canberra-Connect project by means of which services of all state institutions are provided to the population of the capital. In May, 2003 «Canberra-Connect» provided 132 types of service at usual offices, 77 – on the Internet and 62 – through the provided telephone connection centers. By means of the website of this organization in on-line mode such services as registration of the enterprise, registration of the car, payment for utilities, job search, services of health care, etc. are provided [4].

In Germany the program of the electronic government «by BundOnline – 2005» is developed. Rendering of services by administrative bodies of the state will be improved by use of information technologies. In the federal government already 170 types of service appear with use of the Internet. The special attention at the same time is paid to simplification of procedures of registration of the enterprises of small and medium business [5].

Process of improvement of providing the state services is closely connected with use in practice of the principle of «feedback» with the consumer of services. Monitoring of an assessment of quality of the provided services and studying of expectations of consumers is carried out to the USA within the national program «The First Priority — Clients». Along with it regular surveys among public servants who directly contact to the population in the course of rendering of services, for the purpose of identification of shortcomings and collecting offers for achievement of level of the quality standards of the services provided by the private sector are conducted [5].

In Australia on the Canberra-Connect website forms which persons interested to offer ways of improvement of granting each separately taken type of service can fill are also exposed. Use in practice of the principle of «feedback» with the consumer is the checked and effective method of studying of a current state in the field of rendering of services and formation of strategy of further improvement of the state services taking into account requirements and expectations of consumers [4].

Characteristic feature of reforming of system of providing the state services in the considered countries is duration of this process. For example, the Charters of Services system initiated in Great Britain in 1991 has been calculated on 10 years, but improvement of separate components of this system continues and until now. The First Priority — Clients program adopted in the USA in 1993 also proceeds still. Since the beginning of the 1980th Malaysia has begun reforms in the field of the state services. Reforms in this sphere continue also at the present stage of development of the state, and the measures undertaken in this area are included in 5-year development plans and the strategic plan «Prospect — 2020» [6].

In Kazakhstan the main task, in our opinion, is change of mentality of government employees of all levels who have to acquire that their task — not to order and order, and to render services to the main consumer — the population at the expense of which all state machinery contains. Introduction of «the electronic Government» is also accompanied by such problems as mass computer illiteracy. By estimates of experts, 58,8% of Kazakhstan citizens aren't able to use the computer, insufficient knowl-

edge of citizens etc. is everywhere observed [8].

Conclusion

The main thing that we have, is a political will of the Head of state who pays to administrative reform huge attention. The essence of a new stage of administrative reform in Kazakhstan is reduced to a short formula — from administration to management. The requirement of efficiency and quality of providing the state services has to become the central point of policy of public service.

Now the Ministry of the Republic of Kazakhstan for public service carries out the analysis of the services provided by government bodies at the central and local levels. Results of the analysis and offer on further improvement of process of providing the state services in Kazakhstan will be presented to the appropriate government bodies for definition of further measures in this area [9].

Improvement of quality of providing the state services will demand also improvement of quality of personnel of public sector. To public servants higher will be shown, than earlier, requirements, in the future will become obligatory knowledge of English or other foreign language, ability to use the computer. Introduction of standards of providing the state services, focus of activity of a state machinery on consumers clients of services will demand also ability to work at better level in direct contact with the population. Now these conditions begin to be entered into the qualification requirements imposed to public servants. Evaluation of the work of personnel of public service, training of public servants — all these events are already held, and further these processes will be oriented on better service of citizens.

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Use of a Trust Construction for the Purpose to Control Affiliate and Inter-Group Connections Under the Laws of the Republic of Kazakhstan

Abstract. This Article includes a short analysis of a legal notion of trust and possibilities for practical use of various trust constructions known to English law or other legal system developed based on the Common law. General outcomes of such analysis are compared to notions of an affiliate person and controlling shareholder under the laws of Kazakhstan with the intention to find a solution for a major shareholder to retain his/her possession over a company's shares but to avoid his/her qualification as a person exercising control over the company. The authors consider Kazakhstani judicial practice in the issue of determination of existence of a controlling power over a legal entity. It is argued that regulation of a trust management agreement by the Civil Code of Kazakhstan is not sufficient to provide a real independence of a trust manager from the founder and/or beneficiary. It is also noted that in such circumstances Kazakhstani court will unlikely find any ground for acknowledgement of a fact a founder of the trust management under Kazakhstan's law does not have any controlling authorities over the company that shared belong to the founder. Further research on reception of the trust concept has been recommended.

Key words: affiliated person, trust, blind trust, trustee, beneficiary, trust founder, control, shareholder.

Introduction

In 2015 there significantly new and essentially different legislative development took place in Kazakhstan following the announcement by the President of Kazakhstan of the National Plan called '100 specific steps for implementation of five institutional reforms of the Head of State Nursultan Nazarbayev' [1]. Particularly, it was declared that this Plan should serve as a response to global and internal challenges and as the Kazakhstan's National Plan to be recognized among 30 developed countries in new historical circumstances [2]. As one of the steps (70th out of entire 100) it was proposed to establish an International Finance Center Astana (IFCA) with its special status. The IFCA will be located in our capital city. Among the features of the special status of the AIFC there 'a creation of an independent judicial system with its own

jurisdiction which will be functioning on principles of English law; its corpus of judges will be formed out of foreign specialists' have been announced.

This idea has been implemented in the form of adoption of the Constitutional Law dated 7 December 2015 concerning the International Financial Center 'Astana' which became effective at the end of 2015 having established a separate jurisdiction of the IFCA where legal and regulatory acts of the IFCA 'may be based on principles, norms and precedents of the law of England and Wales and (or) standards of leading financial centers' and the court of the IFCA shall be established as an independent institution beyond the Kazakhstan's judicial system to function based on procedural rules of English law [3].

Adoption of this Law marked another trend in developing of our national law which would

cause more work on reception of legal concepts which historically and traditionally belong to common law. One should note that since 1994 the Civil Code of Kazakhstan (hereinafter the 'CC RK') [4] has included special regulation of a trust management agreement as a separate type of contracts, though still our system concerning qualification and classification of property rights rejects acknowledgment of a trust ownership.

Methodology

Application of trust management agreements became popular in connection with establishing a special status of state official part of which include requirement to move their property to a third party in trust management for the entire period of performance of a state function. The practice shows that such construction is not effective and in the most cases it only means formal observance of legal rules.

The trust management agreement has been also used in private-relations sphere. In addition, motivation to use it differs from an attempt to hide personal relation to a property to an intend to move it under a professional management with the view of earning profit. However, practice shows that such types of arrangement are not sufficiently secure and do not guarantee proper protection of rights of all of its participants.

Nevertheless, some of local businessmen still seek to have a more protective arrangements based on use of a trust construction to avoid necessity to comply with legal requirements related to the concept of affiliates regulated by corporate law of Kazakhstan. In connection with this the below consideration is focused on a general issue of whether it is possible to develop any contract arrangement which would implement certain features of trust to solve those complications which local investors face in connection with the publicity related to their affiliate companies in Kazakhstan.

Basic provisions concerning trust

Trust relations assume participation of three parties involved in a tripartite arrangement, which reflects the development of situation in the following way: one party (a founder) transfers all or part of assets to a trustee who then holds these assets for a specific purpose for the benefit of one or more beneficiaries (*sestuis que*). Such trust is called beneficiary trust - *Cestuis que trust*.

The main characteristics of such relations are the following: (a) the transferred assets constitute an allocated fund; (b) the trustee is assigned the title

of the owner; (c) the trustee must comply with the terms of the trust. In the future, trusti relations shall be governed by the law chosen by the trust founder, and if he fails to choose the applicable law - by the law that is most appropriate or related to the subject of relations.

The trustee is the only person who has any property rights in relation to assets transferred to the trust management, it only has exclusive control over relevant assets. However, being limited to the terms of the trust, the trustee may not have full freedom in respect to the property transferred to him for trust management, which would have had a normal owner. The property transferred for trust management is subject to a special legal regime under which the founder and the trustee are treated as property owners: one as a titleholder and another – as the beneficial owner. Whereas the founder can appoint himself as beneficiary or himself and a third person (s) as beneficiary (such trust is called Grantor trust), but trustee can never be like this.

Currently, in the context of the issue under consideration, references to the so-called «blind trust» are most popular, which represent a structure in which assets belonging to a person are transferred to under the control of another party which is not under control of a beneficiary. In this case the control means the right to manage, direct, limit, regulate, supervise, administer, observe, perform limiting or orientating impact.

Schematically, the relations in the frame of «blind» trust are as follows: a founder of «blind» trust transfers assets to the trustee's management and appoints a third person as beneficiary who does not have legal and other legitimate possibilities to influence on the activities of the designated trustee. If the founder will appoint himself as beneficiary, in this case also, the person who is under control of the founder-beneficiary cannot be a trustee. Although in the latter case, the concept of «blind» trust is not fully observed, because due to contractual structure, the lack of control over the manager by the founder will be conditional to some extent.

As a rule, this structure is used in case when by virtue of law or circumstances which require special scrupulousness, the founder should transfer assets to management and avoid the possibility of being accused that such transfer is imaginary, because the founder has influence on the trustee. Such circumstance, for example, is needed for public officials to comply with legal requirement of prior alienation or transfer of their shares to the trust.

There the following legal grounds to establish the trust can exist:

- a statement of special form of trust management: declaration of the owner of property that he owns it as a trustee for another person. This declaration is called the Declaration of Trust, which is the document by which the person who owns legal title in regard to property, recognizes and declares that he possesses it under the terms of the trust for the benefit of another person or for a particular purpose. The name of trust declaration is also used to indicate a particular contract or certain written form, which reflects this document;

- a trust management agreement: transfer by the owner of owned assets to the trustee for the benefit of this owner or other person for the whole period of life (inter vivos);

- a testament: transfer of assets by the owner to the trustee in the interests of a third party by testament;

- by virtue of law: appointment by person who has authority to such appointment of another person as trustee for the benefit of the entity, which provided the first one with such authorities, or any other person;

- a promise: promise made by one person to another person, whose rights under this promise should be transferred to the trust for the benefit of a third party.

Trust established by direct and positive free will of the parties and arranged in writing in the form of agreement, declaration, will, or otherwise in writing, is called an express trust. It differs from the trust established by law.

The founder shall determine objectives, terms and other conditions of trust management. It is allowed to establish the trust for certain period (limited trust) or for an indefinite or «eternal» period (perpetual trust), as well as for the lifetime of the trust founder, usually for the benefit or support of a third party (living trust). If the trust is established for a certain period, such period may be very short, after which expiry the trust will automatically be terminated, (short-term trust).

In terms of personality of a trust founder, individuals and their families can establish the trust. Such trust is called personal trust. In contrast, the trust established by companies or public organizations, is called business trust.

In regard to individual beneficiary, there is a private trust which is established for the benefit of a particular specified individual, group of individuals, famous persons or class of persons, clearly identified or identifiable (able to be identified), in accordance with the terms of the instrument, by which the trust was established.

For various other reasons the trust is classified into many other different types of trust [5].

Standards of legislation in Kazakhstan

Kazakh civil law does not have the institution of trust, as it was briefly described above, due to the following facts: (1) the structure in which trust manager would act in the title of property owner has not been regulated yet, the way that his activities would be efficiently supervised in order to comply with interests of the founder and the beneficiary; (2) there is no necessary legal culture of compliance with contractual obligations and actions for the benefit of other parties as own; (3) there are no legal possibilities to conceptually split ownership right so that the founder and trustee could at the same time be considered as property owners, but each of them in the frame of their status have not been formulated.

The Civil Code of the Republic of Kazakhstan, however, regulates the contract of property trust management, and clearly separates the legal status and corresponding titles of the founder, who is the full property owner, and trustee as property owner, acting in the interests of the beneficiary [6]. The Art. 883 of the CC RK includes the grounds for the establishment of trust management: (1) transactions, (2) court decisions; (3) administrative document.

CC RK includes the types of property that may be objects of trust management, form and substantial terms of agreement of property trust management. In addition, shares of joint stock companies can be objects of trust management. The CC RK also regulates the status of the trustee and limits of his authorities, because he is authorized to have property ownership and control, reporting on the activities to the founder and beneficiary. This status implies restrictions on the activities and powers of the trustee.

In Kazakhstan yet there is no a consequent and well-established business and judicial practice of legal actions under the trust management contract. However, some of the principles and features of the trust in its traditional concept can be applied in the Civil Code of the Republic of Kazakhstan at conclusion of property trust management agreement.

In general, in this case, it is possible under applicable Kazakhstani legislation, to allow the conclusion of contract of trust management of shares, based on qualification feature of the «blind» trust, involving independence of trustee from beneficiary. However, it should be noted that since Kazakhstani legislation does not provide such construction as «blind» trust or property trust management, its use for specific purposes may be considered by

regulating bodies as a system of relations in the frame of ordinary contract of trust management, and the validity of its application requires argumentation using analogies and evaluation concepts.

However, the above mentioned qualification feature which is observed during the formation of appropriate relations can contribute to recognition of real independence of the trustee from the beneficiary, provided that Kazakhstani legislation provides a clear definition of the concepts of independence and control, and under the contract the founder and the beneficiary will be really limited in their desire to influence on the trustee and demand of modification or termination of the contract, in case if they are not satisfied with the legitimate activities of the trustee.

In this regard, for proper arrangement of contract of trust management of joint stock companies shares with guarantee of legal independence of trustee from other parties of the contract, it is necessary to identify the following:

- how the legislation of Kazakhstan defines the concept of independence and control of transaction party or any object of civil legal relations; and
- how the trustee is limited in his actions by risk of early termination of the contract at the initiative of counterparties.

In this regard, attention should be paid to the fact that in Kazakhstani legislation the ability to determine decisions taken by legal entity is defined as control (see the definition of «control» in paragraph 1 of Art. 2 of the Law of the Republic of Kazakhstan dated August 31, 1995 № 2444 «On banks and banking activities in the Republic of Kazakhstan» [7] (*further - the Law on Banks*), p.5 of Article 1 and sec. 2 of Article 64 of the Law of the Republic of Kazakhstan dated May 13, 2003, № 415-II «On joint stock companies» [8] (*further - on JSC*), sec.2 of Art.12-1 of the Law of the Republic of Kazakhstan from April 22, 1998, №220-I «On limited and additional liability partnerships» [9] (*further - the Law on LLP*), sec. 6 Art.169 of the Code of the Republic of Kazakhstan from October 29, 2015, № 375-V «Entrepreneurial Code of the Republic of Kazakhstan» [10] (*further - the Entrepreneurial Code*). It is important to always remember this, because in the legislation of Kazakhstan, along with «the ability to determine the decisions taken by another person», also is used the term «the ability to make influence on the decisions of another person» (see. the definition of affiliated person in relation to the JSC, LLP, and individual according to paragraph 7 of Art. 1 and Art. 64 of the Law on JSC and Art.12-1 of the Law on LLP). In this regard, in case if the entity has no authorities of controlling other entity, any affiliated entity of

particular organization can be recognized as its primary or subsidiary organization.

In this case, it is necessary that authorities of control were aimed at defining such decisions taken by subsidiary organization that relate to its affairs, formation or change in its financial situation and legal status through the acquisition and implementation of civil rights and obligations by subsidiary organization. At the same time, such changes of property and legal status of organization should take place exclusively on its will. In particular, since by virtue of Art. 37 of the Civil Code of the RK, legal entity acquires civil rights and assumes obligations only through its bodies, the possibility to determine the decisions made by legal entity, is detected depending on whether the participant (shareholder) of legal entity (or other controlling body) can make decisions on the activities of this legal entity directly or influence on such decisions taken by its bodies. For example, member of legal entity (or entity which has the authority to exercise the rights of such participant) can directly generate decisions as the highest body of the legal entity as the only participant of LLP or shareholder of JSC or take part in decision making by voting at general meeting of members (shareholders). Another way of influence of the member on decisions taken by legal entity are the actions of legal entity members that are directly or indirectly generated by such party (for example, due to election of its representatives to the JSC Board of directors, or to the LLP executive body).

One should also note that in accordance with the legislation of Kazakhstan, control over the legal entity might be direct or indirect (see, for example, paragraph 7 of Art. 1 of the Law on JSC, sec. 1 of the Art. 12-1 of the law on LLP, sec. 6 of Art. 169 of the Entrepreneurial Code). However, in view of the considered issue, relations between legal entities themselves or legal entity and its member (shareholder) are characterized, first, by direct control due to direct participation of the legal entity in authorized capital or presence of direct legal connection between them.

In order to determine the presence of control authorities, first, it is necessary to apply to those provisions of the Law on JSC, sec.1 of Art. 12-1 of the Law on LLP, which set the minimum number of votes of participants/shareholders, which is required for decision-making at general meeting of shareholders and/or (depending on situation) at the meetings of their governing bodies. The general rule is that relevant decisions of the JSC or LLP bodies are taken by a majority of votes from total number

of voters, unless the Law and (or) the JSC and LLP Charter provide otherwise (see sec. 2 of Art. 36 and sec.2 of Art. 58 of the Law on JSC, Art. 48 of the Law on LLP).

The criterion of ownership of simple majority of voting shares or votes by participation of shares in LLP to identify control powers is also reflected in other legislation documents. For example, for the purposes of regulation of banking activity, the presence of control powers through participation in the authorized capital is determined by direct or indirect ownership «by one person independently or together with one or more persons over fifty percent of shares in authorized capital» (see. Art. 2 of the Law on Banks). Also in accordance with sec.6 of Art. 169 of Entrepreneurial Code, the possibility of determining the decisions taken by legal entity, due to using more than fifty percent of voting shares (stakes in authorized capital, shares) of legal entity is defined as the possession of authorities of direct control over such legal entity. Similar provisions are contained in the legislation documents, which regulate the activities of insurance companies, and non-governmental pension savings funds.

It should also be taken into account that control over the legal entity in terms of possessing the ability to determine its decisions can be carried out only in connection with prevailing direct or indirect participation in authorized capital, as well as on contract basis.

In particular, the linkage with the agreement by virtue of which the main organization may have the right to determine the decisions taken by subsidiary JSC or LLP, even without participation in its capital, is provided in the paragraph 9 of sec.2 of Art. 12-1 of the Law on LLP and paragraph 8 of sec.1 of Art. 64 of the Law on JSC, as well as in Art. 2 of the Law on Banks.

Moreover, the possession of predominant part of the authorized capital of organization may not necessarily mean that its member/ shareholder has authority of controlling. In some cases, one company may have the controlling interest of voting shares or shares in LLP, and other legal entity may have authority of controlling its subsidiary.

So, the decision of the Collegium of Civil Cases of the Supreme Court of the Republic of Kazakhstan dated August 27, 2009, № 3a-9 / 3-09 established that by the results of the proceedings, conclusions of Antimonopoly Committee are valid in recognition of LLP («the applicant»), which is the member of several groups of entities jointly with other market stakes, on the basis of affiliation, but only one entity, is recognized as having control

over the applicant, which is part of only one of these groups. In particular, the inclusion of the applicant into one of these groups of entities, is carried out at the ground of participation of main organization in authorized capital of the applicant: the applicant is recognized as a subsidiary of the Holding Company, since the «parent company» of the applicant was the affiliated entity of the Holding [11]. At the same time, the applicant is also recognized as a part of the group of companies A. on other grounds: that is, due to the fact that by virtue of Management Agreement signed under the agreement of share purchase and sale between Holding, on the one hand, and a number of related legal entities, on the other hand, the control over the applicant within a specified Agreement period is carried out by company B., 100% participant of which is subsidiary organization of company A. According to the above agreement on management, the company A. has received an opportunity to determine conditions for the applicant's business activities and exercise the powers of the applicant's controlling body. Moreover, the parent company of the applicant based on the same Agreement on management has limited itself to the possibility of giving instructions to the applicant, administer it, or influence on its decisions concerning commercial, administrative, operating, servicing activities. In these circumstances, although the applicant is a part of the group of companies of the Holding, based on the contract of purchase and sale of shares, was recognized by the court as being under the control of the company A., as the Applicant remained under its control on the basis of the above mentioned Agreement on management.

Availability of the trust management agreement which provides the person or group of persons are provided the right to vote on more than fifty percent of allocated shares of the legal entity or the right to determine the decisions by more than fifty percent of shares in authorized capital of the entity, is directly stipulated in the legislation as a criterion for identifying the presence of control over legal entity by such trustees [12]. Examples of agreements, on the basis of which the object acquires the right of controlling over the legal entity, may also be shareholder agreements, memorandum of association, contracts on joint activities, on provision of funding, on distribution of income, on possession and use of property based on property rental or financial leasing etc.

In addition to the acquisition of control powers due to prevailing participation in capital or on the basis of concluded contracts, there may be other

legally significant circumstances, under which one legal entity gets the opportunity to determine the decisions of another legal entity, and when the presence of powers of control over the legal entity can be also qualified as the ability to determine its decisions as «otherwise». Such circumstances may be legally arranged or actually prevailing.

In the latter case, M.K.Suleymenov offers to call them «undocumented relations», but they also can be assigned to the group of relations on controlling over the legal entity, which occurred «otherwise», but not by virtue of ownership of the majority of voting shares, participation share or concluded contract. In such situation, with regard to the implementation of control over the subsidiary by virtue of other circumstances («otherwise»), M.K.Suleymenov indicates that «on the basis of the conducted research, it can be concluded that the term «otherwise» hides the entire layer of civil law (and not only) relations, which is characterized by the fact that they are not always documented. Such concepts include indirect ownership, oral agreement, acquisitive prescription, ticketless travel on transport, etc. ... These relations really exist, but they rarely come to the surface. If a dispute arises, it is difficult to prove the existence of oral agreement or possibility of influencing in «other way» [13].

However, a remarkable example of detecting such relations by court of Kazakhstan, whereby one person performs the controlling powers in respect of another person, is the position of the judiciary in case at the request of JSC «KRG» on disputing of several orders of the authorized government body, set out in the decision of the Collegium on Civil Cases of the Supreme Court of the Republic of Kazakhstan dated March 20, 2007 # 3a-12-07. The shareholders of JSC «KRG» are JSC «NK» and OJSC «GP», each of which owns 50% of voting shares of JSC «KRG». In connection with this structure of shareholders, none of them has a majority holding in the authorized capital of JSC «KRG» and, accordingly, has no control over it. Court supported the defendant's argument that two shareholders have equal influence on decision-making of JSC «KRG» bodies. However, the court treated the JSC «KRG» as a subsidiary of JSC «NK» on the basis of the fact that the 'complainant states that he was forced to file such statement [about cancellation of the orders of above-mentioned authorized body], directed by the founder, being a subsidiary dependent company of JSC «NK», thereby confirming dependence on the founder in decision making». In this case, it is clear that to determine the status of «KRG» as a subsidiary of JSC «NK», the Court recognized the

existence of supervisory powers of JSC «NK» in respect of the applicant, based on the other (in fact, actual) circumstances, than availability of dominant participation in the authorized capital of JSC «KRG» or an agreement between him and JSC «NK».

The examples of such circumstances, which are legally fixed, can be found in banking legislation. Thus, according to the above instruction of the National Bank of Kazakhstan from July 4, 2012, №217, the circumstances were identified on the basis of which was revealed the emergence of possibility to determine the decisions of legal entity. In particular, in p. 2 of this Instruction such possibility, except for banking and insurance activities stipulated by legislative documents, deemed to arise in cases such as:

1) funding by one legal entity (either alone or jointly with other parties) of the legal entity, executives and (or) shareholders (founders, participants) who are employees of the funding entity (s), in amount which exceeds own capital of the financed legal entity; and

2) obtaining by person (alone or together with one or more persons), determining the decision of legal entity, of services of the legal entity that is under control and (or) has a debt to the specified person (s), which payment was at least half of the income of the legal entity that is under control, and provided these services.

Based on the above, the category «control» is sufficiently often used by current legislation, and number of regulations (including legal acts) even contain a definition. The corresponding legal definitions can be divided into two categories. The first assumes performance of functions and implementation of measures aimed at ensuring compliance with legal regulations, and other set requirements. As a rule, we have in mind the implementation of control functions by the authorized government bodies in relation to the controlled objects (e.g., provided by customs and tax legislation controlling functions of relevant bodies, budget legislation regarding the control over execution of budgets, legislation on nuclear and radiation safety, etc.).

The second category of control definitions assumes the powers of controlling entity, opportunity or ability to determine the behavior of the controlled person, as well as determine the decisions of the latter, have a decisive impact on operations or management of activities. It is expressly provided that such control can be carried out in the presence of the following forms of relations between the controlling and controlled entities:

- participation of the controlling entity in the authorized capital of the controlled (most often - a qualified participation, for example, 25% or 50% of the vote);

- an agreement between these two entities, providing some control and influence (for example, security agreement by which mortgagee has the right to vote on shares, which allows to appoint managers, take economic and financial decisions, etc.);

- other circumstances, to which directly refer only official position of the controlling person as the director of the controlled person, family relations between them as close relatives, and family ties between the controlling person and the directors of controlled person or family relations between controlling person and administrator of the controlled person.

Such understanding of control and influence underlies the concepts of affiliated persons and related parties. In turn, the proof of affiliation or other relations between parties will prevent the realization of the above-mentioned idea of «blind» trust management.

Conclusion

Thus, the contract of trust management of legal entity's shares, aimed at elimination of grounds to consider affiliation and coherence between two companies due to the fact that the head of one of them is a major shareholder in the other, is possible, in case if the said shareholder (as the founder and beneficiary) will transfer own shares to trust management of the third party, which is:

- not a close relative of the shareholder;
- not a legal entity in which a shareholder or his close relatives are senior staff;
- not a legal entity in which the shareholder participates in authorized capital, and is not a senior staff of the legal entity;

- not related to a shareholder by memorandum of association of a legal entity or other agreement by virtue of which a shareholder may have influence on it.

For the same purpose, it is possible that shareholder transfers shares in trust management of the trustee and designates a third party as beneficiary. However, here it is also necessary to observe at least one of the following conditions:

- shareholder as founder of trust management and beneficiary are not related parties, as understood above; or (if it is not possible to observe);

- the beneficiary and the trustee are not related parties.

With regard to the independence of the trustee from the beneficiary with regard to the exceptions of pressure on him by threat to terminate trust management agreement unilaterally at the initiative of founder (shareholder), this risk is reduced to a certain extent by general and specific rules of the CC of RK. Thus, according to Arts. 401 and 890 of the CC RK, such termination is not possible if the trustee, being a legal entity, does not agree with it and it does not violate the contract, duly manages the trusted property and the agreement itself does not contain specific cases of such termination. However, according to Art. 891 of the CC RK the agreement is unconditionally terminated at refusal of the founder (shareholder) to perform the contract. This rule is mandatory; its presence gives specific grounds to consider it as factor of pressure on the trustee. However, the counter-argument could be that the trustee is not interested in the existence of this agreement, and is originally independent of the founder, and such independence is maintained for the period of contract, and therefore, legal relations by «blind» trust management is maintained. When agreement will be terminated on this ground, then the mentioned legal relations will be terminated.

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Problems of Harmonization of the Legislation of Kazakhstan and China - Participants of Strategy «A Silk Way»

Abstract. Given article is devoted to the problems of unification of the legislation of Kazakhstan and China on the question of transnational transaction of products and services. Also analyzing main conditions of Kazakh-Chinese relations and their legal regulation is conducted. As a foundation of given relations are taken conditions of the realization of the strategy «One Belt and One Road». As a feature of the development of Kazakh-Chinese relations, their realization in the frames of Eurasian Economic Community is discussed. Authors analyze activity of this EEC, customs and emigrational policy, economic relations. In addition, they set down possibilities of realization of the given scheme in the frames of strategy «One Belt and One Road».

Key words: Kazakh-Chinese relations, customs policy, migration policy, international agreements and contracts, unification of legislation.

Introduction

From the moment of gaining independence the Republic of Kazakhstan (hereinafter RK) is building an economy of open type. During more than twenty years the world's largest companies in mining, oil and gas sectors, hundreds of foreign corporations and enterprises in metallurgical, construction and other fields have entered the market of Kazakhstan and successfully continue their business. Our government creates new integration forms of international formation and collaboration by stimulating own economic interests.

Understandably, the economic cooperation of Kazakhstan is primarily regional. Therefore, the relationships with Russia, the states in central Asia (Kyrgyzstan, Uzbekistan, Tajikistan, Turkmen) and certainly with People's Republic of China (hereinafter PRC) are country's principal ones. Each direction besides economic connections raises issues of political alliance and should have the legal foundation. The features of such relationships are that the multipolar policy compels the RK to consider reciprocal influence of the countries not only on Kazakhstan, but also with each other (PRC-Russia, PRC- Kyrgyzstan, and PRC- Uzbekistan).

Methods

In our research, we use regulatory impact analysis as a systematic approach to critically assessing the positive and negative effects of proposed and existing legislative and non-legislative alternatives. The analysis encompasses a range of methods but is intended to be an evidence-based approach to policy analysis.

Main body

Between the Republic of Kazakhstan and People's Republic of China diplomatic relations are established on January 3, 1992.

Since February 2015. The ambassador of RK in the People's Republic of China is Sh. Nuryshev.

Since December 2014. The ambassador of the People's Republic of China in RK – Zhang Hanghui.

In the territory of the People's Republic of China except Embassy of RK in Beijing (since December, 1992) consulate Generals of RK in Hong Kong (since August, 2003) and Shanghai (since May, 2005), Passport and visa service in Urumqi function (since March, 1995).

In the territory of RK works the Embassy of the People's Republic of China in Astana and Consulate

General of the People's Republic of China in Almaty (since August 2007).

The main political achievements during diplomatic relations: granting safety guarantees by China (The statement of the Government of the People's Republic of China of February 8, 1995), final settlement of a boundary question (The joint communiqué of November 23, 1999, the Agreement between PK and People's Republic of China on the Kazakhstan-Chinese frontier of April 26, 1994, the Protocol on demarcation of the line of the Kazakhstan-Chinese frontier of May 10, 2002 and the Agreement between PK and People's Republic of China on the mode of the Kazakhstan-Chinese frontier of December 20, 2006) [1].

There are about 100 international agreements between Kazakhstan and PRC. The next ones should be mentioned:

1. Agreement between the Government of the RK and the Government of PRC on opening of crossing points across the state border, August 10, 1992;

2. Agreement between the RK and PRC on legal assistance in civil and criminal issues;

3. Agreement between the Government of the RK and the Government of PRC on air traffic;

4. Agreement between the Government of the RK and the Government of PRC on procedure for issuing visas for mutual trips of citizens;

5. Protocol on making amendments and additions to the Agreement between the Government of the RK and the Government of PRC on crossing points across Kazakh-Chinese border and their regime of work, June 6, 2012 [2].

Mention may also be independent of the agreement in the field of energy, environmental protection, the use of different modes of transport. In fact, today the Republic of Kazakhstan and China take agreement, which should strengthen trade relations between our countries.

For successful implementation of the actions of these agreements and the development of new solutions protocol between Kazakhstan and China is organized and operates permanent Kazakh-Chinese Cooperation Committee in the composition, which includes a number of sub-committees in particular in customs co-operation, which was established in May 2004, the specialized authority has been developing strategic directions of cooperation between China and Kazakhstan in all possible issues from economics to cultural relations. He developed co-operation strategy in the XXI century, as well as the Joint Declaration on the Establishment and Development of Strategic Partnership (July 2005, Asta-

na); Cooperation Strategy in the XXI century. The concept and development of economic cooperation (December 2006, Beijing); The program of cooperation in non-oil sectors of the economy (in August 2007, Astana); Joint Declaration on the development of comprehensive strategic partnership (June 2011, Astana).

Each area in addition to economic ties raises questions of a political alliance should have deep legal basis. A feature of these relations is that building up a lot of vector policy of Kazakhstan is part of the ideological component of the concept of «Silk Road» is the special status of the territory on which will move the goods and services of States Parties «Silk Road». Strategy «One Belt One Road» is a more detailed legal education, the United States uniform legislation in such important areas as the customs system, the system of foreign trade and law, the legal system of foreign direct investment, legal freedom currency transactions and monetary and financial operations. As part of this strategy «One Belt One Road» should be addressed a wide range of issues such as the standard controls, procedures, measures, in terms of trade in goods, such as the licensing system and procedures, rules concerning the origin of goods, in terms of the arrival of foreign investment, part of the monetary system and the cash flows. To this we must add the project financing of the construction, the organization of labor and wages of foreign nationals, policies that may affect foreign direct investment; judicial systems, in terms of the decision of arbitration of disputes of foreign legal entities.

It should be understood that creating a special regime of the territory «One Belt One Road» it is necessary to improve legislation, not only in Kazakhstan but also all the countries located in this territory. It is also necessary to study the experience of inter-state economic entities, which includes Kazakhstan.

Meanwhile, to develop the legal basis for a special mode of Sino-Kazakh relations, it is necessary to present Kazakhstan as independent in this process, whether he has obligations to other States, ie must take into account the mutual influence of these states not only in Kazakhstan, but also the relationship with each other (China - Russia, China - Kyrgyzstan, China - Uzbekistan).

One of the forms of interstate economic cooperation is the Eurasian Economic Community (EAEC), which began operations on January 1, 2015 and which is a member of the Republic of Kazakhstan.

We know that the creation of the EAEC was

preceded by a long work approbation of economic relations between Russia, Belarus and Kazakhstan within the framework of EurAsEC. This period has taken almost 15 years. The Customs Union was formed at this time, has been created and operates the Eurasian Economic Commission. Although the activities of the EAEC has a lot of questions, in general, this form of economic integration should yield positive results.

The idea of creating a common space of the interstate, with a single customs-free zone of passport movement, a single inter-state currency is not new. It is well implemented in the European Union's activities. European Union - is a unique inter-state education, which in a relatively short period of time was able to build a pan-European system of legislative, executive and judicial bodies of power and administration. A general system of laws, a common market, established rules guaranteeing freedom of movement, the abolition of passport controls, free flow of goods, capital and services.

The European Union passes laws (directives, laws and regulations) in the field of justice and home affairs, as well as develop a common policy on trade, agriculture, fisheries and regional development.

In fact, the European Union is the subject of public international law and has the authority to participate in the international relations and the conclusion of international agreements. Formed common foreign and security policy, calls for a coherent foreign and defense policy. Around the world, the EU established permanent diplomatic missions, there are offices in the United Nations, the WTO, the Group of Eight and Group of Twenty. The EU delegation was led by EU ambassadors.

Today the European Union has become the first and only in the world of the regional inter-state union, which has consistently implemented the steps of economic and political integration:

- total free trade zone;
- the total area of the customs union;
- common market;
- zone single passport regime and freedom of movement;
- area of the single European currency.

In recent years, the Republic of Kazakhstan is actively involved in economic integration processes with the Russian Federation and the Republic of Belarus. This is not a simple process influenced by political factors, internal and external. Despite the difficulties, the integration of the development is progressive. In fact, in the period from 2000 to 2014, conditions were created for the formation of

the Eurasian Economic Community (EurAsEC). From a legal point of view, this resulted in the adoption of the Customs Code, which came into effect on the entire territory of the Customs Union of 6 July 2010 [3]. From 1 July 2011 at the borders of Russia, Kazakhstan and Belarus abolished customs controls, which was moved to the outer contour of the borders of the Customs Union.

Customs Union EAEC - a form of trade and economic integration of Belarus, Kazakhstan, Russia, Armenia and Kyrgyzstan, which provides a single customs territory, within which customs duties and restrictions of economic nature, with the exception of special protective, antidumping and countervailing measures are not applied in goods in mutual trade.

Unification of States in the framework of a single customs area entails, in the - first of all, economic goals. This strengthening and comprehensive development of economic and commercial ties between our two countries.

It should be noted that the characteristics of the States members of the EurAsEC are qualitatively different. Thus, the Russian territory - 17125187 km², population - 146 270 033 people, per capita GDP - 14591 USD The territory of Belarus - 207 600 km², population - 9,466,000 people, the GDP per capita of \$ 7664 the population of the territory of Kazakhstan - 2,724,902 km² and population.. -17417447 people, GDP per capita of \$ 12456 of the population in Kyrgyzstan -.. 198 500 km², population - 5,776,570 people, per capita GDP of \$ 1160 Territory News -.. 29743 km², population - 3 017 100 pers., per capita GDP of \$ 3351.63 population. [4].

Consolidation into a common customs and economic space, management believes that our States should create very favorable conditions for a sharp economic growth. Legal integration of states - members of the Eurasian Economic Community resulted in the adoption of a single normative act - the Customs Code. But this fact can be seen only as the beginning.

September 23, 2011 the Council of Ministers of Justice states - EurAsEC member states adopted a historic, on the right and a political point of view, the decision. «This decision was taken as the basis of the concept of development of the civil legislation of the EurAsEC member states and instructed the Justice Commission of the Council of Ministers to start the drafting of the Principles of Civil Legislation states - members of the Eurasian Economic Community (hereinafter -Osnovy civil law)» [5]. That is, we see how our state, including the Re-

public of Kazakhstan, on the basis of the integration process, taking an active part in the creation of a unified legal framework for the Customs Union states.

The general laws of development of the legal system have common patterns. It is impossible to develop a branch of law without corresponding changes in other areas of law. In our opinion, if the state of the Customs Union to create a unified civil law - this law will not be able to function effectively if it is not backed up by criminal, administrative and other legislation. You can give an example, with the agreement of the action of free warehouses, adoption of which is to ensure the development and adoption of unified customs tariffs in the three states - EurAsEC members. It is not difficult to assume that the Russian capital will also be actively involved in the sphere of subsoil use in the Republic of Kazakhstan. Perhaps the appearance of any new forms of participation of the Russian natural resources in the territory of Kazakhstan and Kazakhstani companies on the territory of Russia. In this case a single overall environmental legislation, which is characteristic for all three countries will contribute to the effective operation of these processes.

Continuing the integration process, the leaders of our states May 29, 2014 in Astana signed the Treaty establishing the Eurasian Economic Union (EAEC), which takes effect from 1 January 2015. Union members are Armenia, Belarus, Kazakhstan, Kyrgyz Republic (from May 1, 2015), Russia [6].

What ideas laid EAEC creators?

In our opinion, here are the following:

- Creation of a single customs area;
- Creation of a single trading space;
- Creating interstate bodies and interaction;
- Creation of a single collective security zone of armed conflict;
- Creation of a single regional currency.

This list is, of course, could be continued on the basis of political ambition, economic feasibility and the realities of our lives. According to this author, there is no negative points, if it does not touch the fundamentals of statehood of Kazakhstan.

It must be said that the events in the Republic of Ukraine to a large extent influenced the decrease in the activity of integration processes. Thus, the Republic of Moldova, Azerbaijan, Tajikistan does not consider the question of speech in the EAEC.

December 8, 2011 President of Uzbekistan Islam Karimov stated that «in the post-activated forces that ... strive by various fictions excite nostalgia for the Soviet past, while forgetting about the totali-

tarian nature of the Soviet empire», and Uzbekistan will join international associations, if the ratio of these «is not excluded that they will go beyond economic interests and gain political color and content, which in turn could adversely affect the already established communication and collaboration with other members of gluttony external partners [7].

It should be noted that the position of the President of Uzbekistan since then have not changed much.

The political confrontation between Russia and the West's impact on the economic situation of the Member States EAEC. August 6, 2014, Russian President Vladimir Putin signed a decree «On the application of certain special economic measures in order to ensure the security of Russia» [8]. The decree came into force on the date of its signing. It prohibits or restricts the importation of agricultural products a year, raw materials and food EU countries, USA, Canada, Japan, Australia and some other countries.

As can be noted, Russia alone holds trade sanctions on European countries. But being a member of the Customs Union, it indirectly affects the customs regulations of Kazakhstan and Belarus. Thus, products imported from Europe to Kazakhstan can not get into the territory of Russia.

So customs restrictions between the two countries all - still exist? So, to avoid these restrictions, the sovereign Republic of Kazakhstan should carry out trade restrictions imposed by Russia.

Another example, 25 November 2014 Russia banned the import of almost all of the Belarusian meat in Russia - about 400 tons tychyach [9]. At the same time the Russian side announced to tighten control of goods, interdict (Belarus) border, despite the fact that the Customs Union formally apply simplified rules of transportation of cargoes.

Observers point out that the mechanism of the customs union and the mechanism of re-export of prohibited goods Evplova very well together. For example, according to RBC, in 2014 fish imports to Russia from Belarus, which has no outlet to the sea, grew by 98%.

December 2, 2014: President of Belarus AG Lukashenko expressed indignation customs restrictions on the part of Russia: Lukashenko also called the ban the transit of goods (from Evplova through Belarus) «violation of all norms of international law» [10]. Observers have also noted that the agreement on the ratification of the Eurasian Union there is a clause, according to which Belarus can not abide by the contract, if Russia does not remove restrictions on trade and movement of goods.

January 1, 2015: in violation of the EAEC treaty, Israel returned the border control on the Russian border. The Belarusian authorities have announced plans to abandon the ruble and the calculations with Russia and come back to US dollars. According to Russian experts, such a development could put regional integration under attack.

Ministry of Energy of the Republic of Kazakhstan from March, 2015, «energy security objectives associated with the possibility of stopping the largest oil refineries due to having a surplus of oil, imported from the Russian Federation» Conventional introduced a ban on imports of petroleum products from Russia [11]. By this measure, the Republic of Kazakhstan prevents gasoline from entering the Russian Federation, which is cheaper than the cost of gasoline and Kazakh is a competitor for the oil refineries in Kazakhstan.

If the Kazakh government may take similar measures for gasoline, then why can not it make Russian Government or the Government of Belarus on the other product, service or issue? And if so, why raise the question of a single customs union, a common trade area, which may no longer be a single, if one of the parties is not profitable.

We believe that all the economic and political risks, as well as their legal implications, the parties participating EAEC had to determine before signing the treaty establishing the EAEC.

These facts show difficult and unpredictable process of integration. And despite the fairly visible economic viability, due to the political ambitions of all developed, adopted, agreed and approved by the EAEC uniform legal system may not be feasible. In addition, leverage and methods of influence on the parties to implement the Agreement EAEC are only contractual nature.

Another direction of development of bilateral cooperation of Kazakhstan has set itself the PRC. If we consider the state of the import-export trade between the states of data, we can see the constant growth of relations between China and the ROK. In 2010, China became the third largest trade partner of Kazakhstan. In 2012, China rose to second place in sales volume. For example, the value of turnover between Kazakhstan and China in 2005 amounted to 824.7 million. US dollars.

Two-way trade between Kazakhstan and China in 2014 reached 2.8 billion figure. US dollars. At the same time, the same rate in 2014 between Kazakhstan and Russia reached 5.85 billion. US dollars.

In the field of economic relations, China ranks 4th among the biggest investors in Kazakhstan

economy. In 2015, between Kazakhstan and China signed more than 150 different documents, including 129 with the announcement of economic totaling 65 billion. USD In 2010, 22.5% in oil and gas sector share of Chinese companies in oil production. Chinese workers in Kazakhstan has doubled. In the 1st half of 2015 work permits received more than 38.3 thousand. Foreigners. Kazakhstan legislation does not limit the number of work permits for Chinese citizens. All of the above said and the Republic of Kazakhstan and China are ready to cooperate in the political, economic and cultural-humanitarian spheres.

For a more detailed analysis is necessary to consider the structure of foreign trade between Kazakhstan and China.

Despite the dynamic improvement in bilateral trade figures between Kazakhstan and China, there are many problems: the social sphere, in the cross-border trade, investment and international transport, etc. Let us dwell on the problems.

As a general rule issues of interaction is characterized by the imperfection of the laws of both countries. China greatly simplifies the customs rules for goods of Chinese manufacturers and manufacturers of Kazakhstan. The Kazakh side is observed more stringent rules to the Chinese enterprises. This is due to the fact that the exchange of goods commensurate and Chinese goods, their volume is much greater. Solving these issues between the two countries have disputes on the use of natural resources especially the issues of trans-boundary rivers, where China takes a considerable amount of water.

In the field of investment cooperation between the volume of Chinese investment in Kazakhstan's economy great, but it still falls short of the investment of European countries and the United States.

Trade and economic cooperation between Kazakhstan and China is complementary characteristics. However, these complementary advantages are not used in full, while the investment climate needs to be improved. Duties of government departments poorly executed, information is constantly changing market is absent, the investment climate is deteriorating, Law enforcement agencies are working effectively. A feature of the foreign trade between Kazakhstan and China is quite a large amount of cross-border trade. At the same time in connection with creation of customs union between Russia, Kazakhstan and Belarus, a number of border policy, concluded between Kazakhstan and China will change.

Conclusion

Despite the active development of economic relations between Kazakhstan and China there are many problems. So China is pursuing a policy aimed at simplifying customs procedures and visa rules. Kazakhstan has not yet joined the WTO and many of the issues the movement of goods and finance need to be improved.

The same situation with bank calculations, arbitration, insurance and lending to import and export, etc., which led to a large number of outstanding contracts and trade disputes and disagreements. In addition, the financing of entities limited, the low level of management companies, international trade experience is not enough, etc. All these factors have a negative impact on economic and trade cooperation between the two countries.

One of the problems in the sphere of international transportation is an imperfect mechanism of cooperation and poor infrastructure.

Although between China and Kazakhstan opened a two-way road transport, but with Russia, Tajikistan and Uzbekistan does not yet have direct access, it is connected with the mechanism of multilateral cooperation. At present, the Chinese did not coincide with the track rails Kazakhstan, causing the train can not directly go abroad, creates certain difficulties in the transportation and retention time.

Some cooperation agreements on carriage have not been met. Although signed bilateral and multilateral intergovernmental agreement of the SCO member-countries have already laid the foundations for international traffic, but in practice a number of agreements have not done that seriously hampers cooperation. According to relevant agreements between China and Kazakhstan, loaded the car on both sides with a license can get to your destination on the specified routes, however, the Kazakh side require unloading of vehicles at the border, then delivery to the destination Kazakh machines, resulting in ascertained the fact that bilateral agreements practice lost power.

The idea of «One Belt One Road» must determine the movement of China's economic interests in other countries and the actual RC in this idea is a transit country. However, Kazakhstan also plans to implement its own economic interests. Joining the strategy of «one way» it can ensure the movement of their goods, and economic interests in China, and through China. Therefore, for the regulations necessary to develop the successful implementation of these tasks, this will operate on the borders of China and Kazakhstan, Kazakhstan and Russia and other countries of the Silk Road.

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Problems of Activity of the Lawyer on Preliminary Investigation to the Republic of Kazakhstan

Abstract. Legal and democratic state requires a well-established and effective action of the law enforcement system, aimed at protecting the rights and freedoms of man and citizen. Such systems are designed to operate in accordance with applicable law. However, in practice, including the leading Western European countries, written in the law is one thing, but law enforcement is sometimes quite different. The aim of work is to identify and analyze the problems associated with the activities of defense counsel at the preliminary investigation of the criminal case. And on this basis – to develop and justify recommendations for improving the participation of counsel in criminal proceedings as a whole, increasing its effectiveness.

Key words: state, advocacy, counsel, criminal proceedings, legislation, preliminary investigation.

Introduction

Qualitative criminal procedural activity of the defender during the preliminary investigation has a major impact on the effectiveness of the protection of rights of the suspect (accused), at this stage of the criminal process. In addition, the activities of defense counsel at the preliminary investigation stage determine the future course of criminal proceedings, and, under certain conditions, provides its termination.

The dynamic development of the legislation in this area does not allow researchers to be limited by scientific work already done and requires constant analysis of the changing legal environment. Therefore, now following requires a detailed study:

1) the general questions of legal status of counsel, as a uniform concept of «legal status of defender» has not worked out by the science of criminal process yet;

2) the questions of delimitation of concepts such as «right» and «authority» of defender;

3) the specific character of the criminal procedure of the defender's activity during the preliminary investigation stage;

This article is devoted to the study of these problems and appears important.

Moreover, the depth of the studying theme and the lack of theoretical unity for many of its key issues (admission of participation of defender who is not a counsel during the preliminary investigation; the effectiveness and feasibility of the institute of defender assignment; admission of bringing defender to responsibility for poor quality legal services; the concept of poor and unskilled legal service) are so obvious that the multiplicity of researches in this area is not only not excluded, but is absolutely necessary.

Methods

The methods of the research are a detailed analysis of the legal status of the defender in criminal proceedings, the study of the elements of the legal status of said subject, peculiarities of defender's implementation of his duties and responsibilities during the preliminary investigation stage and the development of theory and practical suggestions to promote the development of regulatory activities of criminal procedure of defender.

The object of the research is the legal status of the defender, including his duties, powers and responsibilities. The object of the study are also those

of criminal procedure and the closely related social relations in which the defender comes in the performance of his duties and exercise of its powers during the preliminary investigation.

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Problems of defense counsel during the preliminary investigation and their concepts, values and procedural provisions

The international community attaches utmost importance to availability of quality legal assistance for human and, consequently, the effectiveness of institutions to provide such assistance. According to paragraph «c» of section 3 of Art. 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms, every defendant has the right «to defend himself in person or through defender selected, or if he has not sufficient means to pay for legal assistance, to be given it free» [1]. Specified international law generally reflected in section 3 of Art. 13 of the Constitution of Kazakhstan: «Everyone has the right to qualified legal assistance. In cases provided for by law, legal aid is free», thus the State has undertaken to provide everyone the relatively high level of any of the types of legal assistance provided [2]. Moreover, it should be noted not only in criminal proceedings, but also in any other sphere of activity where there is a need for such assistance.

Upon the level of ensuring effective implementation of this right now is accepted to judge democracy not only of justice, but also of the political regime of a particular state [3].

«Advocacy is of the same ancient origin, as well as the title of the judgment. (Advocatus, Latin, means «called» that is designed to protect the trial, to conduct case). Like the judicial, advocacy is a public position, whose task is to safeguard the rights of the private individual. However, at the time when the judge protects these rights by his state authority, the counsel can only help in that, he presents his knowledge of the law to the client's litigation and tries to give a favorable direction for the latter» [4].

Currently, there are about 4 million lawyers. This includes about 850 thousand lawyers in the U.S.A., 450 thousand – in the EU, 400 thousand – from India, 300 thousand – from Brazil and around

1 500 thousand – from the rest of the world. Overall, excluding Japan, we can say that the more developed the country, the greater the number of counsels working there. Recently, in the western hemisphere number of representative of this profession has increased significantly. While in 1970 only a few law firms have a staff of 100 counsels, now there are about one thousand mega firms. The amount of the sum for which legal services were provided also significantly increased [5].

In Russia, according to the Russia Ministry of Justice, the registers of counsels of the Russian Federation subjects were included 58 872 counsels, organized to boards, bureaus and law offices [6].

According to the Committee of registration service and legal assistance of the Ministry of Justice of the Republic of Kazakhstan now (2009) 9 thousand 179 citizens of Kazakhstan have license for the advocacy profession. In fact, the only 3 thousand 795 persons, or 41% are counsels. [7].

Unfortunately, in Kazakhstan, advocacy and advocacy activity does not enjoy the respect, as in the developed countries of Western Europe and the U.S. In these countries the advocacy – is highly prestigious institution, which enjoys great trust and influence. Suffice it to say that the judges of English House of Lords – barristers with 15 years of stay in the bar. Advocacy – a way to master (referee). Each judge is a former counsel. Even clothes of lawyers in court (mantle and wigs) is the same as the judges and the counsels, which highlighting them as belonging to a single profession, equality and mutual respect. The U.S. has about 60% of the total number of lawyers around the world. The following data shows the social and political role of law degree holders in the U.S. 25 of 42 U.S. presidents were lawyers; particularly Thomas Jefferson, Abraham Lincoln, FD Roosevelt, H. Truman, Richard Nixon, Bill Clinton, Barack Obama were advocates by profession. Over 65% of senators and almost half of the members of the House of Representatives of USA Congress are lawyers. Half of state governors and 40% of diplomats are law degree holders. About 45% of those who have held senior positions in the government since the 1960's., were lawyers, 25% of the state apparatus were former counsels [8].

One of the most complex and demanding types of legal assistance provided is to work as a defense counsel in criminal proceedings because of the possibility of a significant restriction and violation of the rights, freedoms and legitimate interests of the individual.

Under Part 1, Art. 70 of the Code of Criminal

Procedure, the defender – the person performing the procedure established by law in the protection of rights and interests of suspects and accused persons and rendering legal aid. It is appropriate to note the following: the defender – a person performing the «defense.» Giving such a definition of the concept of the defender, the legislature is on the verge of violation of logical rules, called the «vicious circle». Meanwhile, we have what we have.

As the defender, a counsel is involved. Counsel – a citizen of the Republic of Kazakhstan, which has a law degree, obtained a license to engage in the legal profession, always a member of the Bar, and who provides legal assistance on a professional basis within the profession, regulated by the Law on Legal Practice (Section 1, Art. 7 of the Law of the RK «On Advocacy»). Along with the counsel defending the rights and interests of suspects, defendants, defendants can be performed by a spouse (wife), close relatives or legal representatives of the suspect, the accused, the representatives of labor unions and other associations for the case of the members of these associations (Part 2 of Art. 70 of CCP of the RK). In criminal proceedings, regardless of whether such alternative defenders have legal education and practical experience in the legal profession, participate in case only along with the counsel.

The Part 3 of 70 of the Code of Criminal Procedure of the RK states that the defender is allowed to participate in case after filling accusation (when the person subject to an order to prosecute an accused or the court started a criminal case of private prosecution, as well as when process of prosecution is established and approved by the head of the inquiry body) or recognition of a person as a suspect in accordance with Part 1 of Art. 68 of CCP (i.e., when the person prosecuted on suspicion of having committed a crime, of which he declared by investigator, inquirer or the detention or restraint applied before filling accusation). In these parts is a wide variety of criminal procedure of the situations, the moment at which the defender participates in. Human Rights Watch says about the moments when the defense counsel enters the case: «Their common sense is that in these moments the accused or the suspect appears in case. One can be protected, who is «attacked», i.e. people accused or suspected and officially announce it. Since then, the inquirer, investigator, prosecutor begin to function as a criminal prosecution and pre-trial gets adversarial» [9]. We cannot agree with the opinion of this person. In our opinion, the meaning of the above regulations

(Part 3 of Art. 70, Part 1 of Art. 68 of CCP of the RK), is that the right to legal aid of defense counsel is guaranteed to every person regardless of his formal procedural status, including the recognition of detainees or suspects, if authorized body in respect of the person taking steps that are actually limited to the rights and security of the person, including freedom of movement.

Justice can be served only when heard all the arguments «for» and «against» the accused, the suspect, when the latter is guaranteed the opportunity to present their evidence, their explanations, etc. because the suspect, the accused does not have knowledge of the law, is not able to fully confront the representatives of the government, with an ongoing investigation, prosecution, so far he needs a professional defender. Equality between the prosecution and defense parties is provided first by counsels. Only defender – a professional lawyer (counsel) can confront the accuser – a professional lawyer. Without the counsel it is impossible not only equality of the parties in criminal proceedings, but also realization the most important constitutional principle of equality of all before the law, for this principle can be achieved only when the prosecution and defense have equal forces: good knowledge of the law, justice, professionalism, i.e. exactly what only professional lawyers – prosecutor and counsel equally should and may have.

Professional knowledge of lawyer is not the only criterion of defense counsel's high skill. Another indicator of the competence is his professional ethics.

For the profession of counsel the moral basis of his activities are of particular importance. Counsel faces with human grief, resentment, moral injury, suffering, that requires him not only compassion, but also great emotional efforts. In addition, most lawyers want to make a career, a name that gives not only the material, but also a deep moral satisfaction. However, to win a good name, a good reputation is not possible without respect for moral and legal foundations of professional protection.

The well-known French counsel of the nineteenth century Francois Etienne Mollo once wrote: «The profession of counsel is not about how to write papers or say speeches, because everyone should write correctly and clearly express thoughts, but the essence of it in the spirit of moral principles, the idea of legal protection. Real counsel should bring himself, all his abilities as a sacrifice for the sake of other people; to become speaker in the name of oppressed innocence; be happy about the fact that

salvation can reach out to the poor, and experience with the moral satisfaction, which is preferred over large fees» [10].

It has long been firmly established the concept of «advocacy ethics» («ethics of counsel»), which is an integral part of legal ethics [11].

A.F.Kony, criticizing once vices of the advocacy, said: «Criminal defender should be *vir bonus, dicendi peritus* (in Russian: a good man, experienced in speech), armed with knowledge and a deep honesty, moderate in receptions, disinterested in the material sense, independent in suggestions, persistent in its solidarity with the comrades. « [12]

Unfortunately, counsels often do not really care about appearing in the eyes of society perfect in moral and legal terms. Thus, according to a survey conducted by Z.V. Makarova, the main competencies of counsel are general and legal culture – 54.4%, professional activity – 38.8% and honesty – 24%. Empathy, respect for the individual, respect for his dignity indicated by only 14.2% of counsels. Students put at the top three among the professional skills of the counsel general and legal culture – 81%, professional activity – 56% and eloquence – 31%. Thus, neither the counsels nor the students who will work as counsels do not consider moral characteristics as the leading professional qualifications for counsel [13].

Unfortunately, we have to conclude that morality is not in favor of counsels and lawyers in other fields too. Hence, there is a low quality of law enforcement.

The counsel is allowed to participate in the case as defender upon presentation of proof, i.e., document attesting to his membership in the Bar, and order, i.e. document proving that the protection of the accused or a suspect in the criminal case assigned to him by the legal advice bureau. It is important to note that the law does not require that the advocacy structure, in which the counsels is, geographically should fall into the area where the investigation was conducted.

Criminal Procedure Law uses the term «invitation of defender», «participation of defender» and «assignment of defense counsel». The suspected or the accused or his representative at their discretion realizes the invitation. Others may only invite counsel on behalf of or with the consent of the suspect or accused person. The suspect or the accused is a minor, his request or consent to the transaction at the invitation of counsel requires the consent of their legal representative according to the requirements of Part 1 of Art. 22 of the CCP of the RK. If it turns

out that the person, who committed the wrongful act of a criminal, was found incompetent, the invitation of counsel or giving instruction or consent of his invitation is the exclusive right of the trustee (Part 2 of Art. 26 of the Civil Code of the RK). Invitation of counsel must be made by written or oral request of the suspect or accused person to be entered of this petition in the record or relevant investigative proceedings.

In the theory of law, it is recognized that the law under which his rights and obligations are established [14] determines the industry status (position) of the subject. Thus, the procedural position of defense counsel should be regulated by criminal procedural law (Articles 21, 23, 70, 74, etc. of the CCP of the RK). Failure to include the responsibility in the concept of a procedural position of defender and non-determining him through his relationships with other participants in the criminal procedure, based on the rights granted to him, is explained as follows. Since liability is only one of the three main forms of legal obligation, there is no reason to select it as a self-element of procedural provisions.

In addition, as an analysis of ethical codes U.S.A., the European Society, Finland, Sweden and other countries show, all of these codes contain the rules governing such main groups of relations, in particular, as: 1) the relationship between counsel and client and 2) the relationship between the counsel and the court, other state bodies. The Code of counsel's ethics, passed by the first All-Russian Congress of counsels on January 31, 2003 and acting as amended and restated by the second All-Russian Congress of counsels on 08.04.2005 is not an exception to this rule [15].

Thus, his rights and obligations under Criminal Procedure Law should determine the procedural position of defense counsel.

Thus, because of the representative and the defender can and should be spoken of as different names for the concept – the counsel, therefore, the legislator puts into each of them a different meaning and significance.

Based on the above it can be concluded that neither the CCP of the RK nor the Law of the RK «On Advocacy» do not identify and distinguish between the concept of the defense counsel and the representative, putting in each different meaning and value, just as in the institutions for the protection and representation.

In the criminal procedure literature look at the procedural position of the defense counsel as the representative of accused had been defended by

D.PP.Vatman and many others [16]. It should be noted that they determined the procedural status of the defense counsel as the representative through the nature of his relationship with the accused. This means that the defender involved in case to the benefit of accused, by his order or with his consent, and can be removed at any time, if the defendant refused him, but if he did not refuse the defender, neither the court nor the investigator has no right to remove him from the process, as well as defender himself cannot refuse the defense. However, the relationship between the defense counsel and the defendant is substantially different from that of the representative and represented in the civil law and process. More completely these differences showed by S.A.Schafer. They are concluded are as follows. First, in the civil law and process the representative can replace represented, and in the criminal trial defender is not a substitute of the accused, he acts along with him. Second, in civil proceedings, the counsel is not a party; his is only the representative of the party and does not act on its own behalf, but on behalf of the presented. In criminal proceedings, the defender acts on its own behalf. He is not only the representative of the accused, but also the party exercising his rights in order to provide legal assistance to the accused. Third, in the civil law the representative has a right to refuse at any time the authorization issued to him. In criminal proceedings, the counsel cannot refuse from the assumed protection of the accused [17]

So, there are several key points on which look on defense counsel as representative of the accused is based: 1) the procedural position of the counsel as the representative defined by the nature of its relationship with the accused and the state bodies and their officials authorities, leading the process, and 2) despite the fact that character of relations of counsel and the accused allow to characterize counsel as the representative and, therefore, to give this name to this view, it is not a basis to his identification with the representative of the civil law and process, since they carry a different meaning and significance.

The basis of the procedural position of defense counsel should be only the rights and obligations established by the criminal procedural law. As A.L. Rivlin correctly notes, there are no good reasons to seek other sides, which would determine his position in the process [18]. Second, the definition of defense counsel as the representative differs from the representative of the civil law and process. Moreover, it should not only be from the above differences. Usually supporters of look at defense counsel as the

representative define him in that way, because he personally reflects and protects the rights and interests of his defendant. Such an interpretation of the term «representative» consistent with his definition in the ordinary, common usage, understanding as a person who presents someone's interests, expresses someone's views.

Associate Professor of University of Saskatchewan, Saskatoon city, Canada, an expert of the OSCE Centre in Astana P.P.Jordan generally directly admitted that the defender is determined as representative only based on commonly understood, the common understanding of the terms, and not from its use in civil legal sense.

Based on the above, the procedural position of defense counsel can be defined as an independent participant in the process, endowed with the criminal procedure law for certain rights and responsibilities for implementation of protection of the rights and legitimate interests of all the accused, by the means and methods of protection not prohibited by the CCP of the RK [19].

In the German legal literature, there is no consensus on the procedural provision of defender [20]. He is defined as representative of the accused, the assistant of the accused, as right protector and as body of criminal proceedings. Conception of the legal status of the defender as a body of criminal proceedings enjoys most recognition and, in essence, is the dominant. In the guiding clarifications of former German imperial court, the Supreme Court and the Constitutional Court of Germany defender had been directly called as criminal proceedings agency. Moreover, the definition of defender through the criminal justice agency enshrined in the laws and regulations, particularly in Art. 1 of the Federal provision on the bar: «Advocacy – a body of criminal proceedings.» The origin of this concept is also connected with the so-called legal professional governmental organization (institution) – the courts of honor for lawyers.

Position of the defender as a body of criminal proceedings had to be resolved, as the position of the prosecutor and the court in the criminal law. But in it no way is said of him as some kind of body of criminal proceedings. Body of criminal proceedings is governmental body. The defender never held that position of body and did not perform state problems. Despite such a thorough critique, legal position of the counsel, as the Courtney Rose Brooks notes, will be interpreted and will be interpreted as a body of criminal proceedings in the German procedural literature and law practice [21].

Conclusion

Above have been examined the most important issues of legal status of the defender in criminal proceedings, his role in the tasks performance of criminal proceedings, reflected the characteristic of the procedural provisions of the defender during the preliminary investigation stage and particular characteristics of the execution by defender of his responsibilities at the present stage of the criminal procedure.

Conducted research enabled us to formulate the following conclusions, which are essential, both for science of criminal procedure, and for law enforcement practice.

1. Participation of the defender in criminal proceedings is in the execution of his duties of criminal procedure and implementing powers conferred upon him by law. Besides, the said duties and powers are worded in such a way as to be contributed to the defender to solve assigned tasks. The content of the duties and powers of counsel is due to the institution of protection in criminal proceedings, which in the broadest sense is the realization of the fundamental principles of criminal procedure, such as the presumption of innocence, the adversarial principle, the principle of the suspect and the accused the right to a defense.

The above means that the criminal-procedural activity of the defender is directly linked to the achievement of the criminal process of his appoint-

ment. Fulfilling his responsibilities and implementing authority assigned to him by law, the defender promotes the challenges of criminal proceedings.

2. One of the most important manifestations of the specific procedural positions of the defender during the preliminary investigation stage is to encumber defender by duties entrusted by the legislator on the professional counsel. Only the counsel may participate as a defense counsel at the preliminary investigation stage, who not only entitled but also obliged to protect assumed not prohibited by law. Therefore, the rights of the defender established in Art. 74 of the Code of Criminal Procedure of the RK, the preliminary investigation stage for the defender takes the form of power, that is, means of his duties.

3. The necessary and sufficient components of high-quality legal assistance are characteristic of qualifications and honesty. Inconsistency of legal assistance to at least one of these requirements suggests non-fulfillment or improper fulfillment of defense counsel of his responsibilities.

The significance of this development can hardly be overestimated, as the criminal procedural activity of the defender makes a significant contribution to achieving the objectives of the criminal proceedings in general, and the maintenance of the rights and legitimate interests of persons in respect of which, in particular, the prosecution is realizing.

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The Stages of the Healthcare System Reform of the Republic of Kazakhstan

Abstract. The article gives a historical and legal analysis of formation and development of the health system of the Republic of Kazakhstan. State puts healthcare to the level of the priority directions of the national policy. During the years of independence adopted a number of state programmes, implementation of which determines the main achievements in the sphere of public health. The article presents a critical analysis of policy documents, which formed the basis for the establishment of a modern health system in Kazakhstan. The direction of the current stage and the problems are also identified challenges to the state to achieve their goals.

Key words: health, finance, national health care system, medical education.

Introduction

In modern history of Kazakhstan the issues concerning public health play important role. Healthy population is accurate indicator and reliable guarantee of country's prosperity. Scientists treat public health issues as an important indicator of human development and country's development capacity. Accordingly public health is priority area of national security.

According to the Article 29 of the Constitution of the Republic of Kazakhstan the citizens have the certain rights relating health care, i.e.: «The citizens of the Republic of Kazakhstan have the rights to health protection. The citizens of the Republic of Kazakhstan have a right to free medical services legislatively guaranteed by the legislation. Commercial medical services in the public and private centers and privately engaged professionals are available under and in accordance with the rules and order set by the legislation» [1].

By providing constitutional rights to health protection the state undertakes responsibility to carry out measures related to rehabilitation of health deterioration, epidemic and other diseases prevention, quality medical treatment, and to provide conditions where every citizen may live long lasting and active life.

So it is worthy to join the scientists who argue that health protection is «the set of measures of

political, economical, legal, social, cultural, scientific, medical, sanitary and epidemiological nature, aimed to every man physical and mental health maintenance and promotion, long lasting active life support, medical aid in case of loss of health.» [2, p. 207].

However the healthcare reform is implemented through several stages and has long term period.

Upon its sovereignty Kazakhstan inherited unmanageable healthcare system funded residually, and clinics and polyclinics with out-of-date equipment, but material and workforce capacity that is used nowadays still.

Methods

During the research for the analysis of tendencies of development independent Kazakhstan legislation on health care we used the method of comparative analysis. We compared the scientific and practical approaches used in the development of public policy documents. When analyzing the fulfillment the health sector programmes used the statistical method of analysis that has allowed comparing the progress and identifying problems. In the study of modern trends of public health development was applied strategic analysis method.

Main body

In the modern scientific knowledge of the social

evolution more important, become the conception of human evolution. Currently about this conception is spoken and written not only in the scientific community, but also in the system of public administration and local government, in different spheres of social system of most participating countries of UNO. Among them is also Republic of Kazakhstan.

The content of human evolution, on the definition of United Nations Development Programme is to give people wider choice and the main aspect is the possibility to live a long and healthy life upon availability of decent living conditions. From the given definitions of category and main aspect can be clearly traced the interrelation of human evolution with the health care.

The health care is the important sphere of social life of society. The health care of Kazakhstan in the last 20 years is gradually adapted to conditions of market economy. The progress of economic development of Republic is closely related to progress of Kazakhstani system of social evolution of population of Kazakhstan. The most important element of social development is the health of population.

The health of people is the priority area of national politics of the country, which reformation passed through several stages and is planned in the future. Currently for the advancement of health care system huge financial resources are allocated, innovative managing approaches and methods of finance are implemented, including private financing, new staffing policy for training and involvement of physicians is formed, the harmonization of current legislation is executed.

Since the Kazakhstan gained the independence the country inherited the cumbersome health care system, which was funded residually, with hospitals and polyclinics, equipped with the outdated equipment, but along with this there was already the material and staff potential, which is being used also today.

From 1991 till 1996 the sphere of health care was managed by special ministry – Public Health Ministry, which under the complicated material situation, absence of sufficient financing, emigration of highly-qualified staff tried to provide the health service, although there was no question raised about the quality of such service, just this period is distinguished by high percentage of infant and adult mortality.

In 1996 in the country started the insurance reform, which has also affected the health-care system. The period 1996 till 1998 is remarkable for the switch to the low budget insurance system. The Order of President of Republic of Kazakhstan,

which had the force of a law, dated from June 15, 1995 # 2329 About the medical insurance of citizen, predicted the mandatory and voluntary insurance through the Compulsory Medical Insurance Fund – state non-profit organization, which formed the Base program of mandatory medical insurance, that was developed by the Public Health Ministry of Republic of Kazakhstan. The given program failed, but it has the positive influence for financial stabilization and formation of new financial insurance institutions, which are used in the modern financial market of medical insurance.

In 1999 due to the fact of optimization of State Administrative bodies the number of state bodies was reduced, including the Public Health Ministry was reorganized, which was modified to the Ministry for Public Health, Education and Sport of Republic of Kazakhstan. This particular body developed and implemented the first state program in the health care system «People's Health» within the frames of implementation of Development Strategy of Republic of Kazakhstan «Kazakhstan – 2030», where one of the main long-term priorities was defined the preservation of health and assurance of well-being of citizens.

The purpose of the program «Health of the Nation» was to improve the health status of the population of Kazakhstan, the development and implementation of short-, medium- and long-term action plans to facilitate the attainment of the healthcare to the whole new level of rendering medical services to the population. It was scheduled for the period of 1998-2008 years and included three basic steps. The program was carried out on the following principles: 1. Implementation of the complex of economic, legal, organizational measures to preserve and maintain the existing level of medical care and health adaptation for optimal functioning in market conditions. 2. Creation of the economic and legal backgrounds for the formation of the internal market of medical services 3. Ensuring the effectiveness of health care institutions, improving the quality of medical aid. 4. Responsibility of the state; employers and citizens' participation in formation, strengthening and preserving the people's health [3].

The implementation of this program has identified a number of serious problems not only in the healthcare but also in the related spheres, such as water supply, quality control of manufactured and imported food products, the environmental monitoring, etc. As a result there were developed some projects in such areas as «immunization», «maternal health», «prevention of the HIV spread», «compliance with aseptic and antiseptic in the medical

prevention and obstetric institutions», «environment and health of the nation», «family planning», «baby food» and etc. It was developed the system of measures to address these problems, but as a result it was concluded that none of the subprogram had achieved desired end result. However, the fact of existing of such long-term program deserved attention.

In the frameworks of this program there have been created or revived medical institutions in rural areas, introduced free meals for primary school children, in schools a post of the psychologist has been appointed, some specialized clinics have been opened, private medical schools and clinics have been licensed, etc. This period can be classified as a transition from the post-Soviet system to a modern system of healthcare.

The next step in the healthcare system reform has been the development by the Ministry of Healthcare of the Republic of Kazakhstan the State Program of Healthcare Reform and Development of the Republic of Kazakhstan for 2005-2010 years. It was aimed at program funding that enabled to focus on the end result depending on the allocated funds. Under this Program it was defined the package of free medical services rendered to the population by health institutions, and this principle has been preserved to nowadays. At the same time, the analysis shows that the reform was not aimed at the fundamental transformations and could not change radically the situation in the healthcare system. But it became a turning point in the formation of the national healthcare system as it was directed at the creation of the new healthcare management model focused on the division of responsibility for health protection between the state and the individual [4].

On a par with classical problems such as the strengthening of maternal and child health, improving the health and demographic situation and the reduction of social diseases, for the first time there have been proposed such tasks as transition to international principles of medical education organization and reforming. For the first time it has been raised the issue of implementation of the medical services quality control system and the other branch performance criteria taking into account the international requirements and state-of-the-art IT solutions.

This program has enabled to introduce new mechanisms of material support of the healthcare system through the introduction of the per capita financing of patients attached to the health care facilities. At the same time, the per capita standard for the primary health care was defined in terms of the required medical care at this level, age and sex com-

position of the population attached and other factors reflecting the regional specific features. That is, the more patients are registered at the clinic, the more funds, equipment and medicines are allocated from the state budget, at the same time, and these funds can be used to raise salaries to doctors and medical staff. This program has carried on the implementation of the quality assessment system for the rendering medical care to the population. With the introduction of the compulsory health insurance the tools for medical care quality control and the system of penalties have been developed, various parameters for medical care evaluation have been defined. Later, as a result of objective reasons, the system of penalties, control of capacities of rendering medical care have been replaced with the analysis and quality control of medical services by such criteria as determination of rendering medical services compliance with the medical standards, assessment of the medical services quality control, examination of the patients views.

To the results achieved in the medical services quality management system one may include the introduction of the institute of quality assessment and guaranteed capacity of free medical care, the elements of program support of the quality assessment, preparation of the methodological framework for the development of criteria for the quality assessment in regard to the international experience.

2005-2010 State Program has made a significant contribution to the medicine development in Kazakhstan. In the Address of the President of the Republic of Kazakhstan – the Leader of the Nation Nursultan Nazarbayev to the people of Kazakhstan «Strategy «Kazakhstan -2050»- a new policy of the successful state» it was stated: «We have made significant progress in improving the nation's health. To improve the efficiency of healthcare it has been reformed its system of organization, management and funding» [5]. In the Address there are such arguments as the annual increase in healthcare financing, the introduction of the free and preferential provision of medicines system, increase of the life expectancy of Kazakhstan's people, the introduction of the cluster system consisting of the children's rehabilitation center, motherhood and childhood centers, centers of the neurosurgery, emergency medicine and cardiology. We can also add the construction of the specialized medical institutions, implementation of the annual in vitro fertilization program of setting quotas, making the significant adjustments to the system of compulsory treatment of socially dangerous diseases, etc.

The legislation on healthcare has undergone the

significant changes. It was developed and adopted the Code of the Republic of Kazakhstan «On People's Health and Healthcare System», which took over the functions of the legal regulation of social relations in the field of healthcare in order to implement the constitutional right to health care. This act regulates the full range of healthcare organization issues in the country and establishes the instruments of state control in this field. It should be noted, that the Code for the first time has obliged the implementation of innovative medical technologies in the health organizations and health education institutions of the Republic of Kazakhstan. For this purpose it was created the National Medical Holding. In addition, for the first time at the legislative level there were entrenched grounds and procedure for licensing, accreditation and certification in the field of healthcare.

In the adopted Strategy «Kazakhstan – 2050» the Head of State has set the new challenges: to provide quality and available medical services; diagnostics and treatment of the widest possible range of diseases; the development of preventive medicine; the introduction of the «Smart Medicine» service, distant prevention and treatment, «e-Health»; ensuring all children under the age of 16 with the full range of medical services; legislative recognition of minimum standards of living.

Since 2011 it has been establishing the Unified National Health System. This system is based on two key indicators of the health care excellence – the quality and availability of indicators that correspond to the concept of human development. With the successful development of Kazakhstan's economy it is assumed that the total cost for its implementation is not less than 360 billion Kazakhstan tenge. It should be noted that these funds are primarily used to increase the life expectancy of a person by reducing the total and infant mortality, the manhood mortality, to strengthen the maternal and child health. In this respect, it is important the physical, mental and social well-being of the Kazakhstan society. Therefore the President of the Republic of Kazakhstan Mr. Nazarbayev draws the attention of all members of our society to ensure that at least 30 % of the population are engaged in physical activity, and thus points the necessity of the health promotion of healthy men, that gives new opportunities to reduce the cost for the healthcare, increasing the number of healthy people employed in various sectors of the national economy.

In Kazakhstan the State Programme of Health Care Development «Salamatty Kazakhstan» for 2011-2015 was adopted and is being implemented.

This programme is part of the Unified National Health System (UNHS). Total costs for the implementation of the State Programme «Salamatty Kazakhstan» is a minimum of 300 billion tenge (about 2,400 million USD). These funds are used to achieve the target indicators – increase in life expectancy and reduction of infant and all cause mortality rates, incidence of tuberculosis and other socially dangerous diseases, retention of the spread of HIV – infection.

The quality and availability are not only indicators of health care, but also the human indicators, so the State Programme «Salamatty Kazakhstan» makes health care workers focus on the availability of access to health services for the people of deep rural areas, as to date in the country only 6,000 facilities operate in rural areas (rural health posts, feldsher-midwife stations and ambulatories), which do not fully solve the problem of accessibility due to the low density of population in Kazakhstan. For these purposes, transport medicine is being developed. To implement high-quality access to health care for the deep and remote areas the Republican Coordinating Centre for air ambulance was established and the Ministry of Emergency Situations contributes to this cause.

Diagnostic and treatment trains «Densaulyk», «Zhardem» and «Salamatty Kazakhstan» contribute to affordable health care. They cover the western, southern, south-eastern and central regions of the country. In these trains health workers carry out a survey of public health, diagnostic procedures and minor ambulatory operations.

The value of activity of health care professionals of such health care trains is that health care is made available to people living in towns and distant railway junctions and close to them villages of our country. Given the vast territory of our country and the very extensive railroad tracks that run along the sparsely populated steppe, desert and semi-desert areas it can be estimated how important for people and the state on the whole the functioning of the state transport medicine is.

An additional incentive set to the PHC tariff is introduced in our medicine, which is charged on a quarterly basis, so far, the wages of an average medical worker is 150 -200 thousand tenge (\$ 1,000 US).

One of the main directions of development of the health sector in Kazakhstan for the years ahead is to strengthen the nation's health through the promotion of healthy lifestyles. In this direction, much work is done by the state, local authorities and the private sector.

The state spends much advocacy work to pro-

mote healthy lifestyles, which is reinforced by the construction of stadiums, sports facilities, finances sports teams, such as the cycling team «Astana» or hockey club «Barys», supports the operation of sports bases, etc. Winter Olympic Games in 2012 held in Kazakhstan, where the country gained 13 medals, including 7 gold medals, and came 12th in non-official point-count, made a great contribution to this matter.

The private sector in this case has found its niche, creating playgrounds for various sports, fitness clubs, spas, etc.

As a result of social reform in the field of health care in Kazakhstan we should note the increase of birthrate by 25%, reduced mortality by 11%, the natural increase of the population has increased by 1.7 times, the average life expectancy was 69.61 in 2012 [6]. It is expected that in 2013, life expectancy will reach 70 years of age, with a tendency to reduce the difference between the life expectancy of men and women, for example, in 1995 the difference was 11.4 years, and this year – 9.5 years [7].

All these achievements are based on the growth of the economy, increasing income, budget performance and its reasonable distribution.

It is hard to overestimate the role and importance of public health development programmes in the light of the proven facts, but along with the positive events, there are certain shortcomings and problems, where the determining factor is the lack of competitive relations between hospitals. Everyone knows that the state has allocated some funds for every citizen; the funds go to the particular health care facility according to the wish of the citizen. The idea itself is very good, but in practice its implementation leaves much to be desired. The citizens of our country, in fact, like it or not, are attached to the public health facility which is located on the territory of their residence, and it would be frivolous to require the State to build an additional facility for the creation of competitive relations. But in large cities and regional centers many private clinics compete with public sector. Thus private clinics which are accredited by the Ministry of Health of Kazakhstan receive 45% of the order. But the analysis shows that all of them are in urban areas, while rural communities are not covered by such a competitive environment, despite the fact that they are home to the majority of the population, the population having worse parameters than urban residents.

In this light it is necessary that public health facilities and private medical institutions have equal access to the state funds allocated for the citizens of the republic. Moreover, their competitive rela-

tionship should give people not only the right of free choice of high standards of service, which is manifested not only in the prevention and reduction of morbidity, but also in the acquisition of Kazakh human face of medicine. This will enhance the competitiveness of Kazakhstan's medicine, the development of human capital through the provision of access and quality of health services for the sustainable health of the nation, the modernization of Kazakhstan's health in accordance with the needs of society, integration into the global system of health care that will serve as the formation of the trend of public administration and legal registration in the health sector in Kazakhstan.

The next issue of Kazakhstan's health care system is personnel policy. The main indicators that track the status of staffing and human resource capacity of the health system are: indicators of the number of full-time professionals, the indicators of availability of medical personnel, movement of health personnel; qualification of medical personnel; professional development.

Today, the country has undergone a major reform of the civil service personnel policies, certain principles of which should form the basis for selection, training and placing of social workers, that is civil servants, healthcare professionals being among them. To date, we should state certain shortage of staff in rural areas, in particular we are talking about the highly specialized doctors, many of whom are forced to retrain and combine two specializations, which does not always guarantee the quality of services to the population.

The problem of training highly qualified medical personnel is a critical public health issue. It is necessary to admit that in the late twentieth century, there was some demolition of the old school of training such personnel, which was previously very highly regarded in both the Soviet Union and beyond its borders. Today there is an urgent need to restore the lost credibility and to create a new trend of Kazakh higher school of medical education, aimed not only at training, but also at scientific research activities. In this context we should note the opening of medical and biomedical departments in the Nazarbayev University where the best high school graduates of Kazakhstan will study with the following training in the world's leading medical schools at government expense. Over 5,000 foreign experts are annually attracted to the country to conduct classes in medical universities and to conduct training operations for medical practitioners with the aim of advanced professional training. These are only the first steps in improving the situation in the field of medical edu-

cation. Under the Programme «Salamatty Kazakhstan» in the year of 2013-2014, 20 health workers will undertake an internship in specialized centers in the USA, Austria, France, Israel and Russia [8].

It should be stated that it is necessary to continue development and implementation of systematic health management system in the Republic of Kazakhstan. The competent authorities of Kazakhstan still face the problems discussed in this article and many other issues which require a comprehensive approach.

Conclusion

The Ministry of Healthcare and social development works to create the unified agency for medicine services quality. This work is under going to execute the task of the President within the Plan of nation – 100 steps to implement five institutional reforms (82 step) [9]. The main aim was to implement leading standards of health services by improving treatment regimen, medicine education standards, pharmaceutical benefits, quality control, and accessibility of medicine services.

According to the MHS of RK «Today there are 911 hospitals and 3164 outpatient clinics, among which 729 state hospitals and 2175 state outpatient clinics. There are about 229 thousand healthcare professionals in the country, among which 70 thousand doctors and 160 thousand mid-level health professionals. During the years of independence life expectancy at birth in the republic increased by 8 years making 71-61 years. Circulation diseases mortality rate decreased by 2-3 times, tuberculosis by 5, maternal mortality by 6,6 infant mortality by 2,8 malignancy maternity by 1,5 [10].

Public and private partnership development in the sphere is the important line of healthcare reforming in Kazakhstan.

Currently the public and private partnership is governed by the Law of the Republic of Kazakhstan «On concessions» dated 7.07.2006 №167-III (as amended by 4.07.2013-V), and Government Resolution of the Republic of Kazakhstan «Concerning approval of the Rules for submission, revision and selection of concession projects, concessionary selection procedure, concession contracts monitoring, budgetary co-financing concession contracts assessment and monitoring, concession contracts selection for providing or increasing the state sponsorship amount» dated 10 December 2010.

Among the program documents the medicine sphere is considered as one of the attractive for public and private partnership. In particular, it is anticipated that the private sector co-financed by the state will

undertake construction development of the clinics, medical centers, education centers, etc. Besides it is worth to note that the healthcare sector is also attractive to private investments, besides there is flexible mechanism of permissions and control in the country.

Today the tremendous amounts of funds are spent to advance the healthcare system.

Since the program «Salamatty Kazakhstan» 2011-2015 is over the Ministry of Health launched the State program of healthcare development for 2016-2020.

The main directions of the programme are:

- development of emergency aid, access to it for any region or place. It is anticipated to spend 40% of total funds;

- implementation of diseases management system covering prophylaxis, disease detection and treatment at early stage as unified process of medical treatment;

- development of talent density in healthcare. Modernization of personnel training, retraining, continuing development system that shall correspond with the National system of qualification implemented in Kazakhstan since 2009.

- maintenance of financial strength.

Economic recession in Kazakhstan required significant sequestering of state budget expenditures, since the budget income dropped by 870 bln.KZT (minus 12,9%). Budget spending was cut by 610 bln.KZT (minus 7,8%) – to 7 trln.244,5 bln. tenge. Additionally 686,7 bln. tenge were optimized. Due to these all new programs for the 2015 were postponed. Expenses for cost demanding and long lasting projects were also postponed, administrative and capital costs of the state bodies were cut as well. At the same time by the order of the President the scheduled costs for social sector shall not be subject to any alterations. So the costs for the healthcare sector shall amount to 2,084 trln. tenge in 2015-2017. Costs for healthcare sector development shall amount to 2 trln.84 bln. tenge in 2015-2017 [11].

In this case we shall join the opinion of A.Maral saying that: «State policy in healthcare and the mechanisms of healthcare funding will be aimed to increase the level of managing the system with adequate financial support, and will help to achieve the high results in healthcare of Kazakhstan. Based on the above said it may be concluded that any sector of the economy, including healthcare may not exist and develop effectively without well functioning financial system and source of financing. Therefore, the effective system of financing in healthcare is based on the study of state's funds allocation into healthcare sector in the developed countries» [12].

Besides it worth noting other innovations in healthcare sector, i.e. since 2015 Kazakhstan introduced compulsory medicine insurance of 3% from wages fund to ease financial burden on the budget. CMI means that the employer will pay medical tax into special fund to cover treatment expenses.

Alongside with that, the healthcare system suffers serious problems and weaknesses. Among those problems the ones are of «growth» while the others of system. Absence of comprehensive competitive relations between the public and private polyclinics within one population serving area could be an example of system problem. So public polyclinics, upon the receipt of quotas per each registered person disregard their duties to such citizen. The district doctor and narrow specialist will not call the citizens for preventive examination unless the citizen will not demand the services at polyclinic himself/herself. So it means that the doctors adhere to the principle «No need to feed not crying child».

The second issue of the system is low level of doctors' and mid-level health professionals' qualification. Though the model itself is aimed to continuous professional development, the specialists prefer bonus payments instead of trips to obtain enhanced trainings. Commonly this is explained by the shortage of personnel as hospital chief executives say, and it is obvious since hospitals and polyclinics seriously suffer under manning yet.

Third negative side is that the government servants of medicine on behalf of the state funds the con-

struction of new polyclinics, hospitals and aid posts and purchases the latest equipment and techniques for millions of USD. The training of the personnel is often not provided or the medicaments' date of expiry is not observed these finally bring difficulties to the patients. In the meantime it should be noted that the crime detection rate of medical delinquency almost at zero level, it means that culprit goes unpunished.

Alongside with that there are wide ranges of outstanding issues in healthcare sphere such as:

- shortage of qualified personnel in rural areas;
- low level of medical education;
- low level of wages of medical staff, weak social support;
- lack of proper equipment and techniques in rural medical centers;
- corruption of state bodies. Among other things failure of vivid distinction between guaranteed volume of free and for pay medical services contributes to commitment of financial manipulations;
- low level of responsibility among the medical profession for the medical errors, difficulties to prove presence of those and prosecution of liable;
- budget model of funding to healthcare does not supply needs to cover all legislatively guaranteed volume of free medical services;
- disparity in volume and quality of medical services due to different possibilities of local budgets;
- free medical services are not available for citizens away from permanent residence;
- no unified tariff policy for medical services.

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III INTERNATIONAL RELATIONSHIPS

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The «Arab Spring» Challenge to EU Immigration Policy

Abstract. The events in the Arab World in 2010-2011 led to a resurgence of forced migration flows, representing a serious challenge for the Arab world, and for the European neighbors. Special depth to this surge in migration gave the revolutions in Tunisia, Egypt and Libya. This paper looks at the responses of the European Union to the challenge of European security in the context of illegal immigration and refugee flows. The method of research article is to review the events and analysis of decisions of the EU institutions against the mass flow of refugees surging into the effects of the «Arab Spring». Analysis of the responses taken by the EU reveals the fullness of the impact of the «Arab Spring» not only on external but also internal security. The focus of the paper lies on the EU search for tactical decisions and their effectiveness during the migration crisis. Summarizing the article, we came to the following conclusion: adopted short-term measures aimed at resolving problems connected with the influx of refugees have not been successful, because the situation got out of control of the EU authorities. Furthermore, the proposal to resolve the migration crisis through the «soft» tool has undermined the unity of the member states.

Key words: The «Arab Spring», revolution, illegal immigration, refugee flows, immigration policy.

Introduction

Analyses of the European Union about that protest-revolutionary wave at the borders of Tunisia, Egypt, then in Libya becomes a large-scale movement in nature, meant the need for the EU to develop a new regional strategy and appropriate approaches and tools, and the EU had to act urgently and decisively.

The new Mediterranean strategy to some extent might be considered in the context of the challenge for European Security, which has intensively multiplied with the advent of the «Arab Spring» - illegal immigration and refugee flows. After the revolution in Tunisia, this problem became more acute, forcing the Europeans to speak about hundreds of thousands of potential refugees and migrants from North Africa, who expect to move from Libya to Europe. The statement of the head of the Italian Ministry of Internal Affairs R. Maroni characterized this situation, that his country was «on the verge of a humanitarian emergency,» and that the EU should take all necessary measures to prevent it [1]. The flow of refugees reaching the small Italian island of Lampedusa, and causing an explosive social situation there, confirmed the seriousness of the concerns expressed [2]. At the February Council of Ministers of Inter-

nal Affairs of the six Mediterranean EU countries raised the issue of need for a common mechanism for the reception of refugees, allowing them to settle across the EU. Subsequently issues of Europeanization of efforts in this area were constantly in the focus of European policy, provoking serious internal disputes and strengthening national protectionism.

Methods

Examination of illegal immigration and refugee flows based not only on statistics but also on results of sociological studies opens the way for more broad generalizations. The political dimension of migration processes, specific character of this dimension, targets, and tasks of migration policy are analyzed using primary and secondary data, selection of research subject and difficulties that may arise in connection with that.

Main body

1. The EU reaction to the challenge of the «Arab Spring»

At the beginning of February 2011 the European Council initiated the development of a new regional policy of the EU [3]. The summit identified priority areas for assistance from the European Union:

strengthening democratic institutions; democratic governance and social justice; preparation of free and fair elections. The EU leaders officially recognized the need to adapt in accordance with these objectives, the European Neighborhood Policy (ENP), as well as tools of the EU for humanitarian assistance. On 8th of March, 2011 the first official EU document was published, which sets out the modernized concept of cooperation with the Arab states, prepared by the European Commission and the Office of the High Representative of the Union for Foreign Affairs and Security Policy, «The partnership with the southern Mediterranean for democracy and shared prosperity» [4]. The new document includes a section on emergency actions of the EU - Humanitarian aid and solving various problems arising from the influx of refugees from North Africa, particularly from Tunisia and Libya. A significant increase in funds allocated for the development of partnership with the countries of the Southern Mediterranean was provided – grants from the EU budget, loans of the European Investment Bank (EIB) and other financial institutions.

These aspects of European policy relate primarily to the sphere of internal affairs and justice, and it is a subject of a separate analysis, but in the context of EU foreign policy, it is important to note two things.

The first – emergency response in response to the massive influx of refugees were necessary, but not sufficient: this multidimensional challenge demanded the search for new answers and complex solutions, including in the framework of relations with the South Mediterranean partners. One of the obvious answers, which were supposed to give European governments, is to create conditions that cardinally reduce the motivation of people to flee their countries. Priorities and mechanisms provided in the new EU Mediterranean strategy are largely in line with this objective. And not only its focus on sustainable economic development and the transformation of social and political systems of the Arab countries, but also such emphases, such as targeted support for youth and women, the education system and local labor markets, improving the legal mobility, and so on.

The second important aspect is that the «Arab Spring» was not only an external challenge for the EU, but a direct threat to the internal security of the participating countries. This, in its turn has become a significant factor in enhancing differences and disagreements between them, especially between the Mediterranean and the rest of the EU, but not only. In connection with the individual member countries initiations of defense mechanisms such as border

and customs control, the European Commission has made a number of proposals to ban unilateral decisions on interim measures of border controls, which added to the differences between countries institutional confrontation within the EU. It is clear that such conflicts of interests in extremely sensitive areas of national sovereignty generates a range of problems in relations between the participating countries, being projected, including their perception and approaches to crisis management in the Mediterranean.

One of the results of the adoption of the EU Member States influx of people fleeing the fighting and poverty has become a political crisis at the highest level between Italy and France and a real threat of formal collapse of the Schengen area. France has established temporarily border controls with Italy, annulling the right to free movement between Member States enshrined in the Schengen Agreement and the EU treaty. Another complicated problem for Europe is that several political parties and politicians make immigration a central issue of political debate, fueling xenophobia, radicalizing the political arena and making security issues more acute for all others. The participation of these political parties and politicians in the government and their applications aimed at strengthening anti-migrant sentiment, leads to a «deficit» of security, which defines not only activities of the executive, but also the behavior of the local indigenous population, which refers to the migrants more negatively.

The EU policy on the integration of immigrants into the European cultural and political space in the conditions of intensification of globalization was not the trigger. The bet on principles of multiculturalism is not conducive to optimizing the relationship of immigrants and the indigenous population of Europe.

2. The surge of migrants and the EU tactical response

In the light of the last increasingly massive influx of migrants from Africa the EU intends to use both its «soft» and «hard» tools to find effective tactical decisions of this urgent problem.

As for «soft» tools, the EU supposed to solve this problem in two ways: through the construction of Refugee Reception Centre in Niger and the setting of quotas for migrants entering Europe. According to the plan of the European Commission, the task of the new center will be to provide advice to migrants before they enter the territory of Europe, in order to facilitate their integration. In addition, it does not cause any controversial opinions and positions of the members.

Contradictions appeared on the second path when the Commission presented on 13th of May an Action Plan on immigration and asylum. It offers to set the mandatory quotas to ensure uniform distribution of refugees between EU countries, and in the case of a strong influx of migrants – the opportunity to redirect asylum seekers from one EU country to another. The quotas for migrants, in its turn, will be provided to individual States in relation to such indicators as gross domestic product, population, unemployment rate, and the number of migrants who previously applied for asylum in those countries. Nevertheless, even before the publication of the relevant document and afterwards a number of the EU countries expressed negatively about the quota distribution throughout the Union. After Hungary and the United Kingdom, France, Spain and almost all eastern European countries stated that they are against the compulsory system of quotas for the resettlement of migrants. The majority of quotas fell on Germany, France, Spain and Italy. Statements and positions of each country do not give a signal to come to a common strategy in migration policy, but on the contrary, show a commitment to the sovereign actions in finding solutions of particular problem. The mere statement of the French prime minister against the setting of quotas confirmed this [5].

Besides that, EU countries tripled the budget of the project «Triton», which aims to carry life-saving operations in the Mediterranean and the protection of maritime borders of the European Union, where at least 1,826 migrants have perished so far this year [6]. Financing of the project «Triton» will be 120 million euros per year. Earlier, the European Union allocated to the rescue in the Mediterranean Sea and the protection of maritime borders approximately 36 million euro per year.

The current situation with the influx of immigrants and refugees is largely pushed the EU to recourse to use a **«hard» tool**. Preventing illegal crossing the borders of the EU is one of the four directions of the new plan to reform immigration system. In this direction the EU planned in June 2015 to launch a military operation in the Mediterranean to fight the smugglers who organize the transportation of illegal migrants. However, at the meeting of the European Council held in Brussels on 18th of May the question of how broad will be the mandate of the European military mission in the Mediterranean remained open. According to the opinion of the Director of the Regional Office of the International Organization for Migration, there was need for a structured approach, use a different

set of tools than just emergency response and border control. The effectiveness of military operations is questionable, because it is very difficult to make the difference between smugglers boats and fishing vessels. Secondly, smugglers in case of destruction of their boats they can find alternative methods [7]. IOM also had serious concerns about these proposals and saw inherent risk that military actions could further endanger migrant lives.

Following the approval of the Foreign Ministers of the EU on 22nd of June the launch of a naval operation called «EU NAVFOR MED» against smugglers and migrants in the Mediterranean, the EU launched the first phase of the naval mission, which lasted 2 months. This phase aimed at monitoring and evaluation networks smuggling and trafficking in the southern and central parts of the Mediterranean. Now, the EU approach to the transition to the second phase of the operation, it remains only to wait for the definition of rules for the use of military force at sea against smuggling. The second stage of the operation includes search for and, if necessary, removal of suspect ships. Moreover, here begins the legal complexity, which increases many times in the third stage of EU NAVFOR MED, which assumes the destruction of a coastal infrastructure of smugglers, the freezing of assets and arrest smugglers.

For the second and third phases of the mission, it has required the consent of the UN Security Council or the country on the coast or in the territorial waters, where such operation is conducted. As a rule, in this case it is a question of Libya, from where carried out the majority of illegal traffic in the Mediterranean. Therefore, the EU is going to appeal a resolution to the UN Security Council with a request for permission to conduct a military operation against smugglers. European military wants to fight the smugglers in specific areas between the coasts of Italy and Libya [8]. But doubts about the legal validity of the mission take place to be. The second phase can be carried out without the consent of the Security Council, but in this case, the military have to detain illegal transporters only in international waters, which limit the ability of marine operations. Despite this, the EU Council approved on 14th of September to conduct the second phase of the naval operations in the Mediterranean, which could begin in October. Because of the decision of the EU Council it was stated that the transition to the second phase would allow on the high seas within international law search and arrest vessels suspected of being used for human smuggling [9]. And here the speech does not go about the possible

disposal of vessels. Therefore, the absence of a UN mandate significantly limits the ability of marine operations, especially in its later stages.

As for reaching agreement on Libya performing such operation, the question is more complicated. The country has many armed groups not controlled by official authorities. And the area of the sea coast where most of all ships with refugees go to Europe, is controlled basically by other groups in Tripoli who claim to power and with whom negotiations are still ongoing, but not internationally recognized office in Tobruk.

Participants of Libyan Political Dialogue, which recently took place in the Moroccan city of Skhirat, have not yet come to an agreement on the key issues of the negotiations - the creation of a government of national unity and security settings. The efforts of

the UN special representative for Libya, Bernardino Leon to create a unified government have not yet been successful. But he declared that the participants of the dialogue were closer to consensus [10]. Besides, if to create a unified government in Libya does not succeed, the EU will be forced to negotiate with the representatives of both offices.

Conclusions

Thus, the «Arab Spring» has made a serious discord not only in political and economic life of the Arab states, but also greatly exacerbated the problem of forced and illegal migration, which is required to enable the effective development of inter-European joint migration policy, which seems unlikely in short term, in view of the contradictions of positions EU countries and the unstable situation in the Arab East.

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Tendencies of the International Labor Migration in the Conditions of Globalization of the Central Asian Region

Abstract. Article is devoted to the analysis of features, problems and factors of the international labor migration in the countries of the Central Asia (CA) and development of recommendations about improvement of regulation of this process in Kazakhstan. Article analyzes changes, tendencies and the directions of labor migration in the countries of the region. If at first these streams had a form of the compelled migration, further passed into scales of legal and illegal labor migration to such countries as Russia and Kazakhstan. Today the decrease in labor migration in these countries connected with devaluation of the Russian and Kazakhstan currency is noted. After all the factor of earnings moves workers from Central Asia, and no changes in the labor and migratory legislation of the host country influence so strongly migrants, as indicators of correction of currencies.

Key words: Central Asia, migratory streams, correction of currencies, unemployment.

Introduction

With the increasing globalization of the world economy the processes of migration of the population is expanding and strengthening, which is manifested both in quantitative and qualitative terms: scales, forms, structure and the directions of movement of a work force change. Migration flows rush from one region and country to another, giving rise to certain problems and at the same time providing clear benefits to countries hosting and delivering labor..

Methods

One of the manifestations of internationalization and globalization of economic and socio-cultural life of humankind, consequences of sharp ethnic conflicts, wars, emergencies and natural disasters are large-scale in-country and inter-country movement of labor in different forms. The world community has faced the need to coordinate efforts of many countries to resolve the acute situations and management of migration flows.

The intensification of processes of migration that is observed in the last decades is shown both in quantitative, and in qualitative the relations: scales, forms and the directions of movement of the labor streams, structure migrating, etc. change.

Main body

For Kazakhstan, problems of the international labor migration become also actual as the political and economic course of development of the country is focused on openness, active integration into the world community. Kazakhstan has faced problems of the international migration: inflow of refugees and immigrants, «leakage of minds» abroad, growth of illegal migration, etc. In this regard need has ripened for research of features, reasons and factors of the international migration of labor and development of recommendations about improvement of regulation of this process in Kazakhstan.

There are various theories explaining the international population shift. In structural theories of migration, value of economic and labor factors in migration flows between regions is highlighted. Distinctions in compensation, an economic benefit – so are understood the main reasons of migration in this group of theories.

In works of the famous scientists E. Li, R. Harris, M. Todaro, M. Tapinos [1] migration is treated as a result of an inequality of the conditions existing in the donor countries and the countries recipients or as result of imbalance in both groups of the countries. These authors have tried to concretize driving motives of migration and to establish quantitative

dependences between separate factors and intensity of migration flows.

The main function of population shift consists in ensuring quantitative and qualitative compliance between supply and demand of labor of various profiles and various qualifications in the different countries, areas and settlements. There are internal and external migrations. Internal migration of labor (between regions of the country, from the village to the city) is a form of redistribution of work force, and a factor of change of structure and accommodation of the population, at the same time population does not change. External migration influences population of the country, increasing or reducing it by the size of migratory balance [2].

Some economists believe that international labor migration – is collection of all forms of territorial mobility of the population, associated with work on the territory of another country [3, p.24]. Others believe that international labor migration – is a way to eliminate internal imbalances in the labor market if the country's labor shortages, it attracts foreign labor force, and if there's an excess, workers leaving for employment abroad are encouraged [3, p.34].

The international migration of labor includes economic, political, religious reasons, association and disintegration of the states, natural disasters, wars, environmental problems, reasons of personal character. Economic factors of the international labor migration are difficult economic situation in the country, unemployment, export of the capital, activity of multinational corporations and other.

Powerful streams of expatriation were observed in the early nineties from the Central Asia (CA) : Russian-speaking population, ethnic Germans, Russians, Greeks, Jews, Ukrainians and others. Later scales of legal and illegal labor migration of indigenous people of the countries of the CA to Russia, Kazakhstan and foreign countries have increased.

Today the main exporters of labor to the CA are Kyrgyzstan, Tajikistan, and Uzbekistan. Importers of labor are Russia and Kazakhstan. If the flow of Central Asian labor migrants to Russia is large in absolute terms, the influx of migrants to Kazakhstan is higher to the relative index (per 1000 people). According to the migratory status, Kazakhstan is the country of an outcome, reception and transit of migrants. The main migratory trend from Kazakhstan is the departure on permanent residence to Russia and a small stream of labor emigration. Kazakhstan is left by generally skilled workers or experts (on ethnic structure — Russians, Tatars) for work at the enterprises of Siberia. Commercial migration is

widespread; departure to foreign countries has increased. However, the number of labor emigrants from Kazakhstan is much less in comparison with other Central Asian countries [4]. The main stream to Kazakhstan is labor immigration from Uzbekistan and Kyrgyzstan, not numerous flows of labor migrants from China, Turkey, other foreign countries, and repatriation of ethnic Kazakhs (oralmans) back to Kazakhstan [5].

Kyrgyzstan exports labor of 200–500 thousand migrants generally to Kazakhstan and Russia. A difference in the level of the income in the CIS countries, mitigation of a frontier regime with China promoted formation of labor migration from Kyrgyzstan. The main region of an outcome of migrants is the southern part of the republic. The primary activity abroad is shuttle business, construction, services sector and agriculture. The most part of external labor migration from Kyrgyzstan is sent to Russia, a smaller stream — to Kazakhstan. Tajikistan experiences big outflow of migrants (from 800 000 to 1 000 000 people) who find jobs in Russia and in Kazakhstan. Annually they send money transfers from 2 to 2,5 billion US dollars making 30 – 50% of GDP of Tajikistan [6].

In Uzbekistan, migration covers up to 8% of number of economically active population. Uzbekistan sends from 0,5 million to 2 million migrants who work generally in Russia, Kazakhstan. To a lesser extent – South Korea, the USA, Canada, the EU, UAR, Turkey. Men are engaged in construction; trade in markets, agrarian sector. The main sphere of employment of women — public catering, trade, services industry, agriculture [7].

According to official sources in the Russian Federation in 2014-2015, there was a decline of migrants coming to Russia from Central Asian countries. This was due to the deteriorating economic situation and devaluation in Russia, which has significantly reduced the income of migrants. Although the subsequent depreciation of national currencies of some Central Asian states neutralized the negative effect of lower revenues of coming workers. After the introduction of the patent system of employment in Russia, the proportion of illegal migrants decreased.

Situation in Kazakhstan where migrants from the CA work is sharp these days [8]. Devaluation of tenge has caused decrease in real income of migrants 90% of which are citizens of Uzbekistan, their greatest part is employed in construction branch. Decrease in level of the income has an adverse effect on economy of Tajikistan, Uzbekistan and Kyrgyzstan, which indicators of GDP depend

on the money traffic from labor migrants. There are also positive factors of reduction of labor migration to Russia and Kazakhstan – many former migrants work in their countries today, so and taxes remain in the homeland.

The above-stated processes of falling of level of the income noticeably affect economies of Tajikistan and Kyrgyzstan which indicators of GDP have been presented by powerful shares of the translations of labor migrants. Here it should be noted that there are also positive factors of reduction of labor migration to Russia and Kazakhstan – many former migrants work in the countries today, so and taxes remain in the homeland. However, at the same time also unemployment rate as indicators (quantity and quality of payment) of new vacancies in Kyrgyzstan and Tajikistan do not meet requirements of the former migrants raises.

Thus, major factors of reduction of migration can be considered as the devaluation of ruble and tenge, deterioration in an economic situation in the RK and Russian Federation under the influence of world financial crisis, decrease in the income. No changes in the labor and migratory legislation of the host country influence so strongly migrants as indicators of the income. Problem of overcoming the dependence of the Central Asian economies on migrant earnings is almost identical for every country; human resources should be deployed primarily within a state.

Certainly, if to get at the root of problems of labor migration, the road map of overcoming of dependence of economies of Central Asia on receipts of migrants is almost identical for each country. First, a work force has to be involved in the state.

Kazakhstan solves an unemployment problem by means of creation of new workplaces within

the industrialization. However, Uzbekistan, Kyrgyzstan and Tajikistan are not able to achieve impressive progress in industrial development in short terms. The institute of labor «high-quality» migration of highly qualified specialists can come to the rescue for these countries. It is about a multilateral exchange of experts in a legal framework of EEU and the CA general environment where Kazakhstan can act as the navigator. Mutual migration of highly qualified specialists could become the first step of improvement of economies of Tajikistan and Kyrgyzstan [9].

Conclusion

Follows from the aforesaid that migratory processes of labor involve the following problems of national security of the Republic of Kazakhstan besides economic problems: migration creates the centers of social tension in places of the increased concentration of migrants, local flashes of the ethnic conflicts, the growth of xenophobia, political radicalism and extremism provoked by intensity and the conflicts. Also Kazakhstan risks to appear in a situation when the local population faces problems in employment. And as the last negative phenomenon for economy of Kazakhstan in inflow of immigrants serves that the capitals earned by migrant workers are taken out out of borders of the country.

Considering extreme degree of gravity of a problem, creation of system of the corresponding institutional base, and development of multilateral cooperation within EEU in safety conditions and compensation, social security and protection of the rights of migrant workers would be reasonable that many times would reduce relevance of this problem, and would give a new impetus to development of economies of the countries of the Central Asian region.

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Russia's Foreign Policy Shifts

Abstract. For more than two decades after the collapse of the Soviet Union, the Central Asian states have still been remaining closely tied to Russia. Through the formation of economic and military alliances with the countries of the region, Russia has been maintaining control over Central Asia. The Ukrainian crisis of 2014 has showed to what extent Russia was ready to defend what she considered to be her traditional spheres of influence. This paper deals with the new ideas in Russian foreign policy as «Russian world», «state-civilization», and the doctrine of «sovereign democracy». Before the Ukrainian crisis, these concepts have been gradually introduced and developed in the Russian foreign policy discourse. Russia has tried to construct «state-civilization» identity enforced by the Russian people, language and culture. Hence, the ideas of «civilizing mission» of Russia on the Eurasian continent and unique character of Russian civilization have been developed. However, the new concepts of Russian foreign policy have caused great concerns in neighboring countries.

Key words: Russia, foreign policy, identity, concepts.

Introduction

Ukraine's «Orange revolution» of 2004 has been interpreted in Russia as an «exported revolution». After the revolution Russia has increased its positions in post-soviet countries. Since 2005, Russia has been declaring its mission in the protection of its own identity, the «Russian world», and traditional values. In the President's Address to the Federal Assembly of 2005, V.Putin has defined the collapse of the Soviet Union as a major geopolitical disaster of the century. As he said: «it became a genuine drama for the Russian nation. Tens of our millions co-citizens and compatriots found themselves outside Russian territory». However, the most important thing emphasized by the Russian President in that speech was an idea of continuing the civilizing mission of the Russian nation on the Eurasian continent. It has been stressed that the «civilizing mission of the Russian nation in Eurasia consists in ensuring that democratic values, combined with national interests, enrich and strengthen our historic community.»[1]

Methods

Questions of the «Russian world» concept, the concept of «sovereign democracy» formation are largely furnished by research with eclectic meth-

ods such as discourse analysis, process-tracing and modelling that help to trace the origin and evolution of new Russia's political, military and economic positions in Central Asia.

New Concepts in Russia's Foreign Policy Since 2005

By stressing her civilizing mission on the Eurasian continent, contemporary Russia has revived the ideas that were essential for colonial policy of the European powers in the past. Colonial empires developed the distinction between civilized and uncivilized nations for sustaining their hegemony. The civilizing mission of any empire derived from a sense of superiority over the conquered nations. European colonial powers including the tsarist Russia had to justify their territorial expansion by mission to civilize the conquered nations. In Russian political thought the idea that Russia is more than a state dates back to the 19th century.

In the last decade, the idea of Russia as a state-civilization has been further developed by Russian authorities. If till the early 2000s, the integration with European institutes has been declared as important priority of Russia's foreign policy, then since 2005 Russia has been appealing to the need to turn to its own millennial history, culture and traditional

values. In his Annual Address of 2012, President of Russia V.Putin said: «For centuries, Russia developed as a multi-ethnic nation, a civilization-state bonded by the Russian people, Russian language native for all of us...» [2].

In 2013, in his speech at Valdai, President V.Putin has further developed the idea of Russia as «state-civilization». He said: «Russia as philosopher Konstantin Leontyev vividly put it has always evolved in «blossoming complexity» as a state-civilization, reinforced by the Russian people, Russian language, Russia culture, Russian Orthodox Church and the country's other traditional religions. It is precisely the state-civilization model that has shaped our state polity...»[3] I.Zevelev, the Russian scholar, noted that «since 2008 the philosophical foundations of contemporary Russian foreign policy are increasingly being shaped in terms of civilizational identity» [4].

The comprehensive support of the «Russian world» has been stressed as one of the priorities of the Concept of Russia's foreign policy in 2013. Since the second half of the 2000s, the number of institutions aimed at the implementation of the «Russian world» concept were formed in Russia. One of them is the Fund of support and protection of the rights of Russian compatriots living abroad formed in 2012.

Along with the «Russian world» concept, the concept of «sovereign democracy» has been developed in Russia in the last decade. According to the concept, the Russian democracy is the democracy of Russian people, with their own traditions of self-rule, and it is not fulfillment of external standards. The idea of «sovereign democracy» has received much support from Central Asian states. It is well known that since 2000s some post-soviet countries including Central Asia, together with Russia, have been speaking unanimously at international meetings, criticizing the Western standards of democracy and pointing out that they have had their own specific culture and history.

In this way, the concepts as «Russian world» and «state-civilization» have been gradually introduced and developed in the Russian foreign policy discourse by the beginning of Ukraine crisis of 2014.

Furthermore, Russia put forward the right to use any means to achieve the goals. In this way, Russia has been continuing the Soviet practice of justifying the wars. If the Soviet Union labelled the revolutionary, national-liberation wars to be just, Russia has justified her right to wage wars to protect the rights of Russians and her compatriots abroad.

Thus, Russia has declared her right to interfere in the internal affairs of neighboring countries, if she decides that the rights of her compatriots are being violated. It is obvious that such a policy would be interpreted in neighboring countries as a threat to national security.

One of the main priorities of Russia's foreign policy toward post-soviet states has been forcing them to join Eurasian Union. Ukraine was seen as a key member of the project. However, Ukraine's revolution of 2014 has demonstrated that Russia could not secure its positions in this country. Russia has formed Eurasian Economic Union with Belarus and Kazakhstan, later joined by Armenia and Kyrgyzstan. For Russia, the EEU has been the way to strengthen its control over the post-soviet states. It is the Russian project to lead the group of friendly but dependent nations.

In 2013, President of Russia noted that Russia's primary priority was a close integration with her neighbors. As he said: «the future Eurasian Economic Union...is not just a collection of mutually beneficial agreements. The Eurasian Union is a project for maintaining the identity of nations in the historical Eurasian space in a new century and in a new world. Eurasian integration is a chance for the entire post-Soviet space to become an independent centre for global development, rather than remaining on the outskirts of Europe and Asia...»[3].

The contemporary Ukraine has made its choice in favor of European institutions. By losing Ukraine as a potential member-state of the Eurasian Union, Russia has created the project where she has had an absolute dominance with more than 80 percent of the EEU's GDP. Almost immediately after the EEU treaty came into force, issues related to transit among member-states have begun. In political terms, Russia has not also gained unanimous support with regard to Ukraine from EEU's member-states.

Moreover, economically weakening Russia will not be able to develop the Eurasian Union. In the report on future of the Central Asia prepared by the Kazakhstani Institute for Strategic Studies in 2015, one of the possible scenarios included that Russia would have to concentrate on internal economic and social issues and would reduce its involvement in the EEU.[5]

Russia's political, military and economic positions in Central Asia have been increased in the recent years. Marlene Laruelle, director of Central Asia Program at George Washington University, wrote in 2014, that «Russia remains a crucial player in the region...With the Ukrainian crisis, Moscow is

ever more present on Central Asia radar...»[6] The Central Asian states still remain dependent on Russia. However, the new concepts in Russia's foreign policy are not attractive for these countries; on the contrary, it raises their suspicions about Russian ultimate goals.

Conclusion

Russia's Crimean campaign of 2014 has been a major revision of the Russian foreign policy doctrine. Russia has begun to rely on a completely new interpretation of the national identity. However, 2 years after the Crimea, the Foreign Minister of Russia S. Lavrov, in his recent article noted, that «Russia in its deepest essence has been one of the branches of European civilization». At the same time, it has been emphasized that Russia has its own «genetic code» and never merged with the West.[7]

Russia is still in the search for its own identity. Given the growing Russian nationalism in the society and multinational composition of the country, the process of construction of Russian identity will be complicated and long-term process. The current Russian political elite have been trying to form

«state-civilization» identity enforced by the Russian people, language and culture. Hence, the idea of «civilizing mission» of Russia on the Eurasian continent has been developed. The main elements of the new identity are the role of Russia as a defender of conservative values and a unique mission to protect the sovereign right for political development, taking into account the specific cultural traditions and history. In this regard, Russia has declared the right to fight against any attempts to topple the existing regimes. Russia's policy is reminiscent of the Holy Alliance's policy, created after the Napoleonic wars with the aim to suppress revolutions. One of the major differences today is that Russia does not have allies among the Western nations as she had in the 1820s.

The «Russian world» concept caused great concern in neighboring countries. Annexation of Crimea, participation in the conflict in the east of Ukraine has increased distrust even in the closest allies. Russia with the new concepts in its foreign policy will not attract true allies. Russia with its growing nationalist sentiments in foreign policy would fail to form a strong alliance in the region.

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IV ORIENTAL STUDIES

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Mīrzā Muhammad Haidar Dughlat and His «Tārīkh-i-Rashīdī» as a Source For the History of the Kazakh Khanate

We are only in present, but in us are centuries.

M. Dughlat

Abstract. The paper contains information about the life and activity of Mīrzā Muhammad Haidar Dughlat – a medieval Kashmir ruler of Turkic origin. His work «Tārīkh-i-Rashīdī» bears special value as a reliable source on the history of Kazakh people. «Tārīkh-i-Rashīdī» describes the processes of formation of Turkic peoples: Kazakh, Kyrgyz, Uzbek and Uighur, and gives data on the time of establishment of Kazakh Khanate.

Key words: «Tārīkh-i-Rashīdī», Kazakh Khanate, Moghul empire, Kashmir, Kazakhs, memoires, etc.

Introduction

Muhammad Haidar Dughlat was a comprehensively educated man and remained in people's memory as a great scientist, writer, poet, statesman and military leader. His book «Tārīkh-i-Rashīdī» (History of Rashid) is one of the most significant historical and literary monuments of the middle Ages, containing information on the history, literature and culture of the peoples of Central Asia. In addition, it becomes more important at present, in the year of celebrating the 550th anniversary of the Kazakh Khanate, as a reliable historical source on the history of Kazakh people.

For a better understanding of the works of Mīrzā Haidar Dughlat, we present his brief biography. Muhammad Haidar Dughlat came from a noble Dughlat tribe and well-known Mogul clan. His family enjoyed hereditary privileges received from Chagataids, head of the clan was a hereditary emir of the state-tribal formation Manglai-Sube. Muhammad Haidar was born in Tashkent (1500), where his family lived for several years ruling the domain of Ura-Tube. During a plot against Sheibanids his fa-

ther failed, and the whole family had to flee to Fergana. However there his father was killed by the order of Sheibani Khan. To save his life M.H. Dughlat fled to Kabul to his cousin Babur, who received him warmly. Three years later, Muhammad Haidar went to live to another cousin, Sultan Said Khan in Andijan. In 1514, with the establishment of the power of Sultan Said Khan in Kashgar and foundation of a new state – «Mamlakat va Mogulie,» Muhammad Haidar handled army and state activities, as well as brought up Sultan Said Khan's son – Khan Abdurashid. Muhammad Haidar headed several military campaigns to Badakhshan, Kafiristan, Ladakh, Tibet. After the death of Said Khan, his son Abdurashid Khan organized the murder of a number of influential members of the Dughlat tribe, including his uncle Muhammad Haidar. Therefore, Muhammad Haidar had to leave the home of his ancestors, and moved to India to Babur (Lahore), where he conquered Kashmir and ruled there until his death. He was killed accidentally by his soldier's arrow in 1551, in a row with hill tribes of Kashmir (1).

Muhammad Haidar Dughlat received an excel-

lent education for his time; along with the native Chagatai, he also knew Persian language. About himself, he wrote: «I became the best, most skillful among relatives in calligraphy, writing, poetry, style, painting and gilding. ... In other crafts, such as in inlay, carving, jewelry craftsmanship, saddlery, manufacture of armor, arrows and bow, knife, ornamentation in construction, joinery and other crafts ... I was proficient thanks to the efforts of Khan (2;21). «

Methods

In this research we fulfill examining the sources—monographs, journals, newspaper articles, letters, court case records, artworks, autobiographies, that people from certain historical period left behind. Those sources are set in context, explained, interrogated and related to the question posed.

Main body

We see that Mirza Muhammad Haidar Dughlat was a comprehensively developed person. Having excellent knowledge of military affairs, craftsmanship and public administration, he also wrote memoirs and poetry. Only two of his works reached our time: «Tārīkh-i-Rashīdī» – the story of the Mughals and Chagatai khans in Kashgar and Mogolistan, in Central Asian Persian, and the poem «Jahan-name» in Chagatai language.

Muhammad Haidar Mirza, who understood the high purpose of the «science of history» as a guide in life of «all the people of the world» could hardly imagine that his historical and memoir writing would take a very special place in Muslim historiography of the peoples of Central Asia. The main purpose of his work, he said, was to write the history of the Moghul Khans of Mogolistan from the adoption of Islam, i.e. from the time of Chagataid Tugluk Timur Khan. Before him, starting from Genghis Khan, Mongolia was ruled by non-Muslim khans, and their history had been described in many works, such as Juveyni, Rashid al-Din and so on, says Muhammad Haidar. However, in fact, he left a legacy of a unique source of political, ethno-cultural, socio-economic history of several Turkic peoples of the 200-year period of their historical fate on the vast territory occupied by Mogolistan – the main object of study of Mirza Haidar, and after its collapse – the Kazakh Khanate in Zhetysay in the period of its formation, the Kyrgyz union and the state of Moguliya in East Turkestan (2;4).

Mirza Haydar wrote «Tarikh-i Rashidi» in Kashmir for several years. The writing consists of two parts – the «Daftars». The first daftar describes the

history of Chagataid Khans of Kashgar and Mogolistan from Tugluk Timur to Abdarrashid Khan. It was written after the second. The second daftar is nearly four times larger than the first, and contains memoirs of the author. That is why the work of Mirza Haidar, along with «Babur-name», is considered a model of memoir literature of the XVI century (2;25).

In the introduction to the first «daftar» Mirza Haidar names three reasons why he called his work «Tarikh-i Rashidi»: the first – in honor of Sheikh Arshaddaddin, who converted Tugluk Timur to Islam; the second – after the right path (Rushd), by which led his people Tugluk Timur, and the third – in honor of the Mughal Khan Abdarrashid (2;26).

As for today, «Tarikh-i Rashidi» has been translated into English, Turkish, Russian and Kazakh languages.

In Kazakhstan, with the study of life and work of this extraordinary man for many years engaged scientist-orientalist, arabist, doctor of philological sciences, professor, and director of the Institute of Oriental Studies Absattar Derbisali. He was the first modern scientist who managed to find the long lost in Kashmir grave of Mirza Muhammad Haidar Dughlat. Under his supervision, the unique book «Tarikh-i Rashidi» was translated from Persian into Kazakh. He also made the first, and so far the only Kazakh translation from Chagatai language of the poem «Jahan-name». As A. Derbisali mentioned in his article «M.H. Dughlat on the first Kazakh khanate», Mirza Dughlat gives clear information on the date of formation of Kazakh Khanate: «In those days, Abul Khair Khan completely mastered the Dasht-i Kipchak. He attacked the sultans-Juchids – Janibek Khan and Khan Kiray fled from him and came to Mogolistan. Isan Buga Khan received them well and gave them Kozy Bashi, which is located in west Mogolistan on the Chu River. As they stayed there, Uzbek ulus after the death of Abul Khair Khan came to disorder, there arose great disagreement and most [people] went to Kiray Khan and Janibek Khan, so that their number reached two hundred thousand people, and they were called «Uzbek-Kazakhs.» The rule of Kazakh sultans started from 870 (1465-1466) years, and up to 940 (1533-1534), the Kazakhs had full authority over most of Uzbekistan» (3).

Chapters of the book «Tarikh-i Rashidi», describing the ethnogenesis of Kazakhs, the acquisition of their historical name, the history of the formation of the first Kazakh Khanate: «The mentioning of the life of Kazakhs and their sultans; about the reason why they were given this name and the consequences of their deeds, «» On leaving Sultan Said

Khan to Qasim Khan, to the Kazakhs «on dynasty of Dughlats and others – contribute to the expansion of knowledge about the history of the establishment of our independent state, the first steps young Kazakh Khanate in the political arena (4). «Tarikh-i Rashidi» describes outstanding politicians whose names are associated with the formation of an independent state of the Kazakhs, the first steppe khans Janibek, Girey, Kasim. The book presents a gallery of outstanding personalities, who contributed to making the history and culture of the Kazakh people. Mirza Haidar considered essential to characterize the life and work of the great Kasim Khan (1512-1521 years), because «if you do not tell briefly about him, the story remains unclear». M.H.Dughlat verifies that Kasim Khan, skillfully using the political situation in Central Asia, subjected vast areas of steppe, «... he subdued all the Dasht-i Kipchak, as no one after Jochi Khan was able to do». Thanks to the objective assessment of Mirza Haidar, we received information about the power of the Kazakh Khanate, headed by a wise and visionary leader.

«Tarikh-i Rashidi» describes the process of formation of Turkic peoples. Kazakhs separated during Mogolistan in the part, which composed the Senior zhuz, along with the Middle Zhuz, formed within the boundaries of Ak-Orda and Abulhair's Khanate and Junior zhuz in the Nogai Horde. Researchers acknowledge the completion of formation of Kyrgyz ethnos in the period of entering of the territory of modern Kyrgyzstan in Mogolistan state; the Kyrgyz, according to Mirza Haidar, were «also from the tribe of Mogolistan.» Addition of Uighur (new Uighur) people happening in Kashgar during the reign of Moghul Khans, who at the end of XIV century. Subjugated the eastern part of East Turkestan. «Tarikh-i Rashidi» also contains historical information about other peoples of Central Asia – Kalmak (Oirat), Tibetans, Kashmiris, Hazariy and others. However, it is the story of four related Turkic peoples – Kazakhs, Kyrgyz, Uzbeks and Uighurs, which was in more detail covered in the pages of «Tarikh-i Rashidi.» Each of them is entitled to consider Mirza Muhammad Haidar Dughlat their national historian (5).

Studying the history of Central Asia and Eastern Turkestan, European historical tradition addressed Muhammad Haidar's «Tarikh-i Rashidi» in the mid XIX century. However, it was the information about Kazakhs and Kazakhstan, which attracted the attention of a well-known Russian orientalist V.V. Velyaminov Zernov. In his four-volume historical work «Study on Kasimov tsars and princes» (5), he reconstructed the history of Kazakh khanate, basing on written sources in oriental languages.

Velyaminov-Zernov published the information on Kazakhs from «Tarikh-i Rashidi» and compared it with the data from other sources («Jami-at tawarih» by Kadyrgali Jalairi, «Abdulla-name» by Khafiz Tanysh, «Khabib as-siyar» by Khondemir, etc.) He described the political history of Kazakh khanate as it was narrated by Muhammad Haidar, connecting the formation of this state with the fact of departure of Janibek and Girey khans from Dasht-i-Kypchak to Zhetysu, expressed his opinion on the reasons of attaching ethnonym «kazakh» to their people, showed foreign relations of Kazakh khans with mogul, Uzbek, Nogai rulers.

Even before the publication of data about the Kazakhs from «Tarikh-i Rashidi» by V. V. Velyaminov-Zernov an outstanding Kazakh scientist-orientalist and ethnographer Ch.Ch. Valikhanov showed particular research interest in this source. He conducted big research work of a historian-source studies character: made extracts from «Tarikh-i Rashidi», compiled genealogical tables based on materials of Mirza Haidar, Kadyrgali Zhalairi and other sources, drew a schematic map of Mogolistan, defined a range of sources, from which Muhammad Haidar wrote his work. Materials of Ch.Ch. Valikhanov on «Tarikh-i Rashidi» were published only decades later (5;5).

«Tarikh-I Rashidi» was written by Mirza Muhammad Haidar Dughlat almost 80 years after the formation of Kazakh khanate. This span gave him the opportunity to look on Kazakh history as a whole epoch in the life of an ethnos and its state. In this historical source for the first time, systematically, in a brief essay was narrated the history of rulers of Kazakh state (ulus, khanate) of more than 7 decades, from the end of 50s of XV century. The work of Mirza Haidar is the only one, which says about the fact of establishment of Kazakh khanate; moreover, gives the exact date, says about the split of Uzbek tribes of East Dasht-i-Kypchak and Turkestan on «Uzbeks» and «Kazakhs», and the so-called «departure» of Kazakhs in 1459. Kazakh khans Janibek and Girey did not subject to Abulhair-khan and remained sovereign rulers in the lands inherited from their fathers – khans of Ak Orda – territories of Dasht-i-Kypchak and Turkestan (Central and South Kazakhstan), were respected by faithful clans and tribes – their numerous, according to Muhammad Haidar, people – rulers, khans, decades before the departure. In fact their activity in those decades straightly connected Ak-Orda and the future Kazakh khanate as in terms of a common generation line, so in terms of development of a single Kazakh statehood from the XVI century (5;16).

Mirza Muhammad Haidar reflected in his work, the final act in a long process of forming a single Kazakh nation – the acquisition of its national name. In his short history of Kazakh rulers, he explains the origin of the people's name, showing the transformation of the ethnic name from the ethnonym «Uzbeks», common with the population of Abulhair's khanate, through the use of the dual term «Uzbek-Kazakhs», reflecting the peculiarity of this part of population deserting East Dasht-Kipchak (which became the «Kazakhs»), until the appearance of a new ethnonym «Kazakh». And in *Tarikh-i Rashidi* and other sources of XV-XVI centuries, this ethnonym was applied to all the people of the region Zhetysu, East Dasht-i-Kipchak and Turkestan, i.e. the whole territory of Kazakh Khanate as it was with Kasym Khan.

Mirza Haidar showed how during a short period, the life of just one or two generations, the term «Kazakh» became the dominant ethnonym. But this term was used as an ethnonym to describe the long-established Turkic people, whose ethnic territory were lands of Zhetysu, East Dasht-Kipchak and Turkestan. Further, its consolidation took place in the framework of its national state – the Kazakh Khanate (5;13). Thus, «Ta'rikh-Rashidi» is one of the most important sources, making it possible to reveal the problem of ethnogenesis and ethnic history of Kazakh, Kyrgyz, Uyghur, to a certain extent Uzbek peoples. Muhammed Haidar Mirza in his work reflected the end of formation of three Turkic peoples of Central Asia, and their formation was complete in the era of Mogolistan (as of the rest of Kazakh people, Middle and Junior zhuzes – in the era of the Ak-Orda, Khanate of «nomadic Uzbeks» Nogai Horde). They became successors of moguls, their nationhood, ethnic composition, achieved level of socio-cultural development (5;9).

As for the second composition of Mirza Haidar, which has reached us through time, the poem «Jahan-name», Bashkir scientist Ahmed Zaki Validi Togan (1891-1970), in German, read it by chance in 1937 and he was the first person to write a short article about this poem. *Jahan-name* was written in 1533 and consists of 110 couplets. It is based on historical events, which took place at that time: the death of Said Khan, protector and cousin of Mirza Haidar and accession to the throne of his son Abdarrashid. In addition, it describes socio-political situation, the life of the people during the reign of Abu Bakir, who brought much evil and suffering to his people. The poet opposes Abu Baqir to Khan Said whose justice and common sense won the love and

respect of the people. The poem showed the breadth of Myrza Haidar Said Khan's heart, his compassionate attitude towards same as he, orphans with a wounded soul, compared Said Khan with Mahmut Gaznaui, and himself with Ayaz (6).

Thus, M. Dughlat's verses reflected military events, heroic images of military service. M.H. Dughlat created a very strong incriminating picture of the world of elite, their immorality. In his lyrics he awakened in his people faith in their own strength, self-esteem, will for the unity of the people. M.H. Dulati introduced to the poetry Allah, values of Islam and checked each step of the managers on morality of religion. The best characters were smart, convinced, and passionate. «We are just now – says the «Jahan-name»- but the centuries are in us» (7). Muhammad Haidar Dughlat's personality seems surprising of how he managed to combine the qualities of a skilled military leader, ruler, artisan, historian, writer and poet.

According to Babur's recollections, Muhammad Haidar was very keen on poetry: «In poetic tales, he was at the mercy of natural forces. He possessed a truly unheard of ability to concentrate. It was a constant strain of mind and thought. He belonged to the idea. It dawned on him. On his Mongol-type face burned his sharp eyes. «(Babur. Babur-name / Trans. By Salye. Gl.P. – Tashkent, 1993. – 197) (7).

Dughlat's works are scattered around the world. His manuscripts were found in India in the XVIII century. The first edition of his works was made in 1895 in England, three years later it was reprinted for the second time and in 1972 in India – for the third. Two valuable manuscripts are kept in Berlin and Kashgar (8).

Conclusion

For the modern Kazakhstan, undergoing processes of state formation and nation building, and moving to the innovative ways of globalization and integration development, it is especially important to know and popularize our history. 2015 is the year of celebration of 550th anniversary of Kazakh Khanate, and this year witnessed the reprint of such important works as «Nomads» by Ilyas Esenberlin and «Tārīkh-i-Rashīdī» by Muhammad Haidar Dughlat. The fundamental work of «Tārīkh-i-Rashīdī» is an excellent and reliable source on the history of Kazakh and other Turkic peoples, which is of great importance and relevance today, in the context of multinational states and the search for national and ethnic identity. Central Asian nations can rightly regard Muhammad Dughlat as a chronicler of national history and draw wisdom from his works.

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