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# I ● ECONOMICS

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## Innovative Technology as Base Arms of Modernization of the State Local Administration

**Abstract.** Modernization of the system of state local administration (SLA) and local self-administration (LSA) in the Republic of Kazakhstan is connected with the applying of innovations that are both organizational, structural, financial and institutional. Reforms in the sphere of SLA and LSA suggest an approach requiring the improvement of the state local administration on the basis of system of innovative technologies. The article discusses the new management model which contains the elements of market mechanisms, gradually replacing the old administrative-bureaucratic model.

**Key words:** innovative technology, state local administration, innovative approaches, benchlearning, benchfuturing, benchracing, benchmarking.

### Introduction

As we know, the concept of «innovation» comes from the English word innovation – the process of creation, distribution and use of innovation that contributes to the development and improvement of the effectiveness of economic activities [1].

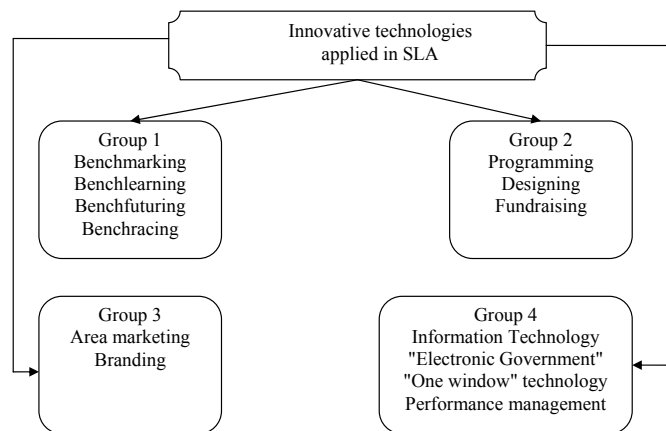
Building a system of innovative technologies in the public and municipal management based on the paradigm of system-synergetic approach, which assumes that the system is not only the sum of the

elements, as a whole, which has different properties than components of system elements [2].

The dominant feature of the complex system is its self-organization, which implements the principles of synergy (from the Greek «mutually acting»).

### Methods

Innovative approaches in the administration in accordance with international quality standards will be considered (see figure 1):



**Figure 1** – The Innovative Technologies State Local Administration in accordance with international quality standards \*

\* Note: The figure is composed by the author.

The 1st group (subsystem) technologies include technologies and management methods used in the state of local governance and in search of increase of efficiency of the state organization.

1. Benchmarking is a method for studying the activity of other countries, especially the major competitors, with the purpose of applying and positive experience in the work [3].

With regard to innovation benchmarking is the study of other organizations management system in order to identify the fundamental characteristics for the development of their innovation policies and the specific types of innovations that enhance the efficiency of its activity [4, p.105]. Currently, benchmarking is used in almost all spheres of government agencies, municipalities, educational, health and other services.

2. Benchlearning – the organization's work on the understanding what it contributes to its success, and motivation for a successful operation. Emphasis is done on the mutual participation of employees, achieving results through learning throughout the organization and through the capabilities to create a system for improving staff and working groups [5].

3. Benchfutura – modeling of a successful future for 5-10 years (the construction of the image of the future of a successful outcome) [4, p.106].

4. Benchracing – ways of achieving benchfutura purposes [4, p.106]. It is the formation of a sequence of increasing strengths and competitive advantages of the product or object. It is very similar to that used in our road map for the consistent implementation of ideas (goal – to develop the most optimal path of product development (object), which minimizes, for example, reduced costs and time to start using the benefits).

By the 2nd group (subsystem) technologies include innovative technology state and municipal government, based on the use of program-target approach.

1. Programming. Software and targeted approach as an innovative method to control the development of the socio-economic sphere of the country allows us to take specific policy measures, to concentrate efforts to mobilize resource capabilities in order to address the problem within a certain period, which explains the relevance of this technology in public administration.

In accordance with the concept of control as a result of it is one of the main tools of the budget and to determine the efficiency of use of budgetary funds. This method consists in the establishment or selection of priorities and the use of budgetary funds objectives and the development of intercon-

nected actions for their achieving a target date [2].

2. Design, derived from the word «project» – is a temporary venture designed to create a unique product or service.

### **Main body**

For the implementation of the various project management functions some steps are necessary, they are referred to the project management processes. The project management processes can be divided into six main groups, implementing a variety of management functions:

- initiate the process – the decision on the beginning of the project;
- planning process – definition of the objectives and criteria for success of the project and the development of workers' schemes to achieve them;
- execution processes – coordinating people and other resources to implement the plan;
- analysis of the process – to determine compliance of the plan and the execution of the project goals and success criteria and decision-making about the need for corrective action;
- management processes – defining the necessary corrective actions, their coordination, approval and use;
- complete the process – formalization of the project and to the orderly settlement of its finale.

The world has accumulated extensive experience in the application of project management. In our country, more and more regions are applying project management technology and interest in this technology is continuously increasing.

3. Fundraising in public administration – the process of finding and attracting funds and other resources (human and material) and public organizations to the needs of non-profit, in particular, on the implementation of the state program in the region.

Fundraising strategy includes:

- Identification of needs.
- Highlight the circle resource bases (foundations, campaign, banks, individuals, etc.).
- Possible risks (internal and external).
- Making the SWOT-analysis, which assumes as a result of its use of the creation of the matrix system of the analysis of living conditions (strengths and weaknesses, opportunities and threats). Collection of all information resources for the preparation of the application (to brainstorm ideas for the project, plan the project, define the scope of work and level of responsibility of each member of the school staff).

Group 3 (sub-system) technology include technology and marketing methods used in the new sys-

tem of governance and to enhance the competitiveness of the state, territory, state organizations.

1. Marketing of territory – is marketing in the interests of the territory, its internal subjects, as well as those of external, in which country or region is interested. Territory – a subject giving the role of a consumer not only to himself/herself, but first of all to other subjects (internal and external to the territory). It is their well-being in the consumption of regional resources, products, services and capabilities allows the region, ultimately, build, and increase their own welfare.

2. Branding (including area) – a set of visual, semantic and value characteristics for differentiating a State, or the region as a whole, separate settlement and giving it a social and commercial value.

Branding – a marketing activity aimed to create a special customer experience, which is a part of the image and generates a target market segment related to the brand territory (country, region, municipality).

The 4th group (subsystem) technology includes:

1. Information technology used in the new system of public administration and to improve the transparency of information and communication based on feedback from the public and the business community. Given the fact that in the modern post-industrial society, information is a strategic resource, and information technology is one of the tools increase the efficiency of public administration, introduction of information technologies in public services will continue to actively [5, 138].

2. «Electronic Government». In general, the implementation of e-government concept involves the following key tasks:

1) the creation of official websites on the Internet and content relevant official information ( the mandatory information includes: general, reference

and contact information of state bodies and institutions, statistics, laws and regulations (legislative initiatives), departmental reports, information on the placement of state orders;

2) the creation of interactive services to simplify procedures [6, 7]

3. «Single window» technology is the most modern in the sector. These technologies make it possible to significantly reduce the budgetary costs of the activities related to the legal notices, compulsory dissemination of regulatory material, the change in the forms of documents, conduct outreach activities, on the decisions of public authorities in certain socially important issues [7, P. 28].

4. *Result management* requires the determination of the effectiveness of management decisions. *Technological* efficiency of administrative decisions, that translates into the application of modern technologies, methods and techniques in the work of professionals and managers is of a great importance [1].

### Conclusion

To assess the cost-effectiveness of management decisions the method of evaluation of the direct results of activities can be used.

Formation of the system of innovative methods and technologies of the state -local administration due to the fact that the public sphere is at the present stage represents the professional actions of management which strives to find the best methods and technologies competitors. These technologies allow us to study, to analyze the reasons for their backwardness and implementation adapted to their own conditions of an improved version of the best practices in order to improve the social and economic efficiency of State and Regional Government [1].

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### **Analysis Role in the Strategy of Post-Crisis Management**

**Abstract.** Article regards the problem of analyzing the consequences of the financial crisis in terms of impact on the value of the business in order to apply the procedures of restructuring, taking into account the current legal framework. The solution to this problem is to solve the scientific problem of adapting existing mathematical and instrumental methods of business valuation in the Republic of Kazakhstan. The implementation of these objectives envisages the solution of problems of business management in the conditions of the crisis through the application of various strategies of company management.

**Key words:** crisis, restructuring, business, management, assessment.

#### **Introduction**

Undoubted importance of the new Address is a new large-scale program development proposed by the President – New Economic Policy of Kazakhstan «NurlyJol», which has countercyclical nature and further structural reforms focused on our economy [1].

Geopolitical crisis and sanctions policy generate at the same time many environmental, social, economic and other problems, which involves application of integrated approach to the solution of existing and emerging problems.

Without analyzing the regularities of the global financial and economic crisis and the new global risks and threats, without considering the peculiarities of their manifestation in different socio-economic systems it is hardly difficult to create accurately a model of the further development of society.

The negative affect of the financial and economic crisis on performance of the company in the short term, causing various losses and leads to a reduction in the cost of business are obvious. This can be seen as an example of reducing the value of securities of listed companies, as well as the results of the financial statements of public companies that took place in 2008 and 2009, recognized the impairment of various types of assets.

However, an interesting and important question is: Is it possible to benefit from the economic crisis

in the long term? This article addresses governance issues of the business, as well as the possibility of restructuring the management of the cost of business in sustainable growth and in times of crisis.

#### **Methods**

Financial restructuring – a tool to help investors and creditors, and management companies in a difficult financial situation, the development, negotiation and implementation of plans for restructuring and changes in their financial activities. It must be remembered that the mistakes made during the restructuring could lead to lower costs and bankruptcy of the company.

In some cases, companies may also require an operating business restructuring. In this situation, as a rule, it is developed an anti-crisis plan, including the introduction of appropriate control mechanisms, cash management, cost reduction, sale of noncore assets, etc.

In the process of restructuring of the business, it cannot be managed without a long-term financial and economic model of the company, which allows taking into account all significant aspects of the business. Scenario modeling of different scenarios, including using the Monte Carlo method, allows in this case developing an optimal strategy and tactics aimed at increasing business value and competitiveness of the company in the long term.



Restructuring in the process of cost management is available in the following situations:

- at normal, systematic development of the company in a favorable macroeconomic environment, such as optimization of costs, working capital management, etc.;

- in the deteriorating results of operations and condition of the company under the influence of external factors or internal causes. This deterioration can be both gradual and abrupt, especially in a crisis, up to the company's bankruptcy.

At revealing of negative factors a planned development of the company and in crisis situations may take various measures:

- under favorable environmental conditions and market growth of the company gives special attention to the optimization of business processes and increase business value;

- in the deteriorating macro-economic factors or ineffective business processes, lagging technology, promoting competition and loss of market share is necessary to increase its stability, solvency, improve business processes and systems to restore business;

- at risk of bankruptcy and liquidation of the business requested to take urgent and, as a rule, emergency measures to overcome the crisis.

In the process of solving tactical and strategic objectives and business value management company can choose between a strategy of organic growth and the implementation strategy of mergers and acquisitions – to-market M & A (from english. Mergers and Acquisitions). Let us consider each of these options.

### Main body

Organic growth involves the development of the company's internal resources, reinvestment of retained earnings, their revenue generating capacity in the future, and ultimately increase its value.

In crisis conditions company can spend a reasonable cost reduction (not at the expense the strategic objectives and without loss of image in the

future), to increase staff motivation and team spirit in a difficult situation, to attract and retain qualified personnel, to oust competitors in the presence of operational and financial benefits.

In the pre-crisis period, the main goal was external expansion, which resulted in increase of gross income was achieved, sometimes with a lack of attention to the effectiveness and relative cost-effectiveness. In other words, more attention was paid to increase sales than cost control. During the crisis, companies have realized the need to reduce costs and received an enabling environment [2].

For example, based on our experience and data from public sources of the average were able to reduce costs by 10-25% depending on their species.

However, according to the research of management consulting of KPMG in the process of reducing costs companies are faced a number of difficulties:

- less than 47% have a clear idea of its own cost structure;

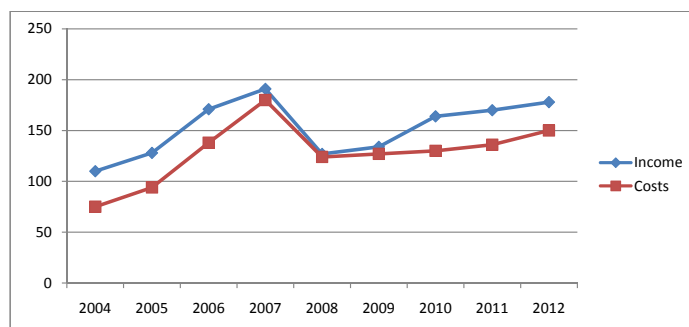
- there is no clear understanding of how should be distributed responsibility for cost optimization;

- no target to reduce costs and, in principle, culture of economy.

It can be assumed that the reduction in costs on an emergency basis (eg, shorter working hours, layoffs, etc.) takes place only up to the point A. In the future, the savings achieved by improving the control systems, improve the efficiency of business processes, renegotiation with suppliers; reduce residual materials and work in progress, selecting priority, that is out of less profitable areas of business development [3].

Reduction in personnel costs is possible without cuts and cuts in the wage fund – by increasing the efficiency and redistribution of responsibilities. Otherwise, this reduction in costs negatively affects the image and long-term development of the company.

The ratio of revenues and expenditures of the company at different stages of the cycle is shown in Fig. 1.



**Figure 1.** The income and expenses of the company at different stages of the economic cycle

If we talk about the use of the strategy of mergers and acquisitions, particularly in times of crisis, we can distinguish the following features:

- ✓ more efficient management as a result of integration achieve synergies and realization of new strategies;
- ✓ sale of non-core assets, which could lead to an increase in return on equity, efficiency, freeing resources for organic growth or acquisitions;
- ✓ acquisition of undervalued assets relevant for the company with the funds received from the sale of non-core assets and cost savings; business restructuring and debt and the achievement of synergies from the acquisition of new assets that will provide dynamic development of the company after the crisis and capture market share from competitors who for various reasons have not been able to respond quickly to changing external conditions;
- ✓ focus on profitable lines of business;
- ✓ primary placement of minority shareholdings – IPO procedure followed by refinancing or restructuring of existing debt;
- ✓ sale of a substantial portion of the business to a strategic investor or joint venture with the market leaders [4].

One example of the possibility of acquiring undervalued assets is the situation in the capital market in late 2008 – early 2009 subject to the availability of funds. According to a study of the Evaluation Group of KPMG, conducted in September 2009, the capitalization of the majority of the largest public companies in 2008 decreased by an average of 69.3%, while the value of the assets according to the financial statements of companies decreased by 4.6% (from 0.5 to 11% according to different sectors of the economy).

Of course, this difference can be explained by the insufficient size of impairment in 2008. This is also confirmed by the statements for 2009: a num-

ber of companies recognized impairment losses at 31 December 2009, as probably did not fully aware of the impact of the crisis when testing assets in the end of 2008. At the same time, falling of capitalization at December 31, 2008, all the same seems excessive, which could be caused by a lack of liquidity and panic on the market.

Growth of capitalization in 2009 somewhat mitigated the situation, but by analyzing the information we have on these reporting companies are already in 2008-2009. We still found that in two years the capitalization of the companies under consideration decreased by 28-61% depending on the sector economy, while impairment of companies ranged from 1 to 18% of pre-crisis market capitalization depending on the sector.

Thus, it is clear that a number of companies at the end of 2008 and in 2009 was underestimated and the acquisition of control over them would significantly increase the cost of business in the short term provided to the rising cost of shares in 2009-2010.

As for the long-term goals of the company, it is necessary to consider the application of the concept of VBM-control (from the English. Value Based Management). This concept is new for domestic companies, but in recent years there has been growing interest in methods of cost management and crisis just might encourage companies to become more active.

Fig. 2 the cost of the company conventionally represented as the sum of the components – the current value of the business and the future value. As can be seen, the future value can also be arbitrarily decomposed into components associated with the expectation of growth, and a component due to increased efficiency. In the case where the company cannot fully influence the growth component (which in times of crisis will be even negative value), it is necessary to focus on the second component [5].

Component of the future value	Opportunities to achieve the growth	Growth
Value of the business in its current state	Opportunities to increase the efficiency	Efficiency

### Conclusion

However, this is often not achieved in practice. According to the study «Creating economic profit. The analysis of Russian companies,» conducted by the department in 2010, KPMG Management Consulting in conjunction with the State University – Higher School of Economics, 28 of the 70

selected largest companies consistently demonstrated an inability to create a positive economic value added for 2005-2008. How does the concept of VBM measures can help in enhancing the value of the business and the implementation of the restructuring?

In our opinion, progressive corporations may



use financial models and the concept of VBM for solving various problems, including such as:

monitoring of current operations and the impact on operating results;

motivation of staff and senior management, the implementation of long-term bonus programs to link long-term goals of the company with the interests of decision-makers;

control by shareholders and creditors of the real state of affairs and changes in the value of the company;

identify long-term trends and short-term measures, adjusting the strategy and tactics of doing business;

interaction with the financial and economic

community – increasing the transparency and simplification of procedures for the preparation and provision of information to auditors, potential and actual shareholders, rating agencies;

reduction in the cost of capital and capital structure optimization.

In the application of financial models and implementation of a set of measures will be gained experience, adjusted approaches to business management.

As a result, companies can build a flexible system of business management, capable to solve problems to reduce the negative effects of the crisis in the short term and to ensure the sustainable development and growth of their value over the long term.

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## Realization of Innovative Tasks in the Public Local Government and Self-Government in Kazakhstan

**Abstract.** One of the key problems of modern Kazakhstan, which are important for further democratic development of the country, is creation of local self-government. The rights of citizens to local self-government proclaimed in the Constitution of 1995 still remain not implemented. Several attempts to draft the bill on local self-government were made in recent years. The main obstacle is lack of unity in understanding of local self-government among the political and public numbers of the country.

**Key words:** public local government, self-government, innovative tasks, republican and local authorities, direct and indirect state, business environment regulation.

### Introduction

In recent years, the country has made an evolutionary leap for the creation of information infrastructure and the development of information systems. As it is mentioned in the Plan of the nation «100 steps. The modern state for all» by the President entrusted the creation of the state corporation «Government for citizens», which will become the single provider of public services. State Corporation integrates all public service centers into a single system, and Kazakh citizens will get public services in one place [1].

### Methods

In the study, conceptual approaches to social institutions and other regulators of social activities were used. Among them: interdisciplinary, systematic, historical and comparative, structural and functional approaches.

### Main body

In this regard, September 2, 2015 Majilis accepted into work the draft law «On amendments and additions to some legislative acts of Kazakhstan on the provision of public services».

The main objectives of the bill are:

- A radical improvement in the quality and reducing the time for public service delivery,

- A centralized system of full cycle with a client including work of service companies,

- Uniform quality of service standards for all public services,

- Transparency of all processes, services,

- Increased availability of public services, including using a variety of access channels,

- Built feedback system, continuous quality improvement, involving all participants in the process of providing public services. Changes made to the 5 codes and 30 laws. [2]

The bill is designed taking into account the positive international experience, on the basis of a full cycle of public services. The main advantage of public service centers (CSCs) were the exclusion of corruption risks by ensuring equal access to services, access to different services in one place and eliminating direct contact between the performers of services and citizens.

However, in this area there are a number of unsolved problems. For example, operating in the regions of CSCs provide services only to the front office, that is carried out only accepting applications and issuing results.

The development of innovative mechanisms improves the efficiency of the state local government activity that requires far-reaching structural reforms

knowledge-based industries to create the technological core of the economy based on large-scale cross-industry state-owned corporations. These radical organizational changes are aimed to the concentration of resources for the conservation and development of scientific and technological base of production and economic growth.

Creation of SC is done by merging key regional state-owned enterprises (RSE), providing services in the areas of social protection, land relations and registration of real estate, which not only accept applications in one circuit, but also carry out work on their treatment.

According to experts, taking into account the Canadian experience, initially proposed the transfer of the most popular public services in the sphere of land relations, real estate, social and pension payments.

In summary, it is possible to identify key issues in the field of innovative and high-quality public services, which need the solution:

A) from a legal point of view, there is a need for consolidation in the Republic of Kazakhstan laws the term «State Corporation» «Government for citizens» Introduction of the term due to the activities of the state corporation as a unified provider of public services with the delineation of roles and responsibilities of corporations and government agencies. Considering that the Ministry of Investment and Development of Kazakhstan oversees the functioning of the public service centers, as well as optimization and automation of public services, the coordination of activities of the State corporations entrusted to the Ministry. Keeping policies in their respective fields, the formation of budget requests and control remain within the competence of the authorized state bodies.

B) The most important tool to improve the quality of public services is the optimization and automation of processes. This aspect links the quality of the public services to business-structures. There is a great need for optimization and improvement of services in the sphere of land relations and housing, architecture, construction, life passage which sometimes takes 3 to 5 years. Each government agency keeps documents on 15-30 days. As a result, Kazakhstan ranks 154 th out of 189 countries in the ranking of Doing business in terms of obtaining building permits.

C) To resolve this problem, we must create a national geoinformational system that integrates disparate inventories and will reduce service companies in a single system. This greatly simplifies the licensing procedures, ensure transparency and con-

trol, while avoiding duplication of accounting activities and their costs. For example, if the birth of a child previously required applying three times for services like: the registration of birth of the child, and then to issue social welfare and again – to put the child in a place in a kindergarten, but now all these services combined into one comprehensive service «Birth of a child». At once, a person receives three services simultaneously [2]

The innovative mechanism of development of the state of local government and self-government is recognized in the provision of a qualitatively new level of protection of the rights of the Institute to improve the system of public services, which will make it possible to respond precisely and flexibly to the facts of untimely and inefficient delivery of public services.

Economic studies show that the consolidation of various business units involved in the creation of new high-tech product, is advisable to use the concept of regional innovation clusters, characterized by a high level of self-motivation and the balance of interests of participants of economic activity, as well as the possibility of organizing their effective interaction with local authorities on the basis of the PPP. These qualities are responsible for the appearance of multiplicative and synergistic effects of inter-sectoral cooperation and concentration of high-tech industry. The achievement of these effects requires increasing the effectiveness of state regulation of regional economies and support enterprises in PPP terms.

Formation of a new type of market economic system, which is based on business activities and the use of innovative methods of state regulation, is happening today on the background of systemic crisis of the economy, which is characterized by the transformation of the organizational forms of management, and, accordingly, the need for a combination of administrative and economic methods of regulation. For this reason, the leading role of the state in economic management is of particular importance.

Thus, in terms of the national economy, the regulating role of the state in management is of particular importance and the prospect of government regulation is to establish a mechanism, harmoniously combining market and state controls [3].

Under these circumstances, the schematic model (block diagram of the mechanism) the interaction of national and local authorities with business entities is presented below in the form of a hybrid model of administrative and regulatory control (see Figure 1):

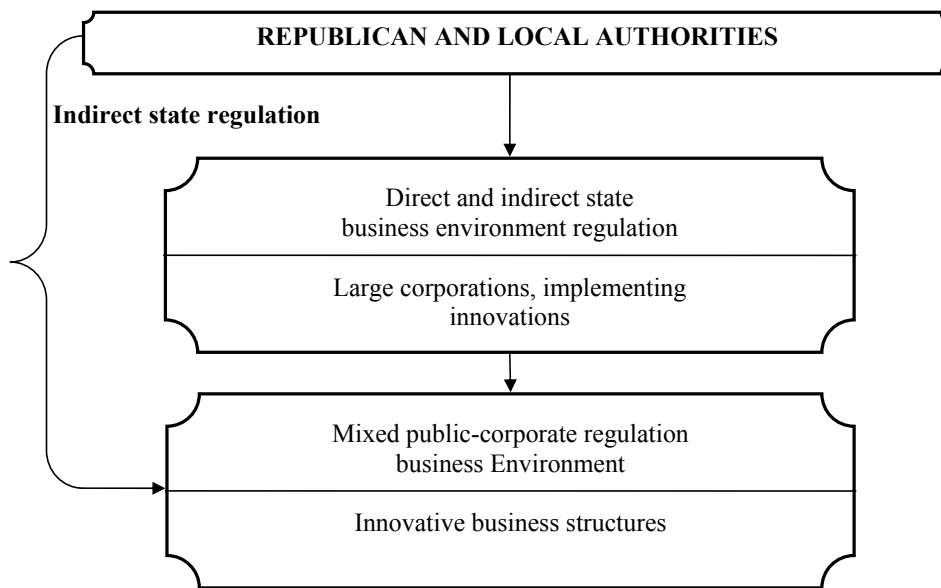


Figure 1 – Block diagram (model) of the mixed mechanism of innovation development management business structures \*

\* Note: Block diagram (model) and adapted based on the data [4].

The advantage of this model lies in the combination (mixed) properties opposite the administrative and regulatory market control schemes. For example, at the stage of the necessary conditions for innovative development of economically backward (endowment) for the formation of the region's industrial and innovation infrastructure, business environment, telecommunications networks, etc. mixed control mechanism ensures the activation elements of the regional business environment.

### Conclusion

Coordination function mode provides administrative regional offices and members of the business process to improve their handling in order to orga-

nize the innovative production, growth of employment and incomes. As the region's economic development, the formation of innovative infrastructure, the growth of scientific and industrial cooperation, building, business activity and independence of economic agents, administrative regime gradually leveled indirect regulation that ensures sustainable and efficient development of the regional innovation system.

Thus, the concept of integrated management of mixed knowledge-intensive production is based on informal construction of corporate business structures, the regulation of which is based on cooperation and coordination of innovators using intelligent information and communication technology management [4].

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## The Prospects of Small and Medium-Sized Enterprises Development in the Conditions of the Customs Unions

**Abstract.** Growth of small and medium-sized business is one of the most important factors of state competitiveness. For years of independence Kazakhstan reached a macroeconomic stability in local business development, its social sphere and market economy were provided by the regulatory framework needed for entrepreneurship development of all patterns of ownership. Small and medium-sized business carries out not only socially responsible role, but also provides considerable tax revenues for the budget. Small business in European Union countries covers at about 50% of all occupied population, in the USA it engages – 53%, in Japan – 72%, and 30% of Kazakhstani citizens are engaged in SMEs as well. The international experience convincingly proves that the small and average entrepreneurship easily adapts in crises, as well as inclines to self-organization and self-development, and due to state policy can provide a rapid social effect. Small and medium-sized enterprises are drivers of economic development in the European Union, they represent 99% of all businesses. The definition of SMEs is important for access to finance and EU support programs targeted specifically at these enterprises. The main factors, determining whether an enterprise is a SME, are staff headcount and either turnover or balance sheet total.

**Key words:** Custom union, Tax, Taxation, Small and Medium-sized Enterprises, Economy

### Introduction

The European Commission's enterprise policies' aim is to create a favourable environment for small and medium-sized enterprises to thrive within the custom union. Many of the policies have been realized to reduce administrative burdens, to stimulate innovation, to encourage sustainable production, and to ensure the smooth functioning of the EU's internal market.

As well as in everything in Kazakhstan the state keeps development of small and medium business by means of special state programs implementation, which provides simplification of standard and ministerial procedures on maintaining business processes, and simplifies taxation system. The President of Kazakhstan N. A. Nazarbayev in his messages allocated to the people of Kazakhstan in 2013

declaimed development of small and medium-sized business as priority directions of the country.

### Methods

In this article were used methods of theoretical and empirical research.

### Main body

Small and medium-sized enterprises (SMEs) are drivers of economic development in the European union, they represent 99% of all businesses. The definition of an SME is important for access to finance and EU support programmes targeted specifically at these enterprises.

The main factors determining whether an enterprise is an SME are: staff headcount and either turnover or balance sheet total.

**Table 1** – The main factors determining Small and medium-sized enterprises

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Source: European Commission, Internal Market, Industry, Entrepreneurship and SMEs.

[http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en) Accessed on 20 December 2016.

Considering the fact that this sector is the most vital and efficient part of the economy, small and medium-sized enterprises (SMEs) are the backbone of Europe's economy. In the past five years, they have created around 85% of new jobs and provided two-thirds of the total private sector employment in the EU. Also, the participation in the value added is about 57% at EU level. Internationalisation opens up new markets for SMEs and has the potential to boost SME competitiveness. However, only 25% of European SMEs export to

another country. This means that many SMEs are missing opportunities offered by the single market [1]». Altogether, more than 40 % of European SMEs are involved in some form of international business relationship. The following seven target markets are increasingly important for European businesses: Brazil, Russia, India, China ('the BRIC countries'), Japan, South Korea and Ukraine. The share of internationalised EU SMEs with business activities in these growth markets is from 4.5% to 13% (Russia)» [2]

**Table 2** – Enterprise size class analysis of employment at EU level, % of sectoral total

	Micro	Small	Medium-sized	Large
Mining & quarrying	6,4	13,1	13,4	67,1
Manufacturing	13,7	19,8	25,4	41,1
Electricity, gas, steam & air con. supply	4,6	5,3	12,4	77,8
Water supply, waste & remediation	8,7	19,9	27,4	44,0
Construction	46,3	27,7	13,6	12,3
Distributive trades	36,1	20,6	13,3	29,9
Transport & storage	19,1	17,2	16,1	47,6
Accommodation & food services	41,7	28,9	12,2	17,1
Information & communication	23,6	17,2	17,6	41,5
Real estate activities	58,6	16,9	12,2	12,2
Professional, scientific & technical activities	49,0	19,8	13,2	17,9
Administrative & support services	16,1	13,6	18,6	51,8
Repair: computer, personal & h'hold goods	66,5	13,8	8,9	10,7

Source: Eurostat. Statistics on small and medium-sized enterprises. [http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics\\_on\\_small\\_and\\_medium-sized\\_enterprises](http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises) Accessed on 20 December 2016.



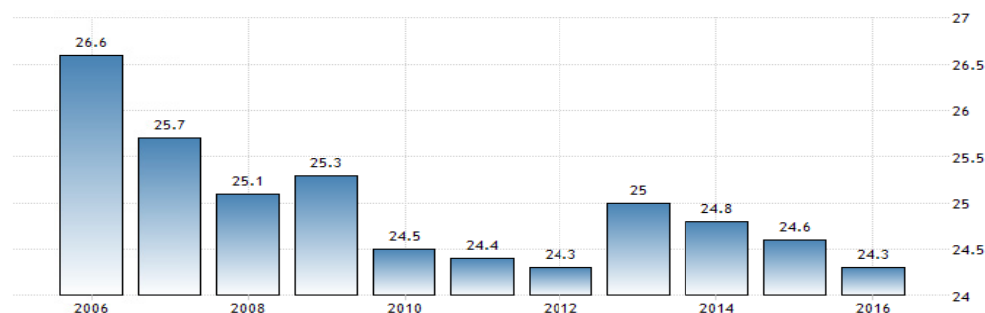
In Table 2 we gave an overview of enterprise size class analysis of employment at EU level. Small and medium-sized enterprises account for around two-thirds of total employment, ranging from 53 % in the United Kingdom to 86 % in Greece. According to the latest official data, there are around 26 million active enterprises with some 143 million persons employed. The services sector was dominant in every country, as measured by the highest proportion of active enterprises. There were about 4 million jobs created from 2.6 million newly born enterprises, based on the final 2014 data, while the preliminary results show 3.5 job losses because of 2.3 million death businesses. The proportion of newly born enterprises in 2014 compared to 2013 increased by 1.8 %. Birth and death rates of enterprises tend to be around 9 % of the total number, however in 2013, there were more enterprise births than deaths, both at EU level and in the majority of Member States. The one-year survival rate for enterprises created in 2013 was about 80 %; the five-year survival rate of enterprises born in 2009 and still active in 2014 was nearly 44 % [3].

The European Commission considers SMEs and entrepreneurship as a key ensuring economic growth, innovation, job creation, and social integration in the EU. Therefore, in the custom union as business environment there is the need for creation competitive and export-oriented medium-sized enterprises. To improve the competitiveness and innovativeness of SMEs, as well as the recovery of economy from the global economic crisis consequences, the governments should achieve two main goals: 1) Creating a standardized model of services and improvement of infrastructure to business support in order to increase the number of new small and medium-sized enterprises, as well as support their survival and competitiveness; 2) Increasing of innovation and competitiveness through capacity building of government institutions and specialized organizations to support innovation in business.

This activity is aligned with the Strategy «Europe 2020», which refers to promoting the improvement of conditions for innovation in small enterprises [4].

The EU Customs Union means that no customs duties at internal borders between the EU Member States; common customs duties on imports from outside the EU; common rules of origin for products from outside the EU and a common definition of customs value. Agreement on these four principles between the six founder Member States (Belgium, France, Germany, Italy, Luxembourg and the Netherlands) led to completion of the Customs Union on 1 July 1968, one and a half years earlier than planned in the 1957 Treaty of Rome. Community customs legislation was pushed forward to make sure that wherever goods are imported into the EU, the same rules are applied. A legal framework was established to: ensuring the common tariff is applied in the same way all along the EU's external borders; introducing a common approach on warehousing procedures; facilitating movements of goods in «customs transit» and replacing the wide variety of customs documents with a single administrative document. All the mentioned rules were finally brought together in the Community Customs Code, which was adopted in 1992 [5].

Stimulant character of the tax system with the lowest tax rate is desirable for small and medium-sized enterprises. In the Euro area, the Corporate Income tax rate is an average of the taxes collected from companies. Its amount is based on the net income companies obtain while exercising their business activity, normally during one business year. The Corporate Tax Rate In the Euro Area stands at 24.30 percent. Corporate Tax Rate in Euro area averaged 28.71 percent from 1995 until 2016, reaching an all time high of 36.80 percent in 1995 and a record low of 24.30 percent in 2012. Chart 1 provides the historical data on corporate tax rate in the period 2006-2016. in Euro Area and we can see a downward trend in the movement of this indicator.

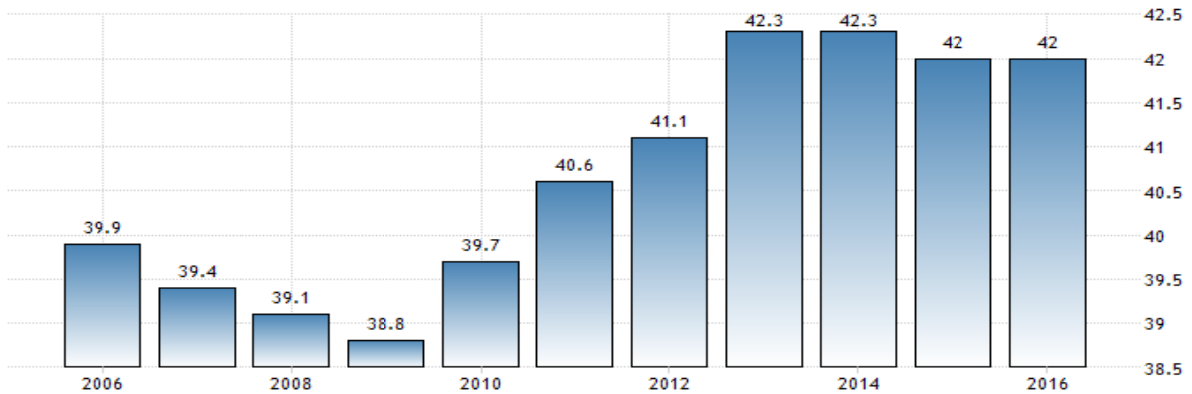


**Chart 1.** Euro Area Corporate Tax Rate

Source: European commission, [www.tradingeconomics.com](http://www.tradingeconomics.com) Accessed on 20 December 2016.

In the Euro Area, the Personal Income Tax Rate is an average of the taxes collected from individuals and is imposed on different sources of income like labour, pensions, interest and dividends. The Personal Income Tax Rate in the Euro Area stands at 42 percent. Personal Income Tax Rate in Euro area averaged 42.63 percent from 1995 until 2016,

reaching an all time high of 49.00 percent in 1995 and a record low of 38.80 percent in 2009. Chart 2 provides the historical data on personal income tax rate in the period 2006-2016 in Euro Area and it can be seen a growing trend from 2010 to 2014 in the movement of this indicator, while it is constant in the last two years.



**Chart 2.** Euro Area Personal Income Tax Rate

Source: European commission, [www.tradingeconomics.com](http://www.tradingeconomics.com) Accessed on 20 December 2016

In the Euro Area, the sales tax rate is an average of the taxes charged to consumers based on the purchase price of certain goods and services. The Sales Tax Rate in the Euro Area stands at 20.80 percent. Sales Tax Rate in Euro Area averaged 17.75 percent from 1968

until 2016, reaching at all-time high of 20.80 percent in 2015 and a record low of 13.50 percent in 1970. Chart 3 provides the historical data on sales rate, VAT in the period 2006-2016 in EU. We can see growing trend in the movement of this indicator.



SOURCE: WWW.TRADINGECONOMICS.COM | EUROPEAN COMMISSION

**Chart 3.** EU sales tax rate, VAT

Source: European commission, [www.tradingeconomics.com](http://www.tradingeconomics.com) Accessed on 20 December 2016

Successful moves in the reform of the tax system contribute to increasing of the attractiveness of SMEs sector. Many developed countries have lower tax rates for SMEs and it could be the target for underdeveloped economies in the future. Some of reform measures are motivated by both efficiency and equity objectives. Reducing of tax rates on corporate income could be a positive signal and encouragement for the domestic and foreign investors or business starters. Efforts made in this field have resulted in increasing the transparency of the tax system in EU internal market.

According to world practice, small and medium business most successfully functions in the conditions of steadily developing economy with the corresponding state support.

One of instruments of regulation of activities of SMEs is control. Tax control possesses one of the main places in system of the state financial control. It is well-known that it is designed to provide observance of regulations of the tax legislation by taxpayers and forming of profitable base of the budget of all levels, necessary financial resources.

In the conditions of the global financial crisis, in our opinion its role considerably increases. From tough observance of regulations of the tax legislation, both payers, and employees of bodies of tax administrations the level of development of national economy and a welfare of each person in many respects depends.

Implementation of tax control – one of the most important functions of bodies of tax administration. In article 18 of item 1. The tax code of the Republic of Kazakhstan it is specified that the main objective of bodies of tax administration is, ensuring completeness and timeliness of receipt of taxes and other obligatory payments in the budget, completeness and timeliness of calculation and payment of compulsory pension contributions and social assignments, and also observance of the tax legislation RK. Tax control not only provides observance of regulations of the tax legislation, but also performs attraction of financial resources in profitable base of the government budget.

For the purpose of implementation of the tasks issued by the Head of the state in the Message to the people of Kazakhstan, along with other directions of tax control, the found reflections and changes were made in the Tax Code of the RK acting from 01.01.2009.

Main objective of reforming the tax administration touches combinations of the administration quality and interests of taxpayers. In this connection in the new Tax Code regulatory legal acts in

the field of the taxation are included, and tax procedures are simplified.

The Code introduced concepts and an order of conducting tax accounting for the first time, the number of annexes to tax accounts thereby are reduced, i.e. the procedure of creation and delivery of tax accounts is simplified. Except reducing forms of the reporting, the periods of tax accounts up to one quarter are changed. The right is offered to taxpayers, not to hand over tax reports during suspension of operations. In the new Tax CODE it is accurately stated a regulation of the operating methods of tax controlling. In particular, the purpose and an order of carrying out cameral control, which represents one of important types of preliminary control, are determined.

Absolutely a new moment is a transition to the risk management system (RMS) that will allow concentrating attention of tax administration bodies on the spheres of the increased risk, ensuring more effective usage of the available resources. Now results of the RMS use will give the grounds for tax audits. Also the RMS results will be used for the purpose of an automatic value added tax return.

In general certain instruments of tax incentives of the taxpayers promoting economic activity in the conditions of world economic and financial crisis are provided in the new Tax Code.

The tax Committee of the Ministry of Finance of the RK in recent years made considerable work on enhancement of tax control. With entering of the new Tax Code of the RK a role and value of cameral control is strengthened in all tax authorities working groups for rendering the consulting reporting in electronic form by means of the client application SHTA (system of handling of tax accounts) and Web – the application "An office of the taxpayer are created. In nine months 2009 countrywide 75% of forms of tax accounts are provided the taxpayer". It should be noted that the highest rate in an electronic form of submission of reports constitutes 87% across Almaty.

It should be noted that the RMS developed criterion allows to control the procedure of a VAT return most precisely already today. According to Tax Committee of MF of the RK for the first half of the 2009 as a result of entering of the RMS in general on the republic it is refused a VAT return according to 252 statements on the amount of 19,9 billion tenges, sent to the bodies of financial police in 113 requests.

Tax control as the main component of tax administration reflects extent of interaction of the state with the population business. From one hand,

shortcomings of tax control can bring to decrease in receipts of financial resources paid as the income to the government budget and to increase in tax offenses; from other hand, they can interrupt to taxpayers' work, i.e. violating of the basic principles of the taxation such as objectivity, simplicity and justice. As a result all this can lead to a negative impact on the national economy.

In our opinion the main objective of tax control is ensuring balance between the rights and obligations of the taxpayer. In the conditions of tough contention and financial crisis, objectively there is a possibility of implementation of joint activities issued by business units, in the form of merges and absorption. In turn these business activities' phenomenon need standardly legal documents where the order of calculation, tax payment and other obligatory payments to the budget will be accurately registered.

The problem of timely settlement by taxpayers of tax debt became one of the most important problems in the conditions of financial crisis in the country. Especially it is observed in the construction sector of the economy.

A certain alarm is caused by the presence of a bad tax debt, caused by existence of cash firms and pseudo-entities. Adoption of the bill of a pseudo-entrepreneurship, approved by the Mazhilis of the Parliament of the RK, in our opinion, will allow to reduce probability of a pseudo-entrepreneurship.

In modern conditions tax authorities rather closely interact with law enforcement agencies for the purpose of prevention of evasion from the taxation. In our opinion, in order to increase the efficiency of an examination of tax authorities, positive impact would be exerted by close interaction with audit companies. On the practician tax declarations are constituted from the help of auditors. We, recommended obligation of presence of auditors and in case of tax audits, with simultaneous increase in responsibility of auditors.

In our opinion, direction of tax control control of expenses of taxpayers should be the priority, but not behind their income. In this regard, increase in level of analytical work in tax authorities would be reasonable. Control actions should be based on analysis results. The choice of the entity which is subject to tax audit needs to be performed by several criteria, based on risk analysis. Sudden tax audits with departure on the entities should be carried out only in the presence of reliable information that the entities evade paying taxes. For example, the Federal Tax Service (FTS) of the USA uses about 40 various techniques of purposeful selection of taxpayers for check. Here it is possible

to carry various methods of the analysis of declarations of taxpayers, use of information of the third parties, use of materials of tax audit of other taxpayers, results of last tax audits, etc.

Experience of tax control in Sweden deserves attention. Control activities of tax authorities in this country are rather effective. It demonstrates that the collecting of taxes constitutes 99,5%. Such result, according to many experts, will be reached by the organization of level of field service of taxpayers. For employees of tax administration of this country for many years this work is the major, and they find 8-10% of the working hours for field service of the population.

For improvement of the quality and effectiveness of tax audits preparatory work, certainly, is not enough for our employees of tax administration.

In addition, integration processes for Kazakhstan give the chance to build up the close economic relationship with other states. In this case, the accession to the Customs Union is strategic an important step for Kazakhstan. This important event will promote regional stability, strengthening of influence of three economies and consolidation of intentions of the states to improvement of life of the population, improvement of the entrepreneurial environment, and cooperation increase among the customs countries.

The customs union opens great opportunities for our producers, opening the market for 170 million consumers. On the other hand, domestic producers should compete with producers from Russia and Belarus. On it, the Customs union gives to domestic manufacturer commodity export opportunities without customs obstacles, and still an opportunity to compete and improve the production rate, thus to enter the international markets.

The customs union provided a basis for creation of the Common economic space that began to function since January 1, 2012 where single mechanisms of regulation of economy was issued, where perception of law were harmonized for the participants to operate on the territories of the member-countries, the unified tax, monetary, monetarist and customs policies were established. Thereby, free movement of goods and services, a financial and human capital will be provided.

Kazakhstan improved the indicators on 7 points in the annual rating of the World Bank of "Doing Business" which is determined among 183 countries on business conditions based on ten indicators, and took the 47th place in 2012 that is recognition by the international organizations of efficiency of the reforms undertaken in the country [6].

**Table 3** – The rating of the countries of participants of the Customs union for 2012

Indicators	Kazakhstan	Belarus	Russia
<b>Final rating, including</b>	<b>47</b>	<b>69</b>	<b>120</b>
Registration of the entities	57	9	111
Crediting	78	98	98
Protection of investor	10	79	111
Taxation	13	156	105
International trade	176	152	160

According to fund of development of an entrepreneurship "Damu", <http://www.fund-damu.kz>

If to compare data of rating among the countries of the Customs Union, registration process of the entity in Russia (the 111th line item) is worse, than in Kazakhstan (57), and in this line item Belarus (9) has a benefit. On a crediting Kazakhstan has the highest line item among the CU countries, borrowing 78, against the 98th line item of Belarus and Russia. In Kazakhstan in comparison with Russia and Belarus, the investment climate is better, he takes the 10th position in rating, and Russia and Belarus take the 111 and 79 places respectively.

The same positive dynamics on a line item of the taxation of entrepreneurs where Kazakhstan is awarded the 13th places, Russia and Belarus were on 105 and 156 places, respectively.

### Conclusion

According to the data of Committee on Statistics of the RK, in Kazakhstan the number of the registered subjects of SMEs over the last ten years grew up 2,5 times and constituted 837 083 units in 2011 against 323 731 units in 2002. As for output, this indicator grew up 4,9 times and constituted 2 706, 8 billion tenge in 2011 in comparison with 548,7 billion tenge in 2002, so it shows increase at 1,5 times [7].

During years of independence, about 10 billion dollars from the National fund of Kazakhstan have been allocated for the support of small and medium business in general. A stabilization effort and its real sector rendered positive effect in social and economic development of Kazakhstan [6].

Kazakhstan experiences an industry imbalance. According to Committee on Statistics of the RK: 45,6% of the functioning subjects of SMEs are engaged in the sphere of trade, 2,4% – in the sphere of a construction, and only 2,5% – in the sphere of the industry. Once again, this fact confirms that such tendency of development of SMEs does not promote diversification of the economy in general.

SMEs has significant effect on employment. In 2011 this sector provided 2427 thousand workplaces. This dynamics of small and average entrepreneurship development in Kazakhstan couldn't but be reflected in a contribution of units of SMEs to gross domestic product which varies at the level of 17,8 – 17,5% for 2005-2011. 2009 and 2010 SMEs sector steadily improved indicators of its activity. The number of the registered subjects of small and medium business increased [7].

Well carried out preparatory work, considerably reduces finance and time expenditure, and also will increase quality of results of tax audits. Preparatory work is a prechecking analysis of article of receipt and an expense of material values, studying of structure of property of the taxpayer, etc. Such work in our opinion, gives the chance checking to determine the main questions for examination during tax audit, thereby, prior to check the specific concept of check is developed. Tax control shall be exercised for the purpose of establishment and assessment of the facts of the case having essential value for the taxation for the benefit of the state and the taxpayer, but not for research of the additional taxes.

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### **Regional Specificity in Small Business in Kazakhstan**

**Abstract.** The current state of business is characterized by regional differences. Each region has a corresponding potential (industrial, financial, resource, labor, etc.) that causes the vast development of certain sectors of the small business. If you look by region, it is possible to say about the rather uniform development of small business. As expected, far from Almaty and Astana took the lead in the number of registered entrepreneurs. Good results show East Kazakhstan, Karaganda and South Kazakhstan region, while in the rest of the level of development of small enterprises is low. Conducted analytical review emphasizes the need for further study of regional peculiarities of small business in Kazakhstan in order to adjust and improve the environment for small businesses how to use financial and non-financial instruments.

**Key words:** small business, entrepreneurs, region, capital, plant and equipment, analysis, finance, enterprise, company, money, income, expenses, losses, financing strategy.

#### **Introduction**

**JEL Classifications:** M00, F23, R58

#### **Nomenclature**

The present state of business is characterized by regional differences. Each region has an adequate capacity (production, financial, resource, labor, etc.) that causes the prevailing development of certain sectors of the small business and business. If you look by region, it is possible to tell about a rather uniform development of small business and entrepreneurship. As expected, far from Almaty and Astana took the lead in the number of registered entrepreneurs. Good results show East Kazakhstan, Karaganda and South Kazakhstan region, while in other regions the level of development of small enterprises is low.

Regional differences in entrepreneurial activity are determined by the access of entrepreneurs to external markets. This in turn is determined by the level of competitiveness of the products, as well as developing a network of market infrastructure, ensuring the promotion of goods and services to foreign markets. In Kazakhstan, there is the practice of creating non-governmental public associations of entrepreneurs under the specific program for foreign

technical assistance. Among the most well-functioning should include business associations created in the city of Shymkent, Pavlodar, Kostanay. More effective action association are created at the expense of entrepreneurs and funded by contributions from the members of these associations. Examples of such associations are the Almaty Association of Entrepreneurs, Central Asian Business Association, Association of Furniture and Woodworking Industry, etc. These non-governmental organizations provide a variety of consulting in the field of taxation, credit, marketing, business planning, etc., is carried out «round tables» and seminars, are rather effectively to protect the interests of its members at various levels [1, p.108].

#### **Methods**

The main problem faced by NGOs representing the interests of entrepreneurs, is that the local executive authorities in most regions do not consider them as real partners in addressing the problems of small and medium entrepreneurship and business. The reason is, first of all, the weakness of many NGOs, which is due to lack of political activity of the majority of domestic entrepreneurs.

On the other hand, with respect to the activities of NGOs executive is pronounced authoritarian character, resulting associations are considered as pocket non-standard units, designed to comply with the orders of the executive bodies [1, p.109].

The realization of the functional role of small and medium enterprises in different countries is of great importance for its basic economic potential. For example, in Kazakhstan the most intensive process of creation of small and medium-sized businesses took place from 1996 onwards. A significant number of small and medium-sized businesses has been created by entrepreneurs on their purchases for the privatization of state property auctions: in Almaty region-29.2%, or directly from state-owned enterprises-25%, as well as that of other proprietors-20.8%. Fewer companies are acquired by private individuals or by tender; in Kostanay region 98% of the surveyed companies is owned by the owners of the top managers. Fixed assets (production facilities and offices) purchased them: the State on privatization auctions – 34%, in state-owned enterprises-25%, other sellers-14%, private individuals- 7%, the mediators-5%; 13% of them became the property as a result of winning the tender [2]. In Almaty region the vast majority of firms-49.4% were created by the entrepreneurs on their own savings. The fourth part of the leaders

of the capital helped relatives. Every fourth- with the help of partners, with 73% of them support a partnership with creditors so far. In most cases, the main partners in business are relatives and other individuals are 75% of the total number of enterprises based with the help of partners [2, p.87-88]. In our opinion, Kazakhstan's small business and the business has very important regional typology, which defined not only the dispersal of it on a territorial basis, but also the nature of the use of basic socio-economic potential-human, material and natural resources accumulated in regions.

### Main body

With an average ratio of 20.6% in the country-the lowest ratio was formed in 20.6%-the lowest ratio formed in the Mangistau region-12.0%. Atyrau region is also the leader for the highest share of entrepreneurs in the total number of economically active population in the region - 13.4%, and farms below the ratio-1.6%, due to the industrial orientation of its economic sector. According to farmers, the maximum value of the considered relations developed in the South Kazakhstan region-13.8%.

In the regional aspect, it is important to track trends in the structure of employment during the period from 2009 to 2014 years. - Table 1.

**Table 1** – Regional structure of employment in small business for 2009-2014.(%)

Regions	2009	2010	2011	2012	2013	2014
In Kazakhstan region	100	100	100	100	100	100
Akmola	7,7	6,0	5,9	5,4	4,8	4,8
Aktobe	5,0	4,1	4,1	4,2	4,3	4,6
Almaty	4,0	6,7	6,7	5,9	5,7	5,4
Atyrau	3,6	2,7	2,7	2,9	3,4	3,4
East Kazakhstan	8,5	8,5	8,5	7,7	8,1	8,1
Zhambyl	4,5	3,8	3,7	3,1	2,8	3,3
West Kazakhstan	7,0	3,5	3,5	3,0	2,8	2,8
Karaganda	7,0	7,0	6,9	7,1	6,9	6,9
Kostanay	5,9	5,9	6,1	5,0	5,1	5,2
Kyzylorda	4,5	2,8	2,7	2,7	2,4	2,9
Mangistau	3,2	2,4	2,4	2,6	2,8	3,6
Pavlodar	6,4	4,8	4,8	4,7	4,3	4,4
North Kazakhstan	5,4	3,7	3,7	3,4	3,9	3,5

Regions	2009	2010	2011	2012	2013	2014
South Kazakhstan	5,6	8,8	8,7	9,2	9,6	9,4
Astana	4,9	8,0	8,1	8,5	9,3	8,9
Almaty	16,7	21,3	21,6	24,6	23,8	22,8
Note – compiled from the source [4]						

As can be seen from Table 2, for the period 2009-2014 there is established trend of growth in the following regions – Almaty- there was increase of 1.4 times, Astana – by 1.8 times, Almaty oblast- by 1.3 times, South Kazakhstan region-1.7 times. A slight increase occurred in Mangistau oblast –0,4%, while in other areas there is a tendency reducing the number of employees. This is largely explained by the complexity of business organizations in

the region and the lack of necessary infrastructure services. Much influenced by the migration of the population, and especially young people in the large industrial or agricultural development, regional complexes (Almaty and South Kazakhstan region) are a clear example of this motivation.

At the same time, the republic's regions make a significant contribution to the total output of small business and the business – Table 2.

**Table 2** – Output of small entrepreneurship and business enterprises (mln).

Regions	2010	2011	2012	2013	2014
In Kazakhstan region	324032,9	457949,1	809625,8	1002404,4	1033437,7
Akmola	15846,2	21009,3	34318,6	34023,6	33239,6
Aktobe	12547,9	13413,7	31609,4	37009,8	34814,4
Almaty	16244,4	31807,5	54090,8	54223,2	57732,9
Atyrau	12899	26610,6	42334,2	71680,5	76408,3
East Kazakhstan	15745,5	17054,1	34156,9	44085,2	42498,9
Zhambyl	6396,7	8592,6	10652	13267	17379,0
West Kazakhstan	16148,1	15091,7	27654,8	23519,9	33066,0
Karaganda	13603,2	17012,7	30776,6	40204,2	47935,3
Kostanay	18364,4	22021,2	34632,2	41620,5	42302,6
Kyzylorda	8492,5	15021,7	37071,8	39814,9	43192,5
Mangistau	14465,9	17107	28316,1	29813,5	31185,7
Pavlodar	16935	21101,1	32880,1	38706,7	45338,9
North Kazakhstan	8740,9	11587,1	18682,2	22248,9	27794,8
South Kazakhstan	12755,6	15839,3	28754	40183,3	42771,4
Astana	35504,1	57257,8	102106,7	158434,9	154824,0
Almaty	99343,5	147421,7	261589,4	313667,7	302953,2
Note – compiled from the source [4]					

As can be seen in Table 3, the production volumes of the enterprises of small business products and regions of the country as a whole business in the reporting period increased by 3.2 times. At the same time, the average level was exceeded in areas such as Almaty – by 3.5 times, Kyzylorda – 5.1 times, Karaganda – 3.5 times, South Kazakhstan – 3.3 times. Significant growth in production volumes took place in two capitals of the republic – Astana and Almaty, in view of the significant expansion in them during the period of sphere of small business, especially in capital-intensive areas of it-the construction, transportation, etc.

Analysis of the output confirms the positive role of SMEs operating in the industry, where only 3% of operating SMEs provide 10% share of output of all SMEs sectors. Similarly, only 4% of SMEs operate in the construction industry, providing a 15% share of the output of all SME sectors. SMB transport and communication solve economic problem to ensure GDP growth by increasing the output roughly proportional to the their number: taking 8% of the number of SMBs across industries, this industry provides a 7% share of output of all SME sectors.

When lending is clearly seen unattractive lending to the agricultural sector. Occupying a 23% share of the total number of existing SMEs, they have received only 6% of total loans of SMB. This is due to the high industry risks and the seasonal nature of the effectiveness of the SME sector. Moreover, in this sector, mainly SMEs operate in the form of farms, which are located in remote rural areas and do not have liquid collateral.

Construction was the most attractive sector for lending of STB. Taking on the number of active SMEs only 4% of the share, they received 18 of all loans STB. This is due to the increase in property prices in recent years, and on the background of the real estate market crisis, the situation will change [5].

SME trade on this indicator also have the largest share. Taking on the number of active SMEs 37% stake, they received 41% of all loans STB.

Draw ranking regions by the share of active SMEs in the total number of registered SMEs. The higher the level of this index, the better the conditions for doing business and businesses exist in the region.

### Conclusion

Therefore, at the beginning of 2014 in Kazakhstan, the figure is 62%. Higher than the average republican level, it was formed in Kostanay (75%), Almaty (75%), Atyrau (72%), Zhambyl Kazakhstan and Aktobe region (66%).

This is due to the fact that around the national average are the North-Kazakhstan (63%) and Karaganda (59%) of the region. In other regions the figure below the national and varies from 58% (Kyzylorda region) to 42% (Almaty).

The increase in the number of active subjects of MB was observed in all regions of the country. Thus, in the West Kazakhstan region the number of active entities increased by 6.9%, in Kyzylorda oblast – by 8.8%, Almaty oblast – by 5.4%, Zhambyl oblast – by 5.7%, Aktobe region – 5,1%, Akmola oblast – by 5.7%, Kostanay oblast – by 5.2%, in Astana – by 7,6%, and Almaty – 15.3%. The largest number of active SMEs accounted for Almaty (16 ths.), Astana (6ths.) and East Kazakhstan (5 ths) Area. The smallest number of active SBE (less than 2 thousand. Per region) is in North Kazakhstan, West Kazakhstan, Zhambyl and Kyzylorda region.

Summing up, we can draw the following conclusions:

- In general, there is a small increase in absolute values of entrepreneurship and business (nominal number of registered, active SMP, volumes of production);
- The contribution of SMEs to the budget increases faster than the number of registered and operating enterprises and faster than their share in the GDP;
- However, there are negative trends in relative performance (growth rate of the number of existing SMEs, the share of SMEs in GDP, the structure of the industry development, the growth rate loans to the volume of STB SMEs and their sectoral structure).

Accordingly conducted analytical review stresses the need for further study of regional features of small business in Kazakhstan in order to adjust and improve the development environment of small business entrepreneurship as a means of financial and non-financial instruments.

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### Discounted Cash Flow Method in Assessing the Value of the Enterprise

**Abstract.** Evaluation of the rights of the owners of the company, is the primary indicator of the company's profit potential over time. The income approach as the basic principle. Method of discounting future revenues, as the present value of the future income from the acquisition of objects, successfully used for the assessment of real estate.

The benefits of real estate transactions in the future, future revenues and reversiyani time in the form of income during the period of ownership, ie the profit from the sale of the property at the end of the period of ownership.

The enterprise value – the amount of income for several years and calculated as the difference between the amount of the borrowed funds which are involved, generates future income, expenses and cash flows.

Future costs and the results of the evaluation of the company are to be determined within the reporting period and the amortization horizons. Computer horizons are measured by the number of steps of the calculation. Discounted cash flow method, the assets of the enterprise value of their cash income are measured by the ability to import.

**Key words:** The income method, real estate prices, the estimated value, capitalization rate.

#### Introduction

The history of mankind shows that people always aimed to live in the best natural environment – in the fertile lands, have convenient harbors in auspicious climate, the presence of water and fuel resources, in areas where the bearing capacity of soil, the depth and other natural characteristics auspicious for construction. Staying in such places, people built houses, public buildings, religious buildings, industrial and farm buildings, public facilities, combined their roads auspicious territory settlements, and adapted them for life. Economic development, business activity, the relevant laws determined the style and standard of living and behavior.

#### Methods

All evaluation method involves a preliminary analysis of certain information base and the corresponding calculation algorithm. All methods of assessment can determine the value of the business at a specific date and all the methods are market because take into account the current market conditions, market expectations of investors, market risks associated with the business are measured, and the expected "response" of the market with the purchase

and sale transactions valued. There are two methods of evaluation to determine the income method used in the world: the direct capitalization method and the discounted cash flow method. This is the most universal method for assessing the value of different types of property of the company.

#### Main body

Evaluation of the rights of the owners of the company, is the primary indicator of the company's profit potential over time. Its capitalization is determined by the formula:

$$V = I / K$$

V – the current value

I – income

K – the leverage ratio

The income approach as the basic principle is the principle of waiting. Method of discounting future revenues, as the present value of the future income from the acquisition of objects, successfully used for the assessment of real estate. The benefits of real estate transactions in the future, future revenues and reversiyani time in the form of income



during the period of ownership, ie the profit from the sale of the property at the end of the period of ownership.

Discount methods in the following sequence:

1. The determination of the length of the period of the Income;

2. Each year cash flow forecast for the period of ownership.

Cash flow is the main functional activities, the company's annual results. Discounted cash flow of the first details of the process are:

– The amount of income and nature of change;

– A sequence of income (monthly, quarterly, semi-annual, annual);

– The length of time that is expected of the successful.

3. The discounted cash flow is based on the use of the theory of the time value of money, the future cash flows for the period, and to determine the present value of all the current is determined on the basis of a set of values.

4. The appraiser issues facing a cash flow discount:

– Net operating income;

– Pre-tax investment income;

– Investment income, after tax;

– Income on bank loans;

– The success of the lease agreement the lessor.

5. The discount rate is defined as the average profit margin directly proportional to the rate of risk. If you have a high level of risk, the higher the discount rate will be, the lower the present value of the future income will be.

6. At the end of the term of the present method of acquisition of calculating earnings from the sale of real estate property and assume it without the discount rate by the current value.

7. Income from the sale of flow and the present value of (reversion) revenues.

8. The enterprise value – the amount of income for several years and calculated as the difference between the amount of the borrowed funds are involved. Generates future income, expenses and cash flows.

Future costs and the results of the evaluation of the company are to be determined within the reporting period and the amortization horizons.

Computer horizons measured by the number of steps of the calculation. Discounted cash flow method, the assets of the enterprise value of their cash income is measured by the ability to import.

The net cash flow is a key indicator of this methodology. Cash flow direction has characterized monetary income and cash outflow.

Net cash flow time is defined as the difference between the input and output of cash. Enterprise work carried out during the three types of services: operating, investing and financing.

To assess the value of the company by discounting future revenues, cash is necessary to evaluate the input and output.

Operating and investment activity is referred to as the difference between their actual cash flows.

Real money balances of the three types of enterprise all the difference between profit and cash flow.

<b>Money income</b>	<b>Cash outflow</b>
<i>Operating activities</i>	
Cash	charges for the sale of raw materials
loans receivable	Salary
on revenue	Rent payment , Taxes
<i>Investment services</i>	
Income of investment in securities	Purchase of fixed capital
Proceeds from the branches	Budget costs
Proceeds from selling assets	Investment funding
<i>Financial services</i>	
Payment for sale securities	Dividends and proceeds
Borrowing	Repayment of obligations under the bond and credit

**Figure 1**– Monetary income and expenses of the company are shown.

Business income, mainly due to:

Sell their goods for cash, receive payments for goods and lent debtors;

- Within the country or abroad, or income from investments in securities transactions in branches;
- Different types of securities, and sell;
- Do not need one or more of the assets;
- Refuse loans, etc.

Business cash outflow is made due to the following:

- Attract and raw materials for its activities;
- Pay its employees, its capital has the ability to work with and implement new investments;
- Dividends and interest paid on loans obtained;
- The amount of the loan principal on bonds and loans, etc.

The final result is defined after tax net income of the company. However, this depreciation can be added to the funds. This increases the value of the enterprise funds.

Actual cash flows include certain types of income and expenses.

*1. Operating services:*

1. Sales volume;
2. Price;
3. Profit (1 \* 2);
4. The income from the sale;
5. The variable costs;
6. Fixed costs;
7. Depreciation of the building;
8. Depreciation of equipment;
9. Interest on loans;
10. Profit before tax receipt of (3 + 4-5-6-7-8);
11. Tax payments and savings;
12. The projected net income;
13. Depreciation and amortization (7 + 8);
14. The net operating income (12 + 13);

*2. Investment services:*

1. Earth;
2. Buildings and structures;
3. Machinery and equipment;
4. Intangible assets;
5. Total: fixed capital formation (1 + 2 + 3 + 4 = 5);
6. The increase in working capital;
7. All investments (6 + 5).

*3. Financial services:*

1. Equity capital (shares, subsidies);
2. Short-term loans;
3. Long-term loans;
4. Loan repayment of loans;

5. The payment of dividends;
6. The balance of the financial activities of (1 + 2 + 3-4) for a project;
- (1 + 2 + 3-4-5) – recipient.

To determine the actual cash flows from the investment activity, it is necessary to determine the net cost of the destruction of the object:

1. Market value;
2. Costs;
3. Accumulated depreciation;
4. The amount of time in the step (2-3);
5. Remove costs;
6. The increase in the cost of capital income;
7. Operating Income (1- 4 + 5);
8. Taxes;
9. Clean the residual value (1-8).

If the company considers free cash investment, which actually uses the money collected to determine the actual balance of the cash flows, all cash payments or losses are recorded. For example, the purchase of inventory or property, includes money, real money out, but not these costs. There is a number of methods for the calculation of cash flows:

1. Net operating income – this is the real gross income minus all operating costs of the remaining income in the form of an annual amount.

2. The pre-tax cash flow and calculated that the amount of amortization payments on borrowings, a portion of the net operating income.

Amortization of capital used in the operating activities of the company in its main physical and moral degradation compensation purposes, provides cash transfers.

Depreciation is dependent on three factors:

- the main production funds, carrying value of plant and equipment;
- equipment services to the planned date for the release of the balance sheet;
- the company's method of calculating the depreciation rates.

Of the final 2 makes adjustments to the value of the enterprise. The first one includes the cost of operating assets unfit for service. The other owners the advantages of working funds (+) loss (-).

**Conclusion**

The income approach is one of the most important concepts is the income capitalization. It is measured in terms of potential profit opportunities in the value of the object, methods and collections. The acquisition of real property appraiser using the income approach measures the current value of future income. Stream of income during the period of

ownership and re-capitalization ratio using the current value of the profit from the sale of the property are capitalized. Net operating income – is the calculated amount of the expected annual net income. The sum to need to take a mortgage loan and a deduction of wear of depreciation and after removal settlement reserves of property and operational costs. Definitions of the net operating income, the basis on a property rent is supposed. For calculation of the operating income it is necessary to calculate the potential income. A single payment and the total size of the market in the last year before the date

of the assessment are shown as other income. The obtaining the potential income it is supposed that you can rent and it is free. The appraiser needs to know that valued property is on the rental market during the calculating of potential total income. The appraiser needs to compare the valued property with other same objects on market and to amend the difference between them. The best method of amending is to select the relative pairs of leased object. If such objects are similar, but there is a significant change in some parts, amendments can be calculated on the basis of market information.

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## II ● EDUCATION

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### How the System of Education Has Changed in Kazakhstan after 25 Years of Independence

**Abstract.** The authors consider education as the foundation stone of the bright future of a nation, a reflection of the development of a society, which has undergone drastic changes in the last twenty five years. The education of a nation's youth to a full height of academic rigor and standing is a complex process that nearly always spans more than a decade, requires tens of thousands of dollars, dozens of teachers, and technology. The authors assume that today's education differs much from the education twenty five years ago. One of the reasons they are so different is because of technology. In the past twenty five years the world of technology has grown tremendously, affecting everything, including education. Globalization that is undergoing in the whole world has effects on education, culture, languages people use. Higher education accounts for civilization development and identifies the level of social, economy and technology development. It defines requirements for the rest education levels, establishes their standards and provides society with high quality of human resources.

**Key words:** education reforms, technology, world education space, the Bologna Process, the mobility of teachers and students, global standards.

#### Introduction

In 1991, as the Soviet Union was split up, Kazakhstan became an independent country. Since that time Kazakhstan is the one of few countries among former USSR republics which hadn't: great interethnic conflicts, great social shocks, civil wars, «colored revolutions» and other «flowers» of social instability. Kazakhstan is the exception from post-soviet space. President N.A. Nazarbayev worked out and created the system providing the rights of different ethnic groups and making interethnic dialogue possible; the Assembly of People of Kazakhstan appeared as the important element of such dialogue, to know the traditions and culture of peoples of Kazakhstan; to be tolerant to the traditions and culture of other nations.

Since independence in 1991, Kazakhstan has employed various approaches and strategies in modernizing the national education system, improving the quality of education and attempting to raise standards to international levels. Kazakhstan was among the first in the Central Asian region to

allow the establishment of private universities and colleges across the country. Among the innovations introduced during the last two decades was an attempt to establish western-style research. Kazakhstan transformed its Academy of Sciences into a public organization and attempted to channel all research funding to specialized agencies such as the National Innovation Fund and to various universities across the country.

Education reforms and the related changes have had a huge impact on Kazakhstan's education sector. These changes helped to create a dynamic labor market, in which a new generation of western-trained young professionals plays a major role. Several sectors of the national economy have been built practically from scratch, notably banking, finance, legal and some other service sectors – with young graduates, especially from leading western universities, filling most of the positions, making these sectors the most competitive in the CIS zone. The sovereignty challenged Kazakhstan to join the world community, to integrate national education

system with the international one. In this line the state education policy was directed to revision of the legislation, management and finance system of the education sector. In Kazakhstan, the reform of higher education has been implemented since 1995. To carry out a comparative study of all components of national and foreign education system levels, to make the revision of conceptual and methodology basics of higher professional education taking into account best national and foreign achievements of higher education system has become of great significance, the vital necessity.

### **Methods**

General scientific methods such as analysis, synthesis, classification and generalization; comparative study of different systems of education were used

### **Main body**

#### **Changes in the System of Higher Education**

The world has changed in many ways over the past years. Education has become one of the important spheres of human activity. Expansion of education and change of its status are accompanied by different problems in the education system, in which radical changes are taking place. Global education is transformed into a giant international laboratory. Thus, the global education system acquires new elements of unity of purpose and content of operating in national and regional systems. The world educational space brings together national educational systems of different types and levels, which are in constant interaction. The processes of globalization of economic life actively pushed education to the wider development of international relations, to search their global perspective. One manifestation of this is an increasing interest in the development of international education. Only education can provide effective acquisition and application of new methodological techniques, skills and values necessary to live in a rapidly changing world.

As for changes in Kazakhstan's education sector the new Law on Education was adopted in 1999. For the first time education was declared a top priority area of the state policy in Kazakhstan. The primary goal of higher professional education system development is education quality enhancement through systematic and targeted reform of higher education sector. The most important directions of higher professional education system development are integration of Kazakhstan into the world education system; coordination of approaches to state ed-

ucation standards; expansion of interstate information exchange in education area. Education process should contain methodology training in each discipline. Fundamental training should create equal possibilities for life-long education; enable creative development and personality fulfillment. Due to its enormity in terms of land area and relatively small population, distance education using current technologies is a very important component in the Kazakhstani university system. The development of distance and virtual education as a system ensuring access to life-long education, training/retraining, meets education needs of an individual oriented to continuous development. This millennium stands testimony to the fact that the breathtaking technologies are being introduced almost every year. Distance learning and online education have become an integral part of the education system nowadays. Certainly, the value of off-campus education may never be equal to that of on-campus training but for diploma and other courses, when the student is thousands of miles away from the educational institute, these online courses can be of great advantage.

International cooperation is one of most critical directions of higher education development aimed at integration of national higher education with the international education system. International cooperation in education area is regulated by the Legislation of Kazakhstan and implemented on the basis of international agreements, contracts and conventions. Agreements on cooperation in education area have been signed with Germany, Spain, China, Turkey, Bulgaria, the British Council of the United Kingdom and Northern Ireland, the American Council for Cooperation in Education Sector and Languages Study, the German Service for Academic Exchange, the National Center of France University Programs, the Soros-Kazakhstan Fund, Russia, Egypt, Uzbekistan, Kyrgyzstan, Ukraine, Mongolia, Azerbaijan and Georgia. The governments of Belarus, Kyrgyzstan, Russia and Kazakhstan signed the Agreement on Mutual Recognition and Equivalency of Qualifications, Academic Degrees and Ranks. Such joint education institutions as the Khodja Ahmed Yasawi International Kazakhstan-Turkish University, Suleyman Demirel University, Kazakh-American University, the Kazakhstan Institute of Management, Economics, and Strategic Research have been established and operate in the republic.

Kazakhstan is gaining invaluable practical experience by co-operating with top international universities. Borders of cooperation geography in the area of education and science expand every year. Kazakhstan students study abroad under the follow-



ing programs: international education exchanges; scholarships granted by governments of foreign countries and international organizations; international scholarship called Bolashak. Since 1993, 'Bolashak' scholarships have been awarded to over 6,000 students to attend top universities abroad. The program provided full funding for education in foreign countries, including tuition fees and living and travel expenses. The condition for funding has been simple and clear: graduates have to return to their home country and work for the government or various government agencies for five years. Hundreds of Bolashak graduates returned to Kazakhstan bringing important know-how and expertise in crucial fields – from banking and energy to public management and engineering.

Kazakhstan was among the first countries to abandon the Soviet-style system of higher education and to join the Bologna process. March 11, 2010 the Committee of Ministers of Education of the Bologna Process (46 countries) decided on Kazakhstan's joining the Bologna process. The State Program on Development of Education (SPDE-2010) included an introduction of a western-style credit system, improvement of education standards, and an increase in international cooperation in the field of education. In 2011, Kazakhstan began implementing a strategic ten-year program to overhaul the whole education system in terms of both structure and teaching. Kazakhstan is adopting many tenets of Western education, from a 12-year school system instead of the 11-year Soviet model to the European Union approach to higher education.

The entrance of Kazakhstan to the Bologna process gives real advantages for Kazakhstani higher educational institutions and students. They are the following: bringing of educational programs and syllabi into accordance with the European standards; recognition of the country's qualifications and academic degrees; ensuring academic mobility of teachers and students; recognition of the educational credits of Kazakhstani students at foreign universities; implementing two-diploma education program; recognition of Kazakhstani diplomas in European Union; the right of graduates being employed in any country-participant of the Bologna process. Kazakhstan has taken a considerable step forward adopting a three-stage model of higher education, which would allow students to study more easily internationally, and to add the possibility of a curriculum with electives and student-chosen courses. Bachelor's degree is typically a four-year degree. Master's degree is a two-year degree, corresponding to the Western masters. Doctoral degree is

typically a three – five year program. Therefore, this is a three-stage model: Bachelor – Master – Ph.D. By joining the Bologna process in 2011, Kazakhstan demonstrated its interest in furthering cooperation with international partners. The Nazarbayev University, founded in 2010 has introduced and adapted the best available international experience to the curriculum. The Nazarbayev University positions itself as a national educational center and a hub where educators from around the country and from around the region can learn about pedagogical approaches, incorporation of new media and IT into the teaching process, developing critical thinking among the students and gaining educational know-how to transfer to their home institutions.

Kazakhstan's entry into the international education community as a fully-fledged partner has brought great changes in higher education system. The introduction of corporate management techniques and multilingual education together with the promotion of academic mobility has set new benchmarks for Kazakhstani higher education institutions. Technical and professional education is changing radically. Employers are involved in the development of 147 new professional standards. Shared responsibility between potential employers and education institutions for providing personnel with quality training is being encouraged and developed.

The new PhD program produces qualitatively new young academics, the generation of academic staff whose skills will allow them to integrate into the global academic community. Because of the reforms, the structure of Kazakhstan's education system is becoming closer to global standards.

The Ministry of Education and Science takes part in projects implemented by such international organizations as UNESCO, ACTR/ACCELS, UNDP, the Peace Corps, the USIS, the Soros Fund, the IREX, the British Council/Kazakhstan, the German Service for International Academic Exchange, the National Center for School and University Programs of France (CNOUS), the Bureau for Linguistic and Pedagogic Cooperation of French Embassy in Kazakhstan. Cooperation with the TACIS and TEMPUS in implementation of the Program directed at establishment of academic relations between universities of Kazakhstan and the European Union is rather successful. «The Ministry of Education and Science has done a considerable work aimed at formation of common the CIS education system and a universal criteria design. At the 5th Session of the Council for Mutual Recognition of Academic Awards, Degrees and Ranks of the In-



tegration Committee that was held on 17-19 June 2002 in Dushanbe parties signed an agreement on obligatory accreditation of education institutions acknowledged by all member-countries of the Euro-Asian Economy Organization»[1].

The fulfillment of the parameters of the Bologna Process in the education system of Kazakhstan allows providing quality services at the level of world standards in view of integration into the European Higher Education Area. The State Program provides for establishment of the Bologna Process Center and the Center of Academic Mobility. Besides, the developed in April 2011 new rules of organization of education process on credit technology provides for scale of evaluation of credit technology in Kazakhstan and the European Credit Transfer and Accumulation System (ECTS) and mutual excepting of education programs, organization of academic mobility within Kazakhstan's model of excepting credits on the ECTS basis, using of the European system of transfer and accumulation of credits in education process and module building of education programs. Thus, the legal framework for development of academic mobility has been created. It is one of the effective ways to increase the quality of training personnel. The first steps in development of academic mobility have already been made. In 2011, the state for the first time supported the study in foreign higher education institution for one academic period in the best universities of Europe, South East Asia and the CIS. Besides, the mechanism of internal academic mobility was developed. The principle of this mechanism is 'regional higher education institution – national university' and it means that the students from the regional higher education institutions are able to study in the leading higher education institutions of the country.

The State Program of Education Development (SPDE) for 2011-2020 in the Republic of Kazakhstan determined a new goal of education – orientation on achieving concrete results combining educational and professional standards that regulated the training requirements demanded in the labor market of competent personnel. The program on development of education for 2020 provides for the measures that will promote autonomy of the national research universities since 2015, national higher education institutes – since 2016 and since 2018 all the rest higher education institutions of the country. The government announced the SPDE-2020, committing itself to equip Kazakhstan's education system to meet internationally competitive standards: organization of study process with the application of distant education

technologies, opening of multimedia classrooms, creation of multilevel system of training and re-training of personnel in the field of information technologies. Introduction of electronic learning (e-learning) takes a special place. New information technologies, multimedia and Internet technologies are used to improve the quality of education on account of improving the access to resources and services, as well as remote knowledge and mutual experience exchange. The main advantages of e-learning are connected with the expansion of accessibility and improvement of education quality. Educational services are provided directly at the student's residence, which is especially important for disabled people, socially vulnerable people and people living in remote villages.

Now all universities received access to the Internet and modern communication technologies, and funds to equip computer classes and to expand university libraries; to create electronic libraries. Technology brings changes in the teaching methodologies. The use of the computer forces pedagogy to think in new ways to exploit the computers benefits and work around its limitations. The computer provides opportunity for students to be less dependent on a teacher and have more freedom to experiment on their own, computers will give progressive results, if used in managing of teaching based on mistakes diagnosing. Computers can be successfully applied in organization of individual work of students after classes and testing works. Being a new technical means of teaching, the computer has an assisting role, as it solves methodical tasks that the traditional means of teaching do. Technology is great tool for making teaching process better, but equipment and automation can never replace person-to-person communication. However, not only the system of teaching has changed. At the same time, students change their attitude towards academic freedom. By integrating new technologies, students feel responsible for the outcome of their learning process. This millennium stands testimony to the fact that the breathtaking technologies are being introduced almost every year. Teachers and scholars across the globe have unanimously stood for integrating technology in education. This is owing to the fact that just like students; teachers find it easier to circulate study materials by using Internet as a communication tool. It is understandable that in this age of computers, new technologies, students who sincerely complete their research projects by referring to information available on the Internet are able to develop good analytical and research skills. By referring to a large number of resources, a seri-

ous student utilizes his or her common sense and judgment skills to choose the best material and use it as an advantage to complete the project. By being exposed to numerous ideas for their assignments and the creative ways to finish them, students develop excellent research abilities.

After entering the Bologna process in March 2010, Kazakhstan has become the first Central Asian State to enter the World educational system. It is an important step in the international positioning of the national higher education. Kazakhstan's higher education system has undergone serious changes during the years of Independence, as the government increased its education budget sevenfold, achieving the highest education spending in the Central Asian region in absolute terms. The aim of Kazakhstan's participation in the Bologna process is expanding access to world education, further enhancing its quality, as well as increasing the mobility of students and faculty through the adoption of comparable levels of higher education, the use of a credit system. This process is accompanied by significant changes in educational theory and practice of the educational process. The current educational reform in higher education, credit-based learning is aimed at lifelong self-development, self-education and creative innovative activities. One of the principal of innovative advantages of the Bologna process is the mobility of teachers and students. In the Message of the President of the Republic of Kazakhstan N.A. Nazarbayev «Building the Future Together» education and training in the XXI century are identified as the main priorities of the state policy, in particular, he points out: «Qualitative education should be the basis for industrialization and innovative development of Kazakhstan. We are obliged to provide a new level of development of university education and science» [2] (Nazarbayev, 2011). At present, it is possible to state with confidence that Kazakhstan has entered a period of successful experience in implementing the Bologna process and its adaptation to modern realities. With the adoption of the Kazakhstan Development Strategy until 2030 an important stage in the life of the republic has begun that initiated the State project «Intelligent Nation – 2020», which is based on UNESCO's formulated «four pillars of education» – abilities to do, to learn, to live, to live together in the modern world. «Modernization of contemporary education is closely connected with the process of globalization. This process affects every sphere of life and has the transformative influence on the national systems of education and upbringing»[3,P.8].

### Conclusion

In the 21st century, education faces the dual challenge of equipping students with new knowledge, skills and values to be competitive in a global market while at the same time producing graduates who are responsible for the future of Kazakhstan and Kazakh people with their long-standing cultural heritage that remained strong in the face of numerous external influences over the centuries. The main reforms in the development of education, the necessity of which is determined by the fact that Kazakhstan's education system must provide a complete, high quality, competitive education, focused on the results, through the formation and development of core competencies: trilingualism, Eurasian multiculturalism.

Without adequate higher education and advanced research institutions providing a critical mass of skilled and educated people, no country is able to provide real sustainable development. The integration of Kazakhstan education into the world educational space was a vital necessity. Globalization of industrial production and the internationalization of business leads to a demand for professionals with relevant knowledge and skills that will help to adapt to any new conditions and national circumstances. Moreover, since in recent years the presence of international experience for graduates is an increasingly important factor in their successful positioning in the labor market. Modern world education is a complex system, which is in the process of gradual formation, the base of which are economic, cultural and ideological factors. System characteristics of the world education are becoming more diverse, because it turns itself in an increasingly complex social institution capable of providing diverse and continually growing range of educational services, which allows a person to learn throughout his active life.

Global education is a macro system that integrates a large number of regional national systems of large regions of the world (Western Europe, Latin America, Asia-Pacific Region, and the Arab countries, North America, Africa, Eastern Europe and Central Asia). After analyzing the situation in the educational system, it should be noted that national education systems differ in their cultural, philosophical traditions, the level of goals and objectives of education, as well as quality. Formation of a unified global system of education is influenced by the complex prerequisites both of external and internal nature. A qualitatively new stage of international cooperation in this area is characterized by an increasing pace and depth of interaction of national educational systems, the creation of real conditions

for the active approach and the gradual formation of world educational space.

The task assigned by the President of the Republic of Kazakhstan to join the 30 most competitive countries of the world determines urgency of the country's integration into the world educational space. Therefore, the reform of the higher education system in the country was focused on the strengthening of internationalization. Creation of a unified educational space is dictated by the objective processes that occur today in the world community, suggesting the need for integration of all forces in the development of information, technological, economic and other dimensions, it becomes an important element in the backbone of further progress. Thus, the intensive

spread of telecommunications, the Internet and other media, events, consolidating the reality of cooperation in the field of education, is a characteristic feature of today and clearly reflects the emerging trends and needs of the intellectual formation of spaces that are directly associated with the development of educational space. Throughout the world, educational boundaries are eliminated, increasing academic mobility of students and teachers, expanding the exchange of scientific information, which is another factor in the development of world education. The evolution of the modern educational system today is a process of continuous change and development of their constituent elements aimed at the integration of national systems into a single educational space.

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# III ● HISTORY

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## Kazakh Issue and Russian-Chinese State Territorial Demarcation in Central Asia

**Abstract.** In this entry Russian-Chinese state territorial division in Central Asia is considered on the basis of archive sources and published documents. The entry makes an account of matching-analysis of actions made in order to implement conditions of the Convention of Peking, Protocol of Chuguchak from 1864, Protocol of Khobda from 1869 and Demarcative Protocol of Tarbagatay from 1870 and of influence of state territorial demarcation on traditional Kazakh lifestyle.

**Key words:** Kazakhs, «Ili issue», Russian-Chinese border negotiations, State-territorial demarcation, Central Asia.

### Introduction

One of the most important parts of studying history of one or another country is of course investigation of wide range of problems related to process of formation of its territory, because no state can exist without own and accepted by others space dimension.

Disappearing of Dzungar and Kazakh Khanates, which was recognized as one of the most significant factors in international relation of Central Asia region, from the Asia maps cardinally changed juxtaposition of countries-neighbors and balance of forces between them. Four-element-based structure of key action factors -Russia, China, Kazakh and Dzungar Khanates ceased to exist. It was replaced by competition of two empires (Russian and Chinese) for political-territorial and economical domination in Central Asia region.

### Methods

Source base of investigation are data from Kazakh, Uzbek and Russian archives and published compilations of documents and information.

Problems of territorial delimitation were analyzed on the basis of one of the most known version of systematic approach-on the concept of balance of forces. Common science methods, such as analysis, synthesis, comparison and historical method are used also.

Problems of state territorial demarcation were investigated deeply enough and published in the works of N.A. Aristov [1], B.P. Gurevich [2], A. Khodzhaev [3]. In Kazakh historiography these problems are handled by G.M. Mendikulova [4], K.Sh. Khafizova [5] and others.

### Main body

In first half of 19<sup>th</sup> century Kazakhs continued to nomadize on this territory, when Russian colonization conquests in Kazakhstan and Central Asia had successful results, which led new Russian ownership closer to ownership of Qing China and made necessary dealing with number of interstate problems, such as: development of Russian-Chinese trade relations and initiation of state territorial demarcation in Central Asia.

According to N.A. Aristov, in the second half of the 19<sup>th</sup> century Kazakhs from Kerey and Naiman clans of the Middle juz nomadized in the regions of Tarbagatay, Emel, Barlyk and on the Borotal river. Number of Kazakhs from *Baydzhigit* (branch of Kerey clan) was near 42.5 thousands of people or 8500 tents. *Matay* and *Kizay* clans roamed in Tarbagatay Mountains, Barlyk Maily, on Borotal River and near the Ebinor Lake, numbered as 20 thousands tents or 90 thousands of people. [1, P. 44]

The first official document about holding of the borders between China and Russia in Central Asia



was the Convention of Peking from November 2, 1860, significantly improved by Protocol of Chuguchak from 1864. According to the second entry of the Convention of Peking, boundary line passed from the sources of the Yenisei specifically to the old landmark Shabin –dabaga, on the borders of Tomsk and the Yenisei governor-generalships, to the south-west of Shabin-Dabaga to Zaisan lake, then to the Dzungar Alatau, crossed the river Ili, then it took course from the Tien Shan to possession of Kokand [6, P. 35]. Also, the second entry of the Convention of Peking from 1860 stated that the border line in the west between the two countries still have not been identified, despite the fact that the Chinese pickets (outposts) were there for a long time [7]. These pickets were put up shortly after the defeat of the Dzungar khanate by Qing with the aim, firstly, to control Kazakh nomads and other people in the region, preventing any antiqing performance, and, secondly, not to give the road for the Kazakhs who were not subjects of the Heavenly Empire to these territories for nomadize. In the north-western part, in the occupied and annexed by the Qing Empire lands, the Chinese people have used three types of outposts: year-round, seasonal or alternative, as well as temporary or special [8]. Fact of the location of pickets on any territory, was later used by some ambitious Chinese historians [9], to carry out a political order of the ruling circles, as proof of ownership of these lands to the Chinese government, which does not correspond to the principle of historicism and leads to the distortion of the history of international relations in Central Asia.

Delimitation of the territory was held very detailed with Protocol of Chuguchak from September 25, 1864. Obviously, Russian-Chinese state territorial demarcation in Central Asia was made by geographical principle and did not consider, being more exact, fully ignored economical, ethnopsychological, political interests of the nations lived on above-mentioned territories, which is proven by Point 5 of Protocol of Chuguchak from September 25, 1864. It is written in there: «This identification of the boundary is done with the intention to permanently seal the good agreement between the two countries, and therefore, to avoid disputes over people who lives along the border, day of the exchange of the protocol is taken as the foundation: it means, where the aforementioned people have lived before this day, there they still need to stay and live in peace in the original locations using the provided means of life. Any State that retreated place of nomadize of these peoples, along with the land, also retreats people who would be state-controlled. And if after this any-

one of them would go the other side from the former place of residence, then they must be returned back and the confusion and uncertainty on the border must be stopped.» [6, P. 48]. In such a manner, Kazakh irredentism in China was formed.

Russian-Chinese state territorial demarcation in Central Asia was corrected several times.

In October, 1865 governor general of West Siberia reported to Minister of Finance: «Custom posts in Kokpekty, Urdzhar, Koksuisk village, Verniy fort and Aksu in the East end of Issik-kol lake are enough for the first time ... Guarding of all border between these custom posts, especially using custom guards from rangers I consider non-effective for execute, because expences for it in this case will probably be higher than all custom duties» [10]. This report is proven by the fact that the establishment of some number of custom posts was related with state finance resources, which were presented with not enough number for the guarding of the border.

A few years after the signing of Protocol of Chuguchak, using antiqing national liberation movement in Xinjiang, 1864, Russia demanded to inspect and change some places of the line of demarcation, by acceding the lands at the expense of the Chinese empire. As a consequence, Protocol of Hobdinsky in 1869 and Tarbagatai demarcation protocol in the following year, 1870 were signed. These two phenomena in Central Asia's political life have played an important role in the final state-territorial delimitation between China and Russia in Central Asia, which consequently violated traditional nomadic Kazakhs routes. Grazing grounds and water were taken from them.

Kazakhs continued to roam from Russia to Xinjiang in the time specified by the Protocol. For example, in 1878, at least 9 thousand Kazakhs left the Russian territory and migrated to China, which is another confirmation of the developed permanent nomadic routes that took place on this territory and were forcibly violated by Russian-Chinese territorial delimitation of state in Central Asia. With the defeat of the Yakub Beg state it was necessary to find out relations and priorities in the region between China and Russia [4].

Russian-Chinese negotiations were ended by the signing of the Convention of Livadia about the returning of the Ili region to China on September 20, 1879. Entry 1 of the Convention of Livadia stated that the Russia returns territory of Ili to China. According to Entry 3, it was specified that the people who lived in the territory of Ili, which became part of the Russian Empire, automatically became citizens of Russia. China paid Russian compensa-

tion of 5 million Rubles for the costs of the occupation troops and Ili region management (Entry 6). According to entry 7 of the Qing government abdicated a small western part of the valley Ili, bounded on the west by Khorgos River and in the south by the Valley of Tekes River, as well as an important area Muzart swell through the Tien Shan [11; 2, P. 452, and others].

Fact of return even such a small area of the territory to the Russia gave a rise to strong denunciation in the China government authorities, which were skillfully given a boost by Great Britain, interested into establishment of their power in Central Asia by the liquidation of Russian-Chinese agreement in state-territorial delimitation or even stimulation of military actions between them [12]. Stoked by incitements from Western European powers and internal demagogues two countries began hasty preparations for military action.

However, due to difficult internal and external situation of the Qing Empire and political, diplomatic and military-terrify measures adopted by the Russian Empire, China was forced to compromise on February 12, 1881 in St. Petersburg, where the Russian-Chinese treaty was signed. [6, P. 54-60] After the negotiations the Treaty, approved by the two parties, stated following: Russia agreed about the restoration of China's power in the Ili territory (entry 1); the population got the right of choosing the place of residence and the adoption of any citizenship: Chinese or Russian (Entry 3), which was the reason of the relocation of the Muslim population of Ili region – Uighur, Kazakh, Dungan, who did not believe the Chinese authorities to the Seven Rivers after the conclusion of the treaty of St. Petersburg in 1881. Despite the promise of the Chinese authorities not to carry out reprisals against members of anti-Manchu rebellion in Xinjiang, which has been stipulated in Entry 2 of the Treaty [6, P. 55], representatives of non-Han nations numbered about 100 thousand of people [2, P. 458], tried to move into the territory of Kazakhstan and Central Asia.

From August to December 1881 a special commission, acting on the basis of the St. Petersburg agreement, began to write down all those who wished to move into the Russian Empire, who comprised of 11,365 families of Uighurs, 10,000 tents of Kazakhs and 1,308 families of Dungan [6, P. 56].

At the one hand, for the Russian Empire the relocation of the number of subjects who had skills in anti-government rebellions, needed of land providing, tired of lawlessness and arbitrariness of the Manchurian-Chinese local authorities and who were in case of wrong policies concerning of them

ready at any time "break out as a match," gave a lot of trouble in the political, economic and military terms, but on the other hand, with a thoughtful and wise policy due to the inflow of the Uighurs, Dungan, Kazakh, Kyrgyz from Xinjiang tax-paying population was increasing, which consequently increased the cash proceeded to the royal treasury.

According to Entry 7 of Petersburg treaty, border between the ownership of Russia and China had been established as follows: "from Bedzhintau mountains, along the Khorgos River to its confluence with the River Ili and after crossing the last one, go to the south to the mountains Uzuntau, leaving on the west of the village Koldzhat. From there it will go to the south, following the boundaries defined in the protocol signed in Chuguchak in 1864" [6, P.46].

Thus, Russia abandoned its claim to the valley of the Tekes river and Muzart pass, satisfied with a small area in the west of the Ili region; China agreed to give Russia the western outskirts of Ili under the terms of the Convention of Livadia from 1879. Because of Russia's deny for claims on the Tekes river and Muzart pass, Qings agreed on the revision of the Russian-Chinese border in the area of Lake Zaisan and the Black Irtysh river to eliminate the disadvantages related to traditional migrations of Kazakhs, which was obviously recorded in Entry 8: "... change the direction of the former borders in such a way ... that between the Kyrgyz (Kazakh) tribes, controlled by both empires proper segregation would be made" [13]. In addition, under the Protocol, China was forced to pay Russia 9 million of Rubles to cover expenses incurred in connection with the bringing of Russian troops in the Ili region, instead of 5 million, defined by Entry 6 of the Convention of Livadia [5, P. 154].

In the authors' opinion, the Petersburg agreement from 1881 clearly foreshadowed a weakening of Russia's positions in Central Asia, because land, departed for China, were not its historical ownership and the Tzarizm government could not keep this important in geopolitical, economic and strategic sense region in their hands, which later was not once regretted by the ruling circles of Russia and the USSR.

Fearing further Russian claims to the northwest, and perhaps fearing that Russia would require to return the Kazakh lands, which were alienated and attached to China on bilateral agreements in 1860-1880, Qing decided to unite the territories in the north west under a regular administrative system, which led to the creation of a new "Xinjiang" province in 1884, which name in translation from Chi-



nese means "new dominion" or "new frontier". It still belongs to China.

With the return of Russian Ili region to China, Kazakh tribes Suan, Albans, Kyzai lost their seasonal migrations along the valleys of the Ili River, its tributary Tekes and other regions [6], because of violation of the traditional nomadic Kazakhs routes, which were forcibly considered as one of the states that divided a Kazakh land. To solve encountered after the return of the Ili region problems somehow, Russian and Chinese officials discussed several proposals to reach agreements among themselves, particularly allowing the Kazakhs, Kyrgyz and Kalmyks who were China citizens, produce salt around Narynkol, so that Russian Kazakhs and Kyrgyz citizens were able to overtake winter cattle to Tekes valley [5, P. 157].

As a result of agreements reached between the Russian and Qing empires Kazakhs enjoy their former routes in China, in Ili and Tarbagatay districts, ie, on Barlyk and Tarbagatai mountains, on the Yulduz and the rivers Tekes, Syumbe Borotal almost until 1892, when Chinese government, concerned of this constant intrusions and often unrests began to limit and prevent nomadizes of Kazakhs, which had a negative impact on their livelihoods.

According to N.A. Aristov, at the end of the 19<sup>th</sup> century about 100 thousands of Kazakhs lived outside of the Russian Empire [14, P. 399]. Russian scholar V. Barmin wrote that at the end of the 19<sup>th</sup> century more than ten non-Han ethnic groups: Kazakhs, Uighurs, Kyrgyz, Uzbek, Dungan, Mongols, Tatars, Tajiks, Sibo, Solons, Russian and Manchus lived in Xinjiang, while Han Chinese-made up only 4% of the total population. This ethnic composition, according to Russian historian, was "one of the main reasons of the complex and long-term problems of Xinjiang, both in terms of internal policy and in international relations." [15, P. 21].

Due to the signing and ratification of the above-mentioned treaties and protocols Kazakh territories and people who lived in them were forcibly divided between these two states and without regard to their desires were distributed in subjection to them. Russian diplomat, Consul in Kulja N. Bogoyavlyenskiy wrote at the beginning of the 20<sup>th</sup> century: "The Kyrgyz (Kazakh – *G.M.*) had roamed the steppes of Central Asia for a long time, occupying the lands that are now crossed by the border that separates the West Extramural China from our Semipalatinsk and Semirechensk areas" [16, P. 320].

The events of the 20<sup>th</sup> century further aggravated the pressing problems of the Kazakh population, which was controlled by two states: the Russian and

the Chinese Empire and then the USSR and Republican China, led to numerous casualties among the Kazakh people, who lived as well as in Kazakhstan, as in Xinjiang.

In September 25, 1864 Protocol of Chuguchak on demarcation of Russian-Chinese border was signed in order to "bond utmost good agreement between the two countries at a general congress in the city of Tarbagatay by mutual meeting of the demarcation of land to be divided between the two states" [6, P. 46]. In accordance with the Protocol "demarcation of lands to be divided between the two countries, from Shabin-Dabagh to Tsunlin ridge located on Kokand limits agreed: to draw a line on the ridges of mountains, large rivers and the currently existing Chinese pickets" [6, P. 46-47]. The principle of delimitation of land was quite simple: "to take the water-parting as base to denote the boundaries between the two States, so that all of the land on which the rivers flow to the east and south, dissociate to China, and all of the land on which the rivers flow to west and north, dissociate to Russia" [6, P. 46-47].

Before the establishment of border signs, the Chinese authorities continued sending their soldiers to protect the territory on the border. After signing the agreement in the presence of Commissioners of both sides, signs were installed and pickets were transferred to the Chinese side of the border within one month, counting from the time of setting the boundary mark in that area from where the picket was to be transferred to.

Within 240 days after the signing of the Protocol on the establishment of the boundaries authorized by either side were to move in for the installation of the boundary signs at the agreed place, specifically: authorized from the Russian side should come in the tract between pickets Aru-tsindalan and Kaptagai and split there into two parties, one of which together with the authorities of the Ili district, went to the south-west border of the approved formulation for the boundary signs. The other party, together with the authorities of the Tarbagatay district, head north-east on the newly defined border and had to put signs.

In general, «Russian-Chinese state territorial demarcation in Central Asia was made by geographical principle and did not consider, being more exact, fully ignored economical, ethno-psychological, political interests of the nations lived on abovementioned territories» [4].

This fact is proven by Point 5 of Protocol of Chuguchak from September 25, 1864. It is written in there: «This identification of the boundary is done with the intention to permanently seal the

good agreement between the two countries, and therefore, to avoid disputes over people who lives along the border, day of the exchange of the protocol is taken as the foundation: where the aforementioned people have lived before this day, there they still need to stay and live in peace in the original locations using the provided means of life. Any State that retreated place of nomadize of these peoples, along with the land, waste, also retreats people who would be state-controlled. And if after this anyone of them would go the other way from the former place of residence, then they must be returned back and the confusion and uncertainty on the border must be stopped.» [10].

After signing of Protocol of Chuguchak, while estimating the situation in western China, K. Struve in the aforementioned letter to G.A. Kolpakovsky suggested to announce Kazakhs through Orders or through seconded officials what lands were exactly ceded to Russia and announce people who nomadized the newly acquired tracts that because of the force of 3<sup>rd</sup> entry of Protocol of Chuguchak they passed to Russia together with the lands occupied by them. The necessity for sensitization was proven due to the fact that in previous year, the Kazakhs considered themselves as Chinese citizens, but at the moment of the writing the letter they did not recognized anyone's power at all; On the one hand, they openly conflicted with the Chinese, and Dungan, on the other hand, made problems to conates, Russian subjects. In connection with this situation, Struve concluded that the Chinese government could not be expected to make vigorous actions for the establishment of peace [10, File 5. P. 6-7].

On this occasion, the commander of the Western Siberian Military District, Lieutenant-General Khrushchov in the report to Minister of War reported: "The tribes wandering in our lands, disconnected among themselves without any adequate border line, will never be able to understand their administrative subordination to a State. The inevitable migrations of tribes and possible double tribute to both our and the Chinese government will further increase the chance of confusion between them, and even unrest. These and other circumstances strongly prove necessity of establishing such a boundary, which would be more consistent with the ethnographic conditions of the population" [17, P. 2-3]. However, this proposal does not seem to be considered as the military governor of the Semipalatsk region, Major General Poltoratsky later noted, "after the conclusion of the Protocol of Chuguchak status of border tribes is extremely difficult for us and for them. For us, their constant migrations from

one Empire to another constitute the extreme difficulty in all administration fields, in collecting taxes, in court and violence, and so forth.

Kirghiz (Kazakhs – *G.M.*) themselves undoubtedly fall into the position, in which they will be obliged to bear the double duties and obey two entirely different laws. Meanwhile prohibit such migrations from Russia to China and back, with present, more than strange direction of the border line is not possible without undermining the base of the entire economic life of the Kirghiz and their ancestral customs especially in consider that we cannot provide them with other routes within the region, while not hesitating to extremes other tribes" [17, P. 12].

Kazakhs continued to roam from Russia to Xinjiang in the time specified by the Protocol. For example, in 1878, at least 9 thousand Kazakhs left the Russian territory and migrated to China, which is another confirmation of the developed permanent nomadic routes that took place on this territory and were forcibly violated by Russian-Chinese territorial delimitation in Central Asia.

Commander A. Duhamel suggested to increase the number of troops in the border area, or "... the Kirghiz (Kazakhs), incited outrageous proclamations from China can take advantage of the remoteness of our troops from the places of their migrations and go outside to China" [17, File 48. P. 52]. A number of agreements of this period concerned only trade relations, signed in April 1869 "Regulations for overland trade between Russia and China" were a continuation of the rules for mainland trade agreed at February 20<sup>th</sup>, 1862 between the two powers in the form of experiment for three years, which were improved by mutual agreement between them.

In the context of development of migration processes between Russia and China interesting is the 2<sup>nd</sup> entry, according to which the Russian merchants had the right to trade duty-free in all places, subordinated to China and Mongolia, where the Chinese authorities were situated and in all aimaks who were directly in charge of these authorities. However, merchants had to have ticket from their border authorities in Russian, Chinese and Mongolian, in which the merchant name, kind and quantity of goods, the number of bales, camels, oxen, and horses had to be prescribed. Upon arrival to the first Chinese border post, they had to show the ticket the guard officer who certified ticket by seal or signature after examination. If the merchant had no ticket, all his goods were confiscated and he, according to Entry 10 of the Beijing agreement was considered as a deserter: he was arrested and escorted into Russia.

In 1875, the Qing forces launched military operations with the aim of returning temporarily ceded to Russia lands. In January 1878, the Sino-Manchu troops reached the old boundaries of its territorial ownership, and came close to the borders of the Ili region, requesting its return. [18, P. 101] Negotiations on this issue have been launched in Sergiopol (Ayaguz), and then moved to Beijing, and after violent suppression of Dungan-Uighur rebellion (1877-1878) by Qing resumed in St. Petersburg, where Chong Hou, authorized person by the Qing government had arrived. Russian-Chinese negotiations finished in the Crimea in September 20, 1879 with the signing of the Convention of Livadia on the return of the Ili region to China.

Under the terms of the Convention of Livadia from 1879, Russian troops were withdrawn from the Ili region (Entry 1). According to Entry 3, people living in the territory of Ili, which became part of the Russian Empire, automatically became citizens of Russia and to the population of the region was promised an amnesty. According to Entry 7 Russia reserved the western portion of the Valley of Ili River, bounded on the west of the river Khorgos and Valley of Tekes River in the south, and the whole valley of the river Tekes, as well as an important area of Muzart pass through the Tien Shan. Trade issues were regulated by special annex to the Convention rules. Qing government undertook to pay Russia 5 million rubles as compensation for the costs of the occupation forces and the management of region (Entry 6).

Terms of the Convention of Livadia caused strong dissatisfaction of influential court circles of Qing China because of the Convention the Qing lost almost all of their power, rights and ownership in Xinjiang. The Chinese government has refused to ratify the document, accusing its representative Chong Hou of abuse of power. Hoping to help the UK, China's rulers openly preparing for war with Russia. Response military activities were carried out in Russia. However, neither the Qing nor the Russian government decided not to bring the case to break.

In the final state-territorial delimitation of the land between China and Russia in Central Asia, the issue of temporary staying of Russian troops in the Ili region and the return of its Qing authorities in St. Petersburg treaty in 1881 played a major role.

The transfer of the Ili region and, later, receiving the control of the region "between the Governor-General of Turkestan, and Governor-General of the provinces of Shanxi and Gansu, charged by both governments for the management of this business",

carried out by commissioners sent by the Russian and Chinese governments to Gulja, who were entrusted for implementation of the terms of this contract, which related to the recovery of the Chinese government in the province.

According to the agreement (Entry 6), Russia received 9 million of rubles, "assigned: For the costs caused by Russian occupation troops in Ili region since 1871, for the satisfaction of all claims of money, excited before this day due to the losses incurred by Russian citizens from looting their property within China, and for the grant of welfare families of Russian citizens killed in armed attacks on them in the Chinese territory " [17, Fund 1396. Series 2. File 122. P. 58-59]. It would be appropriate to quote the report by the commander of the affairs of the Semirechensk region Major General Levashev: "Ten years, our troops occupied Gulja region under the most adverse conditions of life and service. Former Dungan Revolt 1856-1871, which turned to dust the Chinese people and Chinese culture and put an end to the political power of the Bogd Khan in the Western Chinese provinces, transformed both the Upper Ili valley of blossoming populous country into a vast bare cemetery. The ruins of cities, destroyed villages, abandoned fields, piles of human bones and the pitiful remnants of the Muslim and Buddhist communities, continuing their war – is all that our troops were met at every step, when first crossed the borders of Kulja area in 1871 – this is the situation, among which the troops have spent the last 10 years"[6, P. 55-56]. As you can see, this amount is intended to compensate for all of these costs related to the accommodation of Russian troops in such difficult conditions.

Russian party won the right to buy property in Xinjiang, it was also allowed to set up ten consulates in China; moreover, all the privileges set forth in previous agreements were confirmed. In addition, the parties signed several protocols according to which Tsarist Russia acquired the land area of over 7 thousand square km at the west from Khorgos [6, P. 55-56].

The St. Petersburg agreement also touched issues related to the borderline. That is because of the fact that in some parts of the boundary line defined by the protocol signed in Chuguchak in 1864, deficiencies were found. Due to them, two Governments had to appoint commissioners, who by mutual agreement changed the former direction of the border have been found so that these shortcomings have been eliminated and that between Kazakh clans, "who serves to both of empires were made proper segregation" [6, P. 55-56].

One of the results achieved as consequence of territorial agreements between the two sides was the Russian colonization of the entire Zaisan hollow. In the 1880-1890, the South Altai and adjacent steppe regions of Kurchum and Zaysan hollow were the places where 16 new Cossack and peasant settlements were founded, including settlements Tyus-Kainsky, Chanagatinsky, Balykty-Bulak, Katon-Karagay, Alexander, George, Marminsky, Nicholaev, Michaelo-Archangel, and the village of Bolshoy-Vladimir, Kanonersky, Malovladimirsk and others. Despite the announcement by the Qing government amnesty and increased agitation in favor of the residents at the region remained of their seats, Uighurs, Kazakhs and Dungan began to seek Russian citizenship. Thus, in the report of the Russian Emperor Steppe Governor-General Baron Taube wrote: "Soon after the transfer of Ili region to the Chinese government in 1883, because of fear of bloody reprisals from the Chinese part of the population, mainly Taranchy (in 1921 adopted a new name, "the Uighurs") and Dungan, expressed a desire to move out forever to the Russian territory, with a move to the Russian citizenship, using the right, caused by Entry 3 of the Petersburg agreement" [13, Fund 64. Series 1. File 3062. P. 102]. Residents of the province who wanted to move to Kazakhstan and Central Asia, according to B.P. Gurevich, were approximately 100 thousand [20, P. 458]. From August till December 1881 a special commission, which operated on the basis of the St. Petersburg agreement, began to write down all those who want to leave the Chinese limits, consisting of 11.365 Uighur families, 10.000 Kazakh tents and 1.308 Dungan families [4, P. 113].

There are materials in the storage of the Central State Archive of the Republic of Kazakhstan related to Steppe governor-general, which makes known the fact that on the basis of the St. Petersburg agreement between the Russian and the Chinese government in the 1882-1883, a new state border between the West China and Semirechensk, Semipalatinsk and Ferghana regions was carried out, and also it was turned out that due to the haste with which this border was carried out, "the interests of the Russian border population were not sufficiently respected, due to the lack of detailed maps of the boundary of space and small acquaintance with local conditions and the interests of the Russian land-nomadic subjects. This boundary line has since become the state border of Russia and the USSR, and later of independent Kazakhstan and China. The disadvantages of the existing border consisted mainly in the fact that during the making Kazakhs were

split apart, with a portion of land of Kazakhs connected to Russia, remained abroad, within China. This circumstance was the basis for the application of the former Steppe Governor-General in 1894 to the Ministry of Foreign Affairs for the correction of Russian state border, between Western China and Semirechensk and Semipalatinsk regions"[13, Fund 64. Series1. File 3062. P. 228].

The lack of clear borders between the two countries, despite the signing of agreements on the of state-territorial delimitation was also one of the reasons for the continuing get-aways. By the beginning of the 20<sup>th</sup> century the problem of cross-border device were not fully solved, particularly the part with installation of border signs. The collection of copies of documents received by the Central State Archive of the Republic of Kazakhstan from the Russian State Military Historical Archive, there are materials about the unsuitability of the existing frontier marks all over Semirechensk border region with Western-Chinese possessions. [7, P. 13-15].

The military governor of the Semirechensk area Major General Folbaum in October 1909 resumed the request of the former military governor to replace the old border markers with new, made of stone. According to the protocol of delimitation of Semirechensk area with Ili and Tarbagatay regions, August 4, 1882 markers like these, with necessity of changing were 70: on the border with Ili – 33, with Tarbagatay – 21 and according to protocol from May 22, 1884 with Kashgar – 16 [7, P. 13-15]. Moreover, the Chinese government fully shared the view on the necessity of replacement of the old frontier marks with a new, more serious and durable, and expressed the wish of changing as soon as possible, with the accepting to pay half of the costs for the erection of new signs at the expense of the Chinese government. It was proposed to start work in this order: first, on the border with Kashgar, then to Tarbagatay and then to Ili. Semirechensk military governor of the area accepted the order of replacement of frontier marks, because in the number of cases of trespassing and destruction of boundary marks Kashgar, then Tarbagatai and only then to Ili region occupied the first place. In addition, there is calculation of available money needed to replace 70 existing signs at border Semirechensk region with Western-Chinese ownership, cost sheet and work inventory in the order.

But the execution of work was constantly delayed for various reasons, despite the fact that the Chinese immediately transferred the required sum of money at the disposal of the military governor Semirechensk area. In the cases of the Military Of-



office of the Minister of War Minister message "On inspection and restoration of border markers on the border between China and Semirechensk area" (5 October 1909), the message of the Imperial Russian Consulate in Chuguchak to military governor Semirechensk (17<sup>th</sup> December 1913) are stored, also there is a copy of the reports from the Imperial Russian Consul in Gulja to Imperial Russian envoy to Beijing (1<sup>st</sup> April 1915) [7, P. 13-15, 34, 60-64].

The dates indicate that from the moment of decision about replacing the border signs – 1909, correspondence lasted for 6 years, prior to 1915. In reports and the messages it is stated that by 1915 the corresponding works on the border has not yet been completed, due to what the Russian consul in Gulja referred to the Russian envoy in Beijing: "Further delay in the performance of the obligations taken our places administration Consulate in a very awkward position in front of the Chinese authorities" [7, P. 60].

Since there was no border signs, the transition of the population from the territory of one state on the territory of another state was easy, which lasted until the Soviet period. Despite the agreements reached between the Russian and Qing empires, Kazakhs used their former routes in the territory of China in Ili and Tarbagatay regions, i.e., on Barlyk and Tarbagatai mountains, on the Yulduz and the Tekes, Syumbe, Borotal rivers almost until 1892, when Chinese government, concerned of this constant intrusions and often unrests began to limit and

prevent nomadizes of Kazakhs, which had a negative impact on their livelihoods.

### Conclusion

Thus, multiple demarcations of borders between Russia and the Qing Empire in the second half of the 19<sup>th</sup> century led to an intensification of all types of interstate migration. Because of the studying period Kazakhstan was part of the Russian state, the analyzed species of migratory trends are considered on the example of Kazakhstan and China in the Sino-Russian relations system. The necessity to address a number of inter-state problems associated with the development of Russian-Chinese trade relations and state-territorial delimitation in Central Asia led to the conclusion of certain contracts and agreements. As a result of the signing and ratification of the Beijing Treaty 1860, Chuguchak Protocol 1864, Protocol Hobdinskogo 1869, Tarbagatai demarcation protocol in 1870, the Livadia Treaty in 1879, the St. Petersburg treaty in 1881, the Kazakh territories and the population living in them were forcibly divided between the two states, and without regard to their desires were distributed in allegiance between them, which caused numerous transitions (emigration and immigration) of different social and ethnic groups of the population from the territory of one state to another state. Therefore, the phenomenon of the new cross-border migration appeared. It affected the diplomatic, foreign policy, economic and other relations between the two great empires.

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# IV ● JOURNALISM

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## Modern Methods of Preparation in Multimedia Journalism Studies (the Example of Al-Farabi Kazakh National University)

**Abstract.** The article deals with the nature of the socio-cultural impact of communication infrastructure on society conceptualize which is evident in the increasing opportunities of communication and cooperation and it uses a variety of information and knowledge for solving different problems. The main objective of the article is the study of how to explain the traditional forms of television, video, computer games, CDs, laptops, ATMs, cell phones, digital cameras, film cameras, plastic cards, faxes, telexes, electronic devices protection and security, remote controls, video surveillance, multimedia products – our life today.

This paper presents a new method of «Inclusion» in the ICT world that has become a real factor in social mobility, social security and safety. The main task of the media that can be advanced is not just to collect, receive and present information using new technical possibilities. The main reason of multi-mediation media in recent years has been changed dramatically, we began to think and consume the information differently. Research, statistical, data analysis project and observation methods are systematically used during our investigation in the world of preparing multimedia journalists at the journalism faculty.

**Key words:** cable-satellite broadcasting.

### Introduction

Research is a very effective method when we are every day confronted with hundreds of different types of messages through media and live in the world of overloaded information the potential of information and communication technology (ICT) is among the state priorities. There is a growing production of information products and services in Kazakhstan. Each year, the information technology industry is growing at 13-18% in the country. These results provide confirmatory changes in life of Kazakhstan society caused by the spread of ICT which have economic, socio-political and cultural nature.

In recent years, advanced information and communication technology which ensuring rapid socio-economic and cultural development, has become as the motivating force of development of society. Innovative information and communication technologies make their adjustments in the life of Kazakhstan society: cable-satellite broadcasting is expanding and mobile Internet, cellular communications, digi-

tal broadcasting are implemented, also the elements of interactive TV are gradually introduced. In most cases considerable attention has been paid to multiplication confidence of the media as an important source of information about happening events in the country and abroad. The major drawback of the ICT electronic media affects our lives much more than other types of communication, so that the rapidly changing values and consumer needs.

### Methods

The main priority for Kazakhstan is the country's transition to digital broadcasting by 2015, was based on the approach presented in the global trends – the International Telecommunication Union in the framework of the agreement «Geneva-2006» the transitional period (2007-2015) for the introduction of digital broadcasting. The State Programme of development of digital broadcasting for 2008-2015 years has been developed in Kazakhstan.

According to the *statistical* method all these

above mentioned questions this Programme was carried out in four stages:

1. Preparatory phase – the first half of 2008
2. The organizational phase in 2009
3. Implementation phase, 2009-2014
4. The final stage – 2014-2015

The gradual change was observed that Kazakhstan's transition to digital broadcasting by the end of 2015, has determined the necessity of understanding technological, socio-economic, and most importantly, cultural and information processes in Kazakhstan. If technical problems of communications have international similarities, those issues of their social content vary depending on the countries, the nature of the social and political system of society.

As is clear from data analysis project the general nation-wide coverage of electronic Mass Media, it carries out 11 channels and 5 radio stations. At the republican level the TV channels as «Khabar» – 98,19%, «Kazakhstan» -98,06%, «First channel Eurasia»-78,82%, Kazakh radio-93.2 % are broadcasted. In this way the satellite channel «Caspionet» is operated which broadcasts on the territory of Central Asia, the Middle East, Europe and North Africa. In 2011, «Caspionet» (now this channel is called «Kazakh TV») began broadcasting in the United States, and its programs became available in America. Rural areas are mostly covered by the broadcasting of the state channels as «Khabar», «Kazakhstan» and etc.

The equation represents that republican non-state tele-radio companies, broadcasting in large parts of the Republic is implemented at the expense of own resources: «KTK», «NTK», «31 Canal», «STV», «Russian radio Asia», «Europe plus Kazakhstan», «Radio NS» and others. The first cable television network in the territory of Kazakhstan were established in the late 1980-ies. There is a rapid development of cable TV systems in the country, where subscribers of this type of broadcasting provided over 100 channels.

The rapid growth of Internet users takes place in Kazakhstan. According to the report of the Ministry of communications and information of the Republic of Kazakhstan at the beginning of 2011, the country had 4 million 300 thousand Internet users. Nowadays, the constituted Internet users in Kazakhstan have been exceeded 12 million people and it follows the number of cellular subscribers exceeded 32 million people (the population of the Republic of Kazakhstan is about 17.4 million).

Now we can proceed analogously that our country is dynamically establishing the innovative information technologies in mass communication.

A huge area of the country also contributes to the development of satellite TV – television without borders. A great help in this direction is Kazakhstan cosmodrome «Baikonur» – the facility for launching space rockets. Thanks to satellite TV system «Zharyk» («Light») it has become possible to transmit television programs from the North and South capital in all regions of Kazakhstan. The first Kazakhstan satellite «KazSat-1» was launched in June 2006. «KazSat-2» was launched in mid-July 2011, which provides the Republic with satellite communication and digital television, radio and telecommunication connection. And with the launch of «KazSat-3» Kazakhstan will not depend on foreign operators of providers.

Price reduction of computer equipment, the introduction of digital communications, construction of fiber-optical lines – all this opens up the new possibilities for electronic media, for the development of multimedia journalism. Mass Communications offer a variety of interactive interaction of a user and producer and also distributor of the content. All over the world the process of liberalization and globalization of information markets are very reliable in recent years.

It is observed that there is a merge of computer, broadcasting and telecommunication technologies. This interaction has changed the communications atmosphere. This integration has led to the fact that the information industry is expanding, blurring the rigid boundaries between the sectors of traditional media and creating new media system. In the last few years there has been a trend of «convergence» – unification, merging into a single unit together and communication technologies, markets, and media, consumer and professional equipment.

### **Main body**

The definition represents that the word convergence (from lat. «convergere» to approach, to converge) means «convergence», «rapprochement» that, in the context of media reform provides different types of media, a new concept in interaction with their organizational and structural convergence, or a full merger, including the establishment of new management techniques to create an original information product to its placement in different media environments and capture the attention of potential audience.

Convergence is a merging of markets. The modern industry of media is moving towards the greater integration with the telecommunication sector, production of household appliances, information technology. The result is a new integrated market, where

multimedia services, network services, the creation of software products are inseparably bounded up.

According to the Professor E.L. Vartanova, the Dean of the faculty of journalism in Lomonosov Moscow State University →increasingly, the concept of «convergence» has become synonymous with the main transformations in the media sphere... Convergence is a process that may completely change not only the system of mass media and communication, but also various associated industry in the coming decades» [1].

We first prove that digital, multimedia, interactive communication technology expands the frontiers between countries and becomes more available in different regions of the world. The Sector of Mass Media Communication becomes complementary. Unlike traditional media, Internet users from just passive recipients are becoming its active converters, creators and distributors of information. «The integration of all types of communication cable in the telecommunications on the base of opto-fiber structures acts as a kind of «Central nervous system of the whole society» [2].

The use of new ICT enhances the process of convergence and leads to the building of a global information society. It was the free market of ideas in the age of the global information infrastructure which is more and more determined by commercial goals and dictate the desire for liberalization. Researcher S.L. Urazova reveals a number of characteristics that causes the transformation of the media market, which reveal a cause-effect relationship of convergent processes. From the research the following characteristics had been carried out:

1. Modification of mono media environment to multimedia.
2. Replacement of classification title of media –they are transformed from the media to the MMS.
3. A new form of communication – interactivity occurs.
4. The processes of globalization have been changing the parabola of the information product in response to the use of modern digital technology [3].

Many researchers have come to the common characteristics about new media. Firstly, they are «tied» to the screen. Secondly, they simultaneously offer text, sound, video as a shifting image, and moving image. New media is interactive to varying degrees. As noted by the representative of the magazine «Sovetnik» (Moscow) in Kazakhstan and Central Asia –V.N. Pavlenko at the seminar «New media of special purpose» (Almaty, 16<sup>th</sup> of March 2012.): «New media is a term which means the ad-

vent of the digital computer, information, network and communication at the end of twentieth century. New media is any media product which is interactive and digitally distributed. For several years great effort has been devoted to the study of new media by V.N. Pavlenko, according to him four directions are being formed in journalism:

1. interactive services (various possibilities of the websites);
2. citizen journalism (edition attracts bloggers);
3. data journalism (work with inaccessible sources, journalistic investigation);
4. crowd sourcing (collective discussion in network prior to processing and collection of information on topic given in advance)».

In this article and in related references it was observed that a striking example is the rapid development of the blogosphere, citizen journalism in the world and in Kazakhstan. According to analysts of the Association of border cooperation M. Shibutov, the volume of Kazakh blogosphere by 2017 will reach 1 personal online blog 100 Internet users, by 2020 – 2 personal Internet blog on 100 users. Increased average attendance of Kazakhstani Internet resources, and in 2017 it will reach 40%, and by 2020 – 50%.

With the rapid development of the Internet, social network have developed a new media type of professions. So since 2010 was declared by social media Agency, social media managers (SMM – social media manager). Marketing in Social media (social media) drew removing leading companies, public authorities and banks, who have to hire special employees to interact with the online audience, to engage the services of specialized agencies.

The development of mobile communication has made possible individual access to global information resources using cell phones. The spread of mobile communications brings a new element to the development of modern MMC, bringing readers, listeners and viewers to the movement flow of the information and allowing you to manage their attention and selection of information more effectively [4].

The desire for the new, the progressive characteristic of the professional, and the vision and understanding new things, fighting for its dissemination, for its bold movement of society forward, give the opportunity to journalists to get rather high educational and cultural level.

The research shows that work of converged journalist requires skills that are developed through continuous training and accumulation of practical experience, in addition to a broad range of inter-

ests, apart from ideological positions, natural abilities, and educational level. The development of the journalistic profession is only possible as a result of study of the course of theoretical disciplines in combination with a daily creative practice. Often the students of the faculties and departments of journalism are judged on the profession of tele-radio journalists only by what they see on television or hear on the air, but this is only the visible part of the professional electronic media.

The main part of the work remains on the other side of the screen and the air, and this is a huge, painstaking, hard work with their creative, technological, moral features. Work that requires from a journalist of strong nerves, physical stamina, patience, diligence, ability to work in a team, communicability, sense of humor, because a journalist's work is both individual and collective, especially on television and radio, which involved producer, director, editor, TV host-moderator, artist, illuminator, operators, sound engineers and many other experts in their field. The professionalism of each member of the creative team provides the success of the transfer program, the plot of the material as a whole.

So under the influence of active development of new information technologies, modern trends of mass communication the traditional journalism becomes convergent journalism. There are two major trends in the work of converged editions that follow in recent years: it is the leading role of coordinating, collecting distributing themes, news and information. As well as the universalization of reporters, who must be able to collect information for all types of mass media as recording comments on audio and video media, writing articles for the online media and newspapers, and also making a report for TV [5].

Journalists should expand the range of their professional activities, nowadays they are in the process of preparing the content to the Internet and further materials for the broadcasting, and printing press. Such types of the professional activities lead to the real development of the multimedia, the creation of a «universal» journalist, able to work in any multimedia format, having a specific theme.

Now, the work of journalists became operational, mobile. The reader, listener and viewer can ask any questions to the content of creator, journalist, moderator, and TV and radio journalist, sending him the message by e-mail, mobile phone, on the Internet. This feedback became more efficient, more interactive due to the introduction and rapid development of new information technologies that facilitated the journalists' work, but brought them new technical and multimedia requirements, new

approaches to the creative process, new forms of information management, communication management process. This has required a new level of training multimedia journalists, for whom the future development of electronic media.

There is a television and radio studio (TRS) at the faculty of journalism of Al-Farabi Kazakh National University which contribute a new approach in the training of television journalists. The television and radio studio of Al-Farabi KazNU named after M.K. Barmankulov of journalism faculty is a teaching-production television Studio and radio Studio with the latest digital equipment and all the technical conditions for the creation of television and radio programs.

Every day the students of journalism faculty of Al-Farabi KazNU produce radio news in the Kazakh and Russian languages about the life of the University, and all TV shows are broadcasted on monitors located in the territory of Al-Farabi KazNU. Program TV release TRS Al-Farabi KazNU come under the headings: «Official news», «Science», «Report from the student audience», «A portrait of the scientist», «No comment» and others.

The whole life and activities of the University (scientific, educational, public, cultural, sports), all its 14 faculties illuminated by the television and radio complex. Programs of TRK Al-Farabi KazNU named after M.K. Barmankulov of the faculty of journalism has a big social significance for the conservation and enhancement of academic, cultural values, knowledge and traditions of the best examples of world science and education, education of youth on the ideals of science, education and culture.

A TV and radio Studio of journalism faculty of KazNU produced documentaries: portrait television articles about famous scientists, professors of KazNU, numerous television programs, among them: «Nanotechnology in KazNU» about the nuclear physicist, social commercials about the dangers of Smoking, the ethical behavior of students, Subject school competition, «Student spring», the Nauruz, an annual scientific student conference «the World of Al-Farabi», commercials about the University and many others.

The TRK of KazNU, first and foremost, it is an educational television studio and radio Studio. Every day training on radio and television journalism are conducting on TV and radio studios, where the theoretical and practical classes are taught by the teachers of the Department of television and radio journalism of journalism faculty. At studio students' meetings are weekly held with the leading journalists of the country. Their training seminars



are conducted by television and radio journalists of broadcasting company «Kazakhstan», «Khabar», «31 channel» broadcasting company «Astana», «KTK», «Almaty» and others.

They shared with students about professional and life experience, told how they came into the profession as well as how they have achieved great heights in their craft. All these professionals' meeting with students of the journalism faculty of KazNU are held in the television and radio studio of M.K. Barmankulov, video-recorded and then prepared by students of various transfer stories about unforgettable master classes with masters of the cinema, television, and newspapers of Kazakhstan. All meetings and workshops are dedicated on the special web portal of journalism faculty of KazNU [www.jurfak.kz](http://www.jurfak.kz) and also on the University website – [www/kaznu/kz](http://www/kaznu/kz).

On the basis of the educational tele and radio studio named after M.K. Barmankulov of journalism faculty of Al-Farabi KazNU conducted the training courses in the following disciplines of television and radio journalism: «Journalism», «Radio journalists», «Technology of preparation of television and radio programs», «Practical training of tele-radio report», «Skill presenter» and many other items.

Using modern digital equipment, students learn to prepare television, radio materials as taking interviews, reports, notes, TV spots and programs. The development of tele-radio materials, students of journalism prepare and network materials, i.e., Internet products, information, news bulletins, which are prepared once a week in two languages: Kazakh and Russian. Thus, students have the opportunity to prepare materials in various formats: television, radio, and newspaper and Internet format.

The work of the broadcast journalist requires professional skills that are developed through continuous training and accumulation of practical experience, in addition to a broad range of interests, apart from ideological positions, natural abilities, and educational levels. The mastering of profession is possible only as a result of course study of theoretical disciplines in combination with a daily creative practice.

Kazakhstan's media are actively implementing a converged, multimedia newsroom. Almost all the major media holding companies began to create multimedia space. Convergent editorial office allows you to prepare more informative materials that combine the depth of newspaper journalism, emotion and online interactivity.

The creation of different media and informational contexts requires special skills, professional

journalistic skill. Multimedia journalists are actively changing over to converged journalism, because preparing TV material requires knowledge of technology, various television equipment and editing. And these skills are the basis of mastery of multimedia journalism, allow faster learning in the field of newspaper, publishing, photo business, as well as Internet design, network content.

### Conclusion

As reported by scholars, convergence as a concept begins to dominate in the media management, including a content production. Significantly affecting the collection, creation and distribution of information product, convergence is not only radically alter the approaches to the management of information, fundamentally reconstructing the organizational structure of the media, but also creates a new model of journalism. Based on the approach presented above the new requirements in preparing multimedia journalists are created.

Communication media offer a variety of interactive relations of the user and producer and distributor of content. In recent years, the work of journalists became operational and mobile. The reader, listener and viewer can ask any question to the content Creator, journalist, and moderator by sending him a message by email, mobile phone and on the Internet. This feedback became more efficient, more interactive due to the introduction and rapid development of new information technologies that facilitated the journalists' work, but brought them new technical and multimedia requirements, new approaches to the creative process, new forms of information management, communication management process. This has required a new level of training multimedia journalists, for whom the future development of modern journalism in the country.

This research was concerned that the digital age has fundamentally changed broadcasting environment, blurring the lines between types of media, print and electronic communications, however new model of multimedia journalism is formed and begins to work in the educational system that allows to prepare multimedia experts, journalists converged for the modern media market at the journalism faculty of Al-Farabi KazNU.

In conclusion we can identify that further study of preparing multimedia universal media people will be still necessary to be verified. The reforming countries can be successful while maintaining your identity in the context of globalization, with the active development of multimedia journalism.

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## All about British Citizenship

**Abstract.** The significance of citizenship in any legal system is of paramount and copious importance. This article discusses notion, the concept of citizenship and issues of citizenship around the UK legislation. Features of citizenship in the UK are appropriately disclosed. Particular attention is paid to the demands of taking British citizenship, to the privileges and consequences. The conclusion is that it is worth considering before getting new citizenship or acquiring foreign nationality.

**Key words:** nationality, citizenship, allegiance, migration, British citizenship, naturalization, immigrants, belonging, ceremony, status.

### Introduction

The legal status of a person – it is a status approved by the state and society - is part of the social status of the legal status of the person. The legal status of individual is the part of the status of society. Comparing with the legal status of legal entities, the legal status of the individual is determined for the legal status of people and citizens. The legal status of a person' basis consists of his rights, freedoms, interests and obligations. The legal status of the person is depicted in the Constitution of the Republic of Kazakhstan and based on the new concept of the human rights. Human rights and freedoms on the basis of a common legal standards is enshrined in international legal instruments as well [1].

### Methods

One of the main elements of the legal status or the condition of the individual – is his/her citizenship. Citizenship is an only prerequisite of civil, constitutional-legal equality. It signifies the constitutional and legal, in most cases a stable connection of individual with certain country. All citizens are the members of the political community determining the conditions of social solidarity on the basis of equality. Including goodness of democratic citizenship, citizenship institute constitutes the sustainable development of the equal obligations and its positive influences provision [2].

Many people do not understand the distinction between nationality and citizenship. To illustrate,

there is no difference between nationality and citizenship in UK. According to Kazakhstani legislation, nationality and citizenship are not the same concept. The difference between nationality and citizenship: If the conception of nation depicts international law, the characteristic of citizenship refers to domestic law [3]. To be a citizen means that you are the member of a particular political community or equivalent to being relevant to the certain community. Citizenship is not a body of knowledge [4].

Currently, some scientists' consideration who do research on citizenship such as the concept «citizenship is the right to have right» is not relevant. Even, there are those who disagree with the abovementioned conclusion. According to the well-known English scholar, on the other hand citizens should provide joint benefit to their countries. For example, each country and state demands their citizens devotion, commitment, do not want people to be detrimental to the authority at all [5].

### Main body

As English professor Held [3] mentioned, citizenship, as a whole, is an involvement of all people living in the community. In the context of immigration and naturalization, it raises important questions related to membership and belonging. Citizenship is often associated with the three main values: they are belonging, rights and participation. Firstly, citizenship blended belonging with national community. National identity or national

belonging formed common civilian consciousness and loyalty to their fellow citizens and to their country. Secondly, not being the status of humankind before the law has led to the consideration of certain rights as an equal. At the same time, the citizens demanded the regulatory function, including the provision of social and economic rights as part of their decision-making, organizational structures, ensuring equal access to political rights within the framework of the state. Finally, the construction of the civil and political participation as a full and equal member of the power of law and the liability is embraced [6].

Each country has requirements and specifications regarding to the citizenship. We want to consider the issues of British citizenship, its advantages and disadvantages. How difficult is to gain the citizenship of the largest developed country in the world? This is one of the most controversial issues of the modern legal system. Because in the current context of globalization, the world is circulating in the migration process. Therefore, the acceptance of certain citizenship, dual citizenship issues, termination of citizenship is the concern of every citizen in every legal system. In general, we will try to disclose the nuances of the British citizenship, priorities and reveal the problematic aspects.

United Kingdom has long imperial history, it is a multi-ethnic, multi-lingual and multi-religious society. It comprehends England, Scotland, Wales and Northern Ireland. Therefore, the question of citizenship in this country is of great importance. In the past, as well as arising from the globalization of modern life and the complexity, some issues of national identity were unresolved. In the UK, tensions between the British and other nations (especially Scottish), developments of the European Union and the acceptance of European citizenship, assimilation of immigrants (especially Muslim) people's well-being and social rights of citizens, stress [7] – all these occasions affect lively discussion about British nationality and citizenship.

Changes and amendments to the British (English) citizenship law were introduced in 1981, and it became the existing British law. British Nationality Act has nine chapters, fifty two sections. According to this law, the British citizenship is available on the following grounds:

1. The right of the soil *jus soli*: a British citizen or resident in the United Kingdom;
2. The right of blood *jus sanguinis*: if one of the parents is a citizen of the United Kingdom by origin (for example, birth, adoption, registration or naturalization);

3. Naturalisation, the will of his own volition of citizenship that appears to allow the legal process;
4. Registration;
5. Adoption. [8].

According to statistics, from January 2010 until June 2014, there were 899 045 applications; from January 2005 to June 2014, there were 1 781 201 applications; from January 2000 until June 2014, there were 2 177 440 applications that have been received regarding to gaining citizenship. Mostly applications were from contenders of the states such as India, Pakistan, Nigeria, Philippines, South Africa and China. People among these nations of these countries have a great demand for British citizenship. The number of applicants is being increased each year. In some cases, a letter of notification about the refusal to consider the application is sent to applicants. The main reason for the refusal is the inconsistency with the requirements and excess of the permitted days. In addition, the head office which accepts citizenship (Home Office) not responding in a timely manner, poor knowledge of the English language and life in the UK as well has a negative impact on the acquisition of citizenship [9].

For the majority of the people of the United Kingdom, the concept of citizenship often within one country, one state is accepted as a term referring to the belonging. Any citizen who is interested in acquisition of British citizenship must pass the test. UK has a citizenship test that is open and accessible to civilians, and that adheres to the policy regime. UK is the only country in Europe that has open test. [10]. Other countries, such as Austria, Denmark, Estonia, Germany, Latvia, Lithuania as well as the country's civil policy was one of the modes that do not disclose citizenship test. However, on the contrary, it is difficult to access to test versions of the same test, the samples is not distributed among the population in countries that has open citizenship test policy in the mode of politics. In most cases interviews because of the controversial nature may cause difficulties [11]. The citizenship test is used more in the battle for potential use as a weapon to reduce migration than friendly improve unity in society. Wealthy and educated people can afford £ 50 (pounds sterling) which provide a valuable opportunity to pass this test [11].

In spite of great difficulties in obtaining British citizenship, in particular, live, test, and conquest of the system and difficult access are affordable for the elite. Not born in this country, the people who joined the civil and political participation citizenship, are open to many directions belonging and

require innovative thinking about national identity. This is potentially due to signs of statehood and citizenship hinders the formation of ideas [12]

Citizenship changes in legislation and public policy in the UK has been widely discussed over the past 30 years. One of the results of these discussions designed to accept the new British citizenship to the citizens of the UK, developed only since 2004, an official civil procedure introduced. English people were celebrated as a holiday designed to achieve admission to citizenship [12]. Countries with national identity around migration is the final step in the way of civil procedure [13].

British citizenship has both advantages and disadvantages. Notable advantage firstly, with a British passport, any person in the country can live and work, have social and tax benefits, the right to participate in the electoral process in the UK. As well as all countries in the European Union without the right to work and live in many countries of the world, including the developed countries such as the United States, New Zealand, Canada, Australia and other countries can visit without a visa [14]. Civilized people have own advantages; but on the contrary there is no civilization, people are subjected to a full and comprehensive care [3].

The well-known English scientist said, there may be the benefits of citizenship, but full membership, «to become a British citizen» requires much more than this. This coverage of the recognition process after him, moral and good intentions based on the judgment of others. British citizen must be able to prove that you are worthy of British citizenship audience [12]. Well, it is easy to be convinced that the process is not quite that.

British citizenship, further deeper, and is unable to nobody. Simply «rights and obligations» phrase might mean in terms of everyday life should be noted that there is a kind of depth and texture [15].

Since the birth of the civilians less and less every day, and this is a political vote as well as helping to limit access to scarce resources. According to Seyla Benhabib [16], if you want to save the type of birth civil state, where the state is not only a moral obligation, but also a legal obligation to take, for example, benefits for the birth, such as the collection of taxes.

The UK government representing the number of active citizenship landed migration rather than government to create mechanisms to regulate the number of people in the city intends to take with discipline and control technology. At the moment, the UK is characterized by its continuous mess cases, connected with the problems of the citizenship. The emergence of such political initiatives of active citizenship leads to a failure to accept the invitation [17], rather than strengthen the unity and development is likely to lead to an increase in diversity.

Bee and Patchi mentioned to adhere to the Thatcher government and the main neoliberal policies, that is, an active civil training institute dedicated to the promotion of the principles and values rather than the development of community based social divisions, based on common actions to improve strongly criticized [18]. Because it is an optimal contribution to the development of proof of citizenship.

As a result, the transfer of civilians, or so to speak, because it was the mobilization of the vehicle in the nineteenth and twentieth-century Western Europe has coincided with the process of democratization and state-building. She has always been a tool for controlling elites and capital, as well as the power of the people and government mechanisms and is a tool for a thorough examination of the results [5].

### Conclusion

Citizenship, social dignity and membership can be considered as a measure of an individual. Citizens seek to appreciate and respect, to have careful attitude and development of appropriate legal system element. Professor Bosnyak noted that citizenship, democratic and equitable aspirations portrayed as the most important element in achieving a high level [19]. Civil and contextual boundaries carried out to achieve membership which is problematic because «certain places as a response to a real struggle and conflict» appear [20]. We should not forget to take into account, prior to making the citizenship, rights of the majority of its fruits, which draw attention to the advantages than shortcomings.

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# VI ● INTERNATIONAL RELATIONSHIPS

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## **The New Silk Road – Economic Belt Policy: The Great Chance for the Rejuvenation of Europe**

**Abstract.** The paper presents that Europe is now being shaken by a series of crises such as the Greek crisis, the refugee catastrophe and the imminent turbulence of the Trans – Atlantic financial sector. In that context, the perspective of the OBOR / New Silk Road is the only positive way to be able to find a form of cooperation, which will allow these problems to be overcome on a higher level. It also states that when we talk about the «New Silk Road becomes the World Land Bridge» as a vision for the future, we should see it as a synonym not only for a new just economic order, and emphatically as the basis for a peace order for 20<sup>th</sup> century, based on completely different economic and scientific principles than the previous system of globalization, but also for a new paradigm concerning the identity of the human species as the only creative species known so far in the universe.

**Key words:** OBOR, Refugee Catastrophe, Euro crisis, the World Land – bridge.

### **Introduction**

Europe is now being shaken by a series of crises which clearly show that the entire structure of the European Union, as it has developed from the EU summits from Maastricht to Lisbon, and the euro single currency, are standing on extremely shaky foundations, and that their continuation in the current form is most unlikely. The Greek crisis, which is by no means over, has already demonstrated that the Troika's attempt to cling to the neo – liberal economic model, even against the explicit will of the voters of a member country, is enormously explosive for the unity of Europe. The imminent turbulence of the trans-Atlantic financial sector – the situation being much tenser than before the collapse of Lehman Brothers and AIG in 2008 – threatens to plunge Europe into chaos, which can neither be prevented by a continuation of the «bail – out» policy, nor by the widespread plans for «bail – ins».

As tragic as the refugee crisis is for the millions of people fleeing, it potentially has a good side: more and more Europeans are realizing that the policy of Europe must fundamentally change, that the causes for the outflow of refugees from their countries must be eliminated, and that this requires, in addition to a scrupulous analysis of those

causes, a comprehensive economic development program for South-west Asia and Africa. Above all, the 180-degree change of the German government and its pledge to accept all refugees from Syria, offers an exceptional chance to bring about a change in Europe. The charity shown by a great majority of the German population can become an orientation point for a new paradigm that would open Europe up to cooperation with the Silk Road Economic Belt policy. But it must be made more explicit.

### **Methods**

Even before the refugee catastrophe that highlighted the internal tensions and differences of opinion, the Eurozone and even the entire European Union had repeatedly been brought to the point of rupture by the Greek crisis. That became clear in the merciless rigor with which the Eurogroup, the European Central Bank and German Finance Minister Schauble rejected the slightest concession to Greece on the austerity policy from the very first day the Syriza – Independent Greek government took power, a government elected on the basis of its explicit rejection of the austerity policy. In Greece, the democracy that the EU praises so loudly was ignored [1, p. 61].



### Main body

The Troika's austerity policy in Greece and in other EU countries in Southern Europe had already led to a humanitarian catastrophe in 2010. In that year, the Greek debt amounted to 125% of its GDP. The Troika said that rate was unsustainable and prescribed a «rescue package» which involved hefty cuts. At the end of the fourth quarter 2013, Greek debt amounted to 183% of GDP. Today, now that the Syriza government, after desperately resisting, was forced to accept the harshest austerity package ever, the level of the debt is up to 200% of GDP [1, p. 122].

By the end of 2014, the real economy had shrunk by 25%, and unemployment was officially at 28%, but it was in reality at 45% and for the youth at 65%, even though it is estimated that up to one million educated, young people had left the country because of the lack of perspective for the future. That corresponds to about 10% of the population. Moreover, the average real income of those employed had dropped by 50% due to tax increases, wage decreases and inflation [1, p. 61].

The suicide rate rose dramatically, by thousands. In almost all the cases, the reason was the unbearable economic hardship due to the austerity measures: Dismissals, bankruptcies, eviction notices, loss of medical insurance, loss of vital subsidies, etc. Since 2010, the Greek health system has all but collapsed, hospitals and physicians were forced to practice triage, which led to an increase in the mortality rate to 111.794 deaths and a decline in the birth rate to only 94.134 in 2013, therefore an overall population decrease by 17.660 people, and that rate has increased from year to year. Subsidies were cut to «unprofitable» ferries to islands «only» inhabited by local residents [2, p. 53].

Under the latest «bailout package» forced on the Syriza government under conditions of brutal blackmail, the indebtedness is above 200%, while the real economy continues to contract. Of all the billions of dollars of bailout funds, only about 3% remained in Greece, the rest flowed right back into the European banks in the form of service on Greece's old debts. It is not surprising that the International Monetary Fund declared these debts to be unsustainable, and refused to participate in the bailout unless significant debts relief was granted. That in turn was rejected by the ECB, the Eurogroup, and in particularly German Finance Minister Wolfgang Schäuble, because a large share of derivatives depends on maintaining Greek debt service payments [3, p. 291].

In Ireland, Spain, Portugal and Italy as well, the austerity policy has had devastating effects. In Ire-

land, out of a total population of less than 4.5 million, 70000 emigrated per year. That makes 1.6% of the population, which is only growing by a net 0.6% per year. Unemployment rose officially from 4.8% in 2008 to 14.8% in June 2012, and then rose to 9.5% by July 2015. The suicide rate also increased here [2, p. 54].

In Portugal, a country of less than 10.8 million people, some one million have emigrated, among them many engineers, computer programmers and academics who have gone to the former colonies of Mozambique and Angola, where economic growth rates are much higher than in Portugal. Suicides are also on the rise, in particular among the elderly and unemployed. As for unemployment, under the Troika's «model of success», it went from 8.4% in 2008 to 12.1 in July 2015.

Spain, whose economy and population (47 million) are larger than those of Greece, Ireland and Portugal combined, is also in a free fall. Official unemployment was at 24.7% in June 2012, as against 8.5% in 2008. Youth unemployment was at a staggering 53%. In 2011, 62000 Spaniards emigrated, yet in the first six months of 2012, a record number of 40625 had been reached. In addition, 228000 foreigners left the country, many of whom had worked in the collapsed construction sector [2, p. 61].

In Italy, the GDP has shrunk over the last three years by respectively 2.5%, 1.9%, and 0.4%. Since 2008, Italy has lost one fourth of its industrial capacity, the same percentage as Greece. Unemployment is officially at 12%, with youth unemployment between 40 and 42%. Real figures are likely twice as high, as the head of the industrialists' association Confindustria pointed out last year.

According to Svimez, a think tank for the industrial development of Italy's Mezzogiorno, the southern part of the country faces industrial desertification and demographic annihilation. Measured in GDP, the Mezzogiorno declined more than Greece in the 2001 – 2014 period: 9.4% as compared to 1.7% [2, p. 70].

Of course, since the Troika took over the country in 2010, the Greek collapse has been more dramatic. However, the decline of the Mezzogiorno has proceeded at an increasing rate. GDP has been negative for seven years in a row. Whereas all Italian regions were hit by the 2008 – 2014 recession, Southern Italy cumulatively lost 13%, while the Center and the North lost «only» 7.4%.

Industrial collapse is even more dramatic: Benefit has plunged by 45% in the Mezzogiorno, compared to 17.2% in the rest of the country, while the construction sector plunged by 38.7% (vs. 29.8%).

This has brought about an unprecedented negative demographic trend. There were only 174000 births in the Mezzogiorno regions in 2014 for a population of 20.6 million. This is the lowest figure ever since 1862, the birth year of the Italian state [2, p. 68].

«Southern Italy will thus be characterized in the next years by a demographic distortion, a tsunami with unpredictable consequences, destined to lose 4.2 million inhabitants in the next 50 years», states the Svimez report.

The New Silk Road becomes the World Land – Bridge: OBOR Policy must create a New Paradigm for Europe

It is obvious that the combination of crises in Europe, the refugee crisis, the euro crisis, but first and foremost, the danger of a new world war developing out of either a showdown between the US and Russia over the Syria policy or the situation in Ukraine, requires an even more creative intervention. Clearly, the true self – interest of Europe lies in cooperation with the OBOR policy in the context of the BRICS and of President Xi Jinping's offer of a «win – win» policy. We think that it must be made even more explicit, and the outbreak of the refugee crisis makes it easy for everyone to see, that unless major nations agree to develop both Southwest Asia and Africa as a joint effort, the situation can only degenerate into chaos and war [4, p. 293].

Therefore, when we talk about the «New Silk Road becomes the World Land Bridge» as a vision for the future, we should see it as a synonym not only for a new just economic order, and emphatically as the basis for a peace order for the 20<sup>th</sup> century based on completely different economic and scientific principles than the previous system of globalization, but also for a new paradigm concerning the identity of the human species as the only creative species known so far in the universe.

President Xi Jinping has called this an all – inclusive, «win – win policy», in which all-participating nations will enjoy mutual benefits. President Putin has reiterated the same openness in talking about the economic integration of a Eurasia from the Atlantic to the Pacific. The concept of the «New Silk Road» is therefore the most important strategic initiative, because it is the only available policy on the table to overcome the idea of geopolitics, which was the two World Wars in the 20<sup>th</sup> century. The prospect, that nations or a group of nations would have legitimate geopolitical interests that would pit them against each other, must be replaced with the idea, that there is a higher level of reason, on which historical, ethnic or other conflicts disappear.

Humankind must be defined in this way for the first time in its history, by the common aims of the human species [4, p. 418].

This is not some vision for the far distant future, but it is the indispensable basis for an immediate intervention into strategic situation today.

The Schiller Institute presented last year a 370 – page scientific study titled The New Silk Road Becomes the World Land – Bridge, which is the outline for an infrastructural integration of all continents, through a comprehensive system of fast train systems, highways, waterways, tunnels and bridges as the arteries for development corridors. This comprehensive plan for the reconstruction of the world economy would provide enormous advantages for each participating country, enabling every part of the planet, to participate in a «win – win» perspective.

In early 2012, we had already presented a comprehensive development plan for the Reconstruction of Southern Europe, the Mediterranean Region, and Africa, which is now incorporated into the World Land – bridge. The basic approach from the start was to actually build the Transport Corridors in Southern Europe that had already been agreed upon in 1994 by the European Transport Ministers at a conference in Crete. They had decided to build 10 Priority Corridors, of which 5 would have traversed the Balkans to Greece, others to Italy, Spain and Portugal. But with the exception of small components, they were not built, above all because of the crises in the global financial system which broke out, and the resulting austerity programs, but also because there was a paradigm change to Green ideology, which currently dominates the guidelines of the European Union. In fact, these programs could be launched tomorrow. They would give Spain, Portugal, Italy, and the Mediterranean zone and Africa, a vision for the future, which would completely change the overall dynamic. For some of the projects listed in the program, for example a tunnel under the Strait of Gibraltar, the feasibility study and an agreement between Spain and Morocco already exist, so construction work could begin within 24 hours. The tunnel would connect the European rail network with the future North African rail network via a 40 km long tunnel under the Strait of Gibraltar. Thus, the Gibraltar tunnel would connect Africa to the World Land – Bridge. An essential element of the plan is the systematic development of the real economy and improvement of the skills of the workforce through a series of Avant – guard projects which serve as science drivers [5, p. 3].

Also in November 2012, the Schiller Institute presented a comprehensive development plan for the entire area from Afghanistan to the Mediterranean and from Central Asia to the Persian Gulf, all seen as one region. Only if all major neighbors, namely Russia, China, India, Pakistan, Iran, Egypt, and hopefully some European nations, such as Germany, France and Italy, and the United States hopefully as well, agree together with the BRICS, to extend the New Silk Road development perspective into South West Africa and Africa, will there be the possibility, that the vision of a better future will convince young men in particular, that it is better to study to become a scientist or engineer and raise a family, than to join ever new jihadist groups.

What is needed is an integrated development program, including a war against the desert with the development of plenty of new water sources, infrastructure, industry, agriculture, new smart cities, and science and research centers. If all the countries that are presently threatened by the terrorism emanating from that region would collaborate in this development, the danger could be overcome.

Due to climate change, caused primarily by solar and galactic influences on the planet Earth, the belt of deserts, ranging from the Atlantic coast of Africa all the way through the Sahara and Sahel zone, the Arabian Peninsula, the Near and Middle East to China, is currently expanding in a similar way as the desert in the South – west of the United States, and parts of Central and South America. The obvious answer to this problem is the creation of large amounts of fresh water through a variety of methods, such as desalination of large amounts of ocean water through nuclear energy, continental water diversification and management projects, weather modification and ionization of atmospheric moisture [5, p. 181].

In several countries, atmospheric ionization systems have been successfully used to increase precipitation, and in this way affect the associated weather processes. Successful application of this method, which imitates processes occurring natu-

rally in our solar system and galaxy, has been tested for three decades now. Through international cooperation concerning the further development of these technologies, the desertification of the mentioned regions of the world could be rolled back in a completely new way: By managing the water resources of the atmosphere.

### Conclusion

The attractiveness of the policy of the New Silk Road is found in the inspiring example of the Chinese Economic Miracle of the last 30 years, which shows the way for every nation on this planet that is willing to make this lesson their own. The One Belt, One Road (OBOR) perspective simply means to replicate the Chinese Economic Miracle everywhere, in Southern Europe, Southwest Asia, and in Africa. Aside from China, Germany is the country which after the Second World War created the famous German Economic Miracle, and thus the German population has the ability «in its genes» for great achievements under crisis conditions [6, p. 35].

In that way, the refugee crisis can become a chance to correct the political and economic failures of the last 25 years and to return to the principles, which dominated Germany in its reconstruction phase. Instead of herding the refugees into barracks, damning them to inactivity, they could be developed in language and educational training programs and integrated into the national economy, becoming an enormous economic benefit in the nations of Europe, which are currently suffering from demographic shrinkage.

The construction of the World Land – Bridge for Southwest Asia and Africa must become a common mission for all of humanity. The UN – General Assembly, where Ban Ki Moon has scheduled a special session to address the refugee crisis, would be the appropriate place to discuss such a vision [6, p. 48].

Only when we unite ourselves around the common goals of mankind will we be able to overcome the current crisis.

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# IV ● ORIENTAL STUDIES

UDC 355.02

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## Main Ways of Development of Iran's Military Policy after the Lifting of International Sanctions

**Abstract.** This article deals with the Iranian military policy after the removal of sanctions from Tehran at the beginning of 2016, which was made possible due to an agreement on the Iranian nuclear program with the help of six international mediators (USA, France, Britain, Germany, China and Russia).

The main objective of this work is to trace and analyze the main directions of development of military and defense policy of Iran in the new geopolitical conditions. Since after signing agreement on the nuclear program, on the one hand, Tehran has to abandon its unconventional weapons, which since the Shah's time was seen as a means to achieve regional hegemony and deterrence factor. On the other hand, the Iranian leadership now faces the challenge to achieve the same purposes, though by other means, including army modernization, qualitative upgrade of weapons, purchase of modern systems and strengthening its own military-industrial complex, etc.

All these processes concern the safety of the nearest regional neighbors of Iran. Therefore, the article presents the forecasts of possible consequences of these trends in the development of international relations and regional security in the Persian Gulf.

**Key words:** Iran's nuclear program, Iran's missile program, sanctions, weapons, defense policy, military exercises, conflict.

### Introduction

For a long time one of the main problems of international security was Iran's nuclear program, which is believed to lead to the creation of nuclear weapons by Tehran. Iran's nuclear program has its origins since the Shah's period. In 1957, Iran signed a nuclear cooperation agreement with the United States under The Atoms for Peace program. This was followed by another agreement in 1960 for the acquisition of a small research reactor in Tehran University. [1, c. 1]. Further, the Iranian side has signed the 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT). In the early 1970s, the Shah Mohammad Reza Pahlavi began project for the establishment a full nuclear cycle and the construction of 23 reactors in Iran. For this purpose, Organization of Iran Atomic Energy was created. Preparation of implementation was underway: the Iranian side bought shares of the world leaders in the field of nuclear energy, such as Eurodif, ENUSA, Synatom etc.; preparing specialists abroad in the leading scientific centers, building nuclear facilities and

infrastructure. At the beginning of the new regime era, after the 1979 revolution Tehran had to forget about nuclear program. However, later it came back again. The work intensified in 1990, when agreements on cooperation in the field of nuclear technology were reached between Iran and Russia. In the same period, the concern of international community about the Iranian nuclear program is growing. Therefore, in 1995 USA unilaterally imposed trade and economic sanctions against Tehran. After Iran in 2002 being attributed to the «axis of evil», countries that sponsor terrorism, charges of attempting to build nuclear weapons and pressure on Tehran have increased. the refusal of the Iranian authorities to allow IAEA experts to visit all nuclear facilities in the country has aggravated the situation, though, in 2003, Iran signed the Additional Protocol to the NPT, which obliged the organization of the admittance, but the Iranian parliament has not ratified the agreement. After the adoption of a number of UN Security Council resolutions Islamic Republic of Iran fell under international sanctions. According to



the Russian Iranist V.I.Sazhin «from 2006 to 2010 the UN Security Council has adopted six resolutions against Iran's nuclear program, four of which included the introduction of various kinds of sanctions». [2, c. 69].

July 15, 2015 Iran and an international group of mediators: USA, France, Britain, Germany, China and Russia were able to reach an agreement on the development of Iran's nuclear program. In return for concessions and guarantees from Tehran to develop the atom for peaceful purposes only, the international community pledged to remove sanctions from Iran. Start with the abolition of the sanctions regime of the Islamic Republic of Iran was at the beginning of 2016. This event demonstrates existing major geopolitical changes in the Middle East, which will undoubtedly have a major impact on the future of international relations and security in the region. We can say that with the abolition of sanctions against Iran in the Middle East in general and the Gulf in particular, the new geopolitical conditions are formed. In this case, the main question is what kind of tool kit selects the Iranian leadership to achieve its regional hegemony and the formation of a powerful deterrent against attacks on it. Moreover, whether the Iranian leadership completely abandoned the idea of owning non-conventional weapons.

### Methods

In studying given problem, the author has used a variety of research methods. First, it is applied analysis of international situations, as well as the study of historical processes that have a pattern due to the repetition of particular regional realities. In addition, analysis of expert opinion was used as well as case analysis.

### Main body

The reality is that Iran, in spite of the difficult conditions of international isolation, was able to survive and not to drown in the socio-economic and other problems during the sanctions, showing some resistance, and now it will only increase its strength and power. In Tehran, there are new opportunities and horizons, obtained by signing agreement on its nuclear program. The main benefit is the freedom of choice in trade and economic matters on the global stage, as well as the lifting of restrictions to access to global markets for goods and services. It is very important for Iran, which has not only a huge export but also import opportunities, as it is one of the largest markets in the region with almost 75 million of population. At the same time all this is multiplied

by the prevailing acute shortage of technologies and products in many areas of life, due to pre-existing sanctions. In connection with the opening of new opportunities and prospects, Iranian President Hassan Rouhani said on February 11, 2016: «The next year (Iranian calendar), will be the year of the country's prosperity and growth». [3].

Of course, in principle, Iran has a shortage of equipment and technologies in virtually all sectors of the economy; however, we need to understand that one of the main parts of the modernization Tehran will send to update the army. The main emphasis will be placed on the development of its own technologies and military-industrial complex. In fact, Iran is already producing many kinds of weapons that could be inferior to or behind foreign counterparts, however, the fact of the existing capacity says a lot. In Iran, infantry fighting vehicles (IFV), self-propelled artillery units (SAU), multiple launch rocket systems (MLRS), anti-tank guided missiles (ATGM) and more are manufactured today.

Vivid proof of the sustainable development of its own military industry is its own missile program, which can now produce missile both of small and of medium-range. Iran produces short-range systems «Tondar» (up to 150 km) and the «Fateh» (up to 200 km); medium-range complexes «Shahab» and «Kader»; ballistic missiles such as «Sajjil» (2 thousand km.); winged and anti-ship missiles.

The development of science and technology is one of the most important tasks of the Iranian leadership, as Tehran sees this as a pledge of his success and independence. Therefore, we can be sure that Iran will develop new systems and weapons. For example, at the beginning of December 2016 the leadership of naval forces of Iran announced that the fleet will soon receive the newest submarines «Fateh», which will be created by the efforts of Iranian experts. [4]. It should be noted that in parallel to this project a new warship «Shiraz» is built. In general, Iran has recently shown a good progress in the field of military-technical progress. Therefore, 21 August 2016 the Iranian military with the participation of the President of Iran Hassan Rauhani presented their own analog of anti-aircraft missile system C-300. In this context, quite interesting are the words of the head of Israeli military intelligence (AMAN), Major-General Hertz Halevi, who said: «Iran is reducing technological lagging behind Israel .... If you ask me whether we will have war with Iran in the next 10 years, then I will give you an unexpected answer: we are already at war with Iran. We are in a technological war with Iran. Our engineers are



now struggling with the Iranian engineers, and it is becoming more and more important « [5].

Of course, at this stage of technological development **Iran cannot meet all the needs of the army on its own. Iran has to buy many weapons abroad. Increasingly, however, the Iranian side demands technology transfer from potential sellers.** Since the main task of Iran is not just to get the goods, but if possible to get cutting-edge technology on which Iranian scientists were able to create their own development. After all, in this way many successes in the military-industrial complex of Iran have been achieved. For example, a well-known Iranian missile «Shahab» has been developed on a modular basis of North Korean missile «Nodong». Tehran's intentions to purchase tanks of model T-90 in Russia show that Iran seeks primarily to get technology. Prior to removal of international sanctions, the Iranian side has repeatedly stated its interest in this transaction. Then, after the lifting of sanctions in the beginning of February 2016, the Deputy Commander of the Army Gen. Kiomars Heydari declared that the transaction could take place only if Russia will also give technology. On the other hand, Deputy General Director of the Corporation «Uralvagonzavod» Alex Zharich said that their plant is ready to deploy in Iran licensed production of tanks. [6].

One of the basic and main partners in military-technical sphere is likely to remain Russia. It is especially necessary to note the fact of the use of the Iranian air bases Noji in Hamadan by the Russian side. August 14, 2016 bombers of aerospace forces of the Russian Federation, the Tu-22M3 having made airstrikes on targets in Syria boarded the Iranian territory. As early as August 16, strikes were inflicted by Tu-22M3 and Su-34, which took off from an airbase in Hamadan. At first, the Russian Federation denied this information, but then it has confirmed, that caused condemnation of the Tehran and the suspension of the use of an air base in Hamadan, as said the Defense Minister of the Islamic Republic of Iran, Hussein Dekhan on August 21. However, this event is a very important precedent: for the first time on the territory of the Islamic Republic, a foreign military contingent was stationed, and even non-Muslim. The Iranian side began to make excuses, saying the aircraft landed for refueling only. So chairman of the committee of the Iranian Majlis on National Security and Foreign Policy Alaeddin Boroujerdi said, «Noji AFB was selected for refueling, as it is located along the route to Iraq and Syria.» [7]. There is no doubt that such military cooperation would continue. After all, Tehran receives great benefits from it.

Despite the stable development of military-technical partnership between Tehran and Moscow, in the long term, China may take on the Kremlin's position in Iran. In mid-November 2016, Chinese Defense Minister Chang Vantsyuan visited Tehran with an official three-day visit. During the visit, Iranian-Chinese agreement on cooperation in the military sphere was signed. This contract was the first in the history of relations between Iran and China. It is important that the agreement provides for joint maneuvers. Also according to the available information, during the visit the Chinese Defense Minister Chang Vantsyuan and Iranian Defense Minister Hussein Dekhanom negotiated the possibility of purchasing of 150 Chinese all-weather multirole fighter of the fourth generation Chengdu J-10 by Tehran. These developments show an increase in Beijing's presence in the region. Earlier, in mid-August 2016 it was announced that China has started to build a military base on the coast of Djibouti, while it should be noted that it is located just 8 miles (13 km) from the largest US military base on the African continent [8]. Djibouti is a small size country located in the Horn of Africa, however, this state has an important strategic access to the coast of the Gulf of Aden the Bab al-Mandab strait, through which pass world's most important logistical ways, including energy. Of course, this port is primarily a commercial and needed for the adoption of dry cargo and tankers. However, near the port Pakistan is building a new naval base, in which China is seriously interested in, hoping to get the opportunity for entering its Navy to the base. The port at Gwadar is necessary for Beijing as an alternative transportation and logistics of Malacca Strait, because the Pakistani port will be linked to Western China by means of railway tracks. These aspects indicate the growth of Beijing's presence in the Middle East, where Iran has a very important geopolitical position as a major new player. On the other hand, Iran cooperation, both with the Russian Federation and the People's Republic of China is advantageous in that both countries in the sale of weapons do not make any political conditions, in contrast to Western suppliers. The Iranian leadership, as strengthening its influence and development of the concept of deterrence assumes in the long term its own building of military bases in other countries. At the end of November 2016, the Chief of General Staff of the Iranian Armed Forces Muhammad Hussein Bakri said that in the near future, Tehran could create a base for his fleet in Yemen and Syria. He said that this instrument is a more effective deterrent than nuclear weapons.

Military Tehran's policy tends to the constant development and expansion of its features. An agreement on Iran's nuclear program with the international community has not stopped the development of the missile program, although in relation to it the international community also had a claim. Despite the UN Security Council resolution №1737, 1929, 2231 Iranian authorities do not stop the development of the missile program, causing great concern among the neighboring countries in the region. Tehran's geopolitical opponents are wondering if Iran rejects the creation of unconventional weapons, why he would need the further development of missile program. Some researchers believe that the Iranian leadership, in spite of the agreement reached on the nuclear program in the future will still come back to the issue of nuclear weapons. In fact, issue of the possibility of Iran developing nuclear weapons is twofold and is not fully clear. On the one hand, one of the main geopolitical rivals of Iran in the region, Israel has de facto nuclear weapons, which certainly fuels the military and political leadership in Tehran to obtain unconventional weapons. On the other hand, the assertion that nuclear weapons in itself is an effective deterrent is problematic [9]. In case of possession of unconventional weapons by Iran, this will lead to the fact that other geopolitical enemies will also seek to obtain it. Therefore, after the statement of US President-elect Donald Trump in November 2016 that he would like to revise agreement on Iran's nuclear program, calls for the prevention of denunciation of the treaty were made from the Middle East's political elite. The former head of Saudi intelligence Turki al-Faisal said the contract allowed slowing down the development of nuclear weapons by Iran for 15 years. If the agreement will be canceled, it will lead to a sharp destabilization in the region. According to Turki al-Faisal agreement

should be the basis for a new treaty on the Non-Proliferation of Nuclear Weapons in the Middle East.

### Conclusion

The militarization of Iran, development of the armed forces and military-industrial complex are the guarantor of the stability of the political regime in Tehran, whether or not nuclear weapons will exist in Iran. The main ways of development of the Iranian military policy after the lifting of sanctions will be the modernization of the army, the development of its own technologies, strengthening the military-industrial complex, military-technical cooperation with major global players, such as Russia and China, the establishment of naval bases outside Iran, etc. A strong army is the foundation of deterrence on infringement of Iranian sovereignty, but also factor in the spread of Tehran hegemony in the region. This is unlikely that Iran will go to a direct military confrontation with the neighboring countries in the medium term, even if the Iranian armed forces will have military superiority, as they clearly loses the information field. Iran's image is very negative in the world. Therefore, Tehran, along with the development of military force is concerned about the creation of soft power and formation of a positive image abroad. The military strengthening of Iran boosts regional opponents, primarily the Arab monarchies of the Persian Gulf to strengthen their combat capability, by increasing the cost of the arms purchase, creating their own military-industrial complexes, increasing the training maneuvers, etc. Of course, this leads to the militarization of the Persian Gulf, but at the same time creates a balance of forces, which is a very important factor in maintaining peace and stability, as well as a tool of regional security.

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# VIII ● PHILOLOGY

UDC 378

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## Stages of the Development of Kazakh Mathematical Terminology

**Abstract.** The article focuses on the development stages of Kazakh mathematical terminology. It deals with the chronological scheme of formation of this terminology. The author gives a comprehensive description of the evolution of mathematical terminology of the Kazakh language. After getting independence by Kazakhstan, the pace of social, scientific and technological development, a radical increase of the amount of information has led to the introduction of large number of neologisms into vocabulary of Kazakh language. Special attention is paid to the international mathematical vocabulary, the borrowing process from the Russian language and through Russian language borrowing of international terms, prospects of the development of the Kazakh language and terminology of various fields of science, the importance of the process of globalization in spreading the scientific information. Intensification of the borrowing process and the development of foreign vocabulary promote the dynamics of lexical system of the Kazakh language. Scientific and technical terminologies replenish the vocabulary of the Kazakh language.

**Key words:** terminology, Kazakh language, term formation, the system of mathematical terminology, borrowings, specialized vocabulary.

### Introduction

Today the language history cannot be completely understood without studying the phenomenon of language contact and mixing. The language contact often plays a very important role in the history of languages. The history of a language involves gradual evolution as well as sudden changes brought about by various types of language contact. A large number of words may be borrowed, particularly if one group acts as the source of new items of culture or environment for the other. Precisely this type of language contact accounts for the large number of Arabic loan words borrowed together with the new religion of Islam into such unrelated language as Kazakh.

All forms of human activity tend to give rise to a specialized vocabulary, which participants use in conjunction with the general vocabulary of whatever language they happen to speak. The historical development of a specialized branch of language, such as mathematical language, belongs to the history of mathematics and to the history of language.

The subject of the research of this paper is the terminology of the specific area of knowledge – mathematics in terms of its evolution. The language

of mathematics contains terms and symbols. Mathematics does not have millions of terms like chemistry or biology but even so the number of terms in use is very great. The origins of many mathematical terms are very complicated. Most terms have been subject to greater or less movement in the course of centuries. The present period of development of the Kazakh language is characterized by the emergence of a large number of new terms, reflecting the appearance of new phenomena of social, economic and political life, terms related to various fields of science, technology, production, culture, and art. With the development of globalization in the present era and increasing internationalization of social processes, the growth of international and cultural exchange is evident; expansion of the use of international words is natural. The role of international vocabulary is extremely important. The Latin, French, German have been at different times international languages. Since the Second World War English has been the most important scientific language.

### Methods

Structural and semantic analysis; comparative-typological method; the method of continuous sam-

pling; general scientific methods such as analysis, synthesis, classification and generalization; comparative study of relations of mathematical terms of Kazakh and English languages; a comparative linguistic analysis of the terminology system are used.

The comparative analysis is particularly evident in the term system, as it can be in one subject area, and based on different terminological systems. A comprehensive description of the evolution of mathematical terminology in the Kazakh language in order to identify its linguistic features, which are obvious in the system of Kazakh mathematical terminology, is considered in correlation with the development of mathematics.

### **Main body**

#### **History of Kazakh Mathematical Terminology Development**

The current development of terminological investigations requires serious analysis of the traditional views on the essence of the term and the basic principles of its operation. «Term studies explore the concepts and terminology systems of various branches of knowledge, taking into account terms expressing concepts, logical-linguistic organization of systems of concepts and terms» [1. P. 9]. The object of the research of this paper is the history of the development of mathematical terms in the modern Kazakh language. There are two approaches dealing with the evolution of terminology: descriptive and prescriptive. The descriptive approach observes and analyses the emergence of terms, the prescriptive approach constitutes an agreement by users to adopt a term for common and repeated use in given circumstances. The prescriptive approach comprises terminology unification and standardization. Terminology standardization usually involves a choice among competing terms. There are several factors that can influence on this choice, e.g. precision (one term might have greater clarity or transparency than others), appropriateness (a term may have disturbing connotations associated with it). The standardization of terminologies should be based on standardized principles and methods, which themselves should be based on the scientific theory. Terminology today has adopted an approach to collecting lexical data that is based on corpora. It has been recognized that one concept can correspond to a variety of linguistic representations, which can serve various communication needs.

The evolution of the development of Kazakh mathematical terms can be divided into four stages. The first stage deals with the spread of Islam and Muslim culture. In XI–XVI centuries, Arabic and

Persian terms entered the Kazakh language. They were mathematical terms, terms of religion, medicine, law, geography, botany, social and political sciences. The number of Arabic and Persian terms in the mathematical terminology of the Kazakh language is quite high. Writings of al-Farabi in mathematics had a major impact on the work of scientists of the East and the development of mathematical terminology. Despite the paucity of evidence of this time, the elements of scientific terminology really existed in this period of the development of the Kazakh language. The second stage is associated with the Russian-Kazakh relations beginning from the second half of the XVIII century to the 20th years of the XX century. The words of the Russian language, related to the social and political life, economy, science, culture penetrated in two ways into the Kazakh language. The first way was through the spoken language, through the direct relationships and the second way was through written literature. Communication between Russian and Kazakh peoples led to the transition of lexical items from one language to another. The number of borrowings from the Russian language into the lexical system of Kazakh language significantly increased during this period. The word building of terms in Kazakh language began at the end of the nineteenth century.

Kazakh educators such as Ibrahim Altynsarin, Ahmet Baitursynov played an important role in the development of Kazakh terminology. Large changes in the socio-cultural life of the Kazakh people in the pre-revolutionary period and the period after great October revolution in 1917 gave rise to a huge number of new terms. A certain part of Kazakh mathematical terminology consists of borrowed terms under the influence of Russian language. The third stage, the formation and development of the national terminological system, began from 1925 and continued till the years of getting independence, till the collapse of the Soviet power. This period was of great significance. The terminological work was led by the People's Commissariat of Methodical Bureau of Kazakh SSR, by the Terminology Commission of the Council of Ministers of the Kazakh SSR. During this period, some work has been done to streamline the terminology of various branches of science. Principles and sources of their formation have been the subject of a large number of works devoted to creating of national terms. H.K. Zhubanov, S.K. Kenesbaev, A. Baitursynov, G.G. Musabaev, M.B. Balakaev, A. I. Iskakov, A.T. Kaydarov, S.A. Amanzholov, K.A. Ahanov made a valuable contribution to studies of terminological systems of modern Kazakh language.



The most fruitful work on the development of terminological systems of languages of the former USSR has been done in the second half of the 40's of the XX century. As a notable contribution to the development of Kazakh terminology, the Glossary of Kazakh Terms was published in 1948 in two volumes. Terms were for the first time systematized, and were given their interpretations. 12 Russian-Kazakh dictionaries, among them Russian-Kazakh dictionary of mathematical terms, were prepared at the Institute of Linguistics of the Academy of Sciences of the Kazakh SSR and published in the period from 1959 to 1962. The release of terminological dictionaries initiated the further research in this area. The Committee of scientific and technical terminology, the USSR Academy of Sciences and State Standard carried out the whole work.

The fourth stage is the period from 1991 until nowadays. In 1991, due to Kazakhstan's acquisition of independence, national terminology began rapidly to develop. In recent years, there have been many changes in this field. «Terminology of each of the national language is the result of practical and cognitive actions of the representatives of the nation, as all areas of social and professional activities are reflected in the name of special concepts» [2. P. 52].

After getting independence, Kazakhstan has embarked on a new path of development, and the main priority is the formation of a sovereign democratic state of the world level. The pace of social, scientific and technological development, a radical increase of the amount of information has led to the introduction of large number of neologisms into vocabulary of Kazakh language. According to the «State program of functioning and development of languages», one of the most important tasks is the development of terminology base of the Kazakh language. For this purpose, the scientific publishing program to create a series of Kazakh-Russian and Russian-Kazakh terminological dictionaries was developed. The team of linguists and terminologists carefully examined more than 200 previously published dictionaries and selected the most appropriate present day terms. The real contribution to the development and expansion of the use of Kazakh language became the Kazakh-Russian, Russian-Kazakh terminology dictionaries in 31 volumes, edited by Professor A. Kusainov, released in 1999. Having carefully examined the terms of mathematics presented in this dictionary, the authors of the dictionary tried to find out adequate translations of terms into Kazakh language, and if the terms were international, they were accepted without changes.

### The Changes in Kazakh Language Terminology Development Nowadays

The status of the Kazakh language is characterized by the process of active creation of words developing a huge layer of foreign vocabulary. Without modern economic, legal, scientific terminology in different branches of science, the Kazakh language cannot function as the official language at the appropriate level. Many borrowings from different languages filled up and entered the lexical structure of the Kazakh language. They are borrowings of new phenomena of the market economy, new technology, computer and information devices and technologies. It is here that there is an urgent need to designate many new realities and concepts. Intensification of the borrowing process and the development of foreign vocabulary indicates the openness of the lexical system of the Kazakh language and promotes the dynamics of language.

Scientific and technical terminology is one of the most important reservoirs, replenishing the vocabulary of the Kazakh language. Most significant for the present period of development of the Kazakh language is the emergence of a large number of neologisms, reflecting the appearance of new phenomena of social, economic and political life, new titles related to various fields of science, technology, production, culture, and art.

In the formation of the terms of mathematics in the Kazakh language, the borrowing process from the Russian language and through Russian language borrowing of international terms took place. For example, the word «ratio» was borrowed from Russian into Kazakh and Russian language borrowed the word from Latin. As a result, there are many common borrowings in the terminology of different languages. English was far from the dominant scientific language in 1900. The dominant language was German. Therefore, the story of the 20th century is not so much the rise of English as the serial collapse of German as the up-and-coming language of scientific communication. Nowadays English is a language of mathematics. Today more mathematical papers are written in English than in any other language. The most common English mathematical terms are adaptations of terms coined in other languages.

In the mathematical terminology of Kazakh and English languages common terms are: *the radius, tangent, logarithm, diagonal, hyperbole, integral theorem, algebra, algorithm, trapeze, secant, rhombus, radical, parallel, median, invariant, the hypotenuse, congruence, the operator, the potential*



*proportion, conjunction, coordinate cone lemma, module, octahedron, the parallel, parabola, paraboloid, the perimeter of the pyramid, polynomial, resolution, etc.* This list can be continued up to several pages. They give an overview of the mathematical concepts in the two compared languages. Over 50% of the terms that form the English mathematical terminology are the result of borrowing by over 500 years.

With the development of globalization in the present era and increasing internationalization of social processes, the growth of international and cultural exchange is evident; expansion of the use of international words is natural. The role of international vocabulary is extremely important. Any mathematical text, regardless of the language contains a large number of international terms. When comparing a dictionary compiled by K.B. Bektaev «Russian-Kazakh mathematical vocabulary» issued in 1986 and a dictionary called «Russian-Kazakh dictionary of mathematical terms» published by the Institute of Mathematics and Mechanics, Academy of Sciences in 1992 there are a lot of discrepancies in the name of the terms, particularly international terms. For example: international terms such as *formula, hypothesis, the hypotenuse, and the coefficient matrix* are given without translation into Kazakh in the dictionary compiled by K.B. Bektaev. In the dictionary, compiled by the Institute of Mathematics, all these terms are translated into Kazakh. Unfortunately, these types of translations of the terms do not lead to further understanding and promotion of Kazakh science globally. In the Kazakh-Russian, Russian-Kazakh terminology dictionary on mathematics, edited by Professor A. Kusainov, international terms are given without changes. If we identify the semantics of internationalisms, the only appropriate criterion could be their equivalence and clarity in the comparison of languages.

The international scientific terminology borrowed in the same or similar lingual form and in the same meaning comes from Greek and Latin languages. The number of internationalisms in every language is very large; most of different scientific terms are internationalisms. Globalization as the constant historical process that does not depend on human beings' will assigns today special responsibility. It is clear that it is not possible to stop globalization process. This process is marked by the spread of English, the transmission of ideas across national borders that become standardized around the world. Through technological advancement, the process of sharing the values of one culture to another ultimately leads to the intensification of

connections between various populations from diverse cultures within the global, regional, and local level. The dominant role of the English language is extremely important in modern scientific communication. Most of the international scientific conferences around the world are held in English. Of particular note is the increasing scale of penetration of Americanisms into British English. The United States, as one of the leading countries in the development of science and technology plays a major role in the completion of the scientific and technical vocabulary. Options to create scientific and technical neologisms went mostly to American English, while British English includes already formed lexical items. Borrowings from Greek and Latin are used in the plural form of the language of origin in British texts. For example, *radius-radii, nucleus-nuclei, formula-formulae, matrix-matrices*. In the American scientific literature the plural of Latin and Greek terms are formed on the American model of plurality: *radiuses, formulas, matrixes*.

As terminological data constitute the core element of any domain-specific information and knowledge representation, the availability of and accessibility to these data are critical socio-economic factors. Countries and language communities understand the need to formulate systematic terminology policies in order to improve their competitiveness. This trend coincides with the requirement that today's accelerated globalization needs to be complemented by accelerated localization, i.e. translation and adaptation to comply with local cultural and linguistic norms. An ever-increasing body of empirical evidence indicates that there is a critical relationship between individuals' opportunity to use their mother tongue in a full range of cultural, scientific and commercial areas, and the socio-economic well-being of their respective language communities. People whose mother tongue is not developed from the point of view of terminology and special purpose languages (SPL) or who are denied the use of their mother tongue in education and training, for accessing information, or interacting in their workplaces, tend to be disadvantaged.

It must be acknowledged that terminology is undeniably the major constituting element of the Special Purpose Language. Terminology plays a crucial role wherever and whenever domain-specific information and knowledge is: generated (e.g. in research and development); used (e.g. in specialized texts); recorded and processed (e.g. in databases); passed on (via training and teaching); implemented (e.g. in technology and knowledge transfer); or translated and interpreted.

Consequently, a language community whose language has not developed scientific and technical terminologies is unavoidably forced to use some other, more developed foreign language for domain communication.

The development of knowledge societies is accelerated by the development of information and communication technologies, especially by the convergence of telecommunication and computer technology, with the tendency to merge mobile computing and communication. As information communicative technologies become more pervasive, there is an accentuated need for effective and efficient methods of using them. Here terminologies play a crucial role: terminological data are indispensable elements of domain-specific information and knowledge (covering a large share of content in general).

The political, social and economic situation in a country almost dictates different approaches to the development of a terminology policy. A terminology policy impacts virtually all professional life, education and training, the health system, etc., thus affecting everybody, young or old, who needs to understand or acquire specialized knowledge of some kind or other. In most cases, it will be wise to ensure the active participation of those institutions that are most dedicated in their commitment to language planning policies. As the terminology of each subject field or domain increases with each new invention, information is distributed and knowledge is acquired by means of terminology.

The process of terminology creation and adoption requires close collaboration among terminologists, subject specialists, linguists, translators, and educators. Coordinated efforts can be designed to avoid the evolution of conflicting term choices. Furthermore, we have to distinguish between different types of designations, not just terms (not to mention term elements). Besides, it is always difficult to distinguish words from terms, terms from non-elements or names from terms. The term formation depends on the functional role of designations in domain communication.

### Conclusion

The terminology development is a natural, unavoidable phenomenon, a part of language development. A vast number of new terms are created every day in hundreds of languages all over the world. New terms are introduced into Kazakh language either to fill a gap, which is created by the introduction of a new concept, or to replace an existing, less efficient term. An increasing number of

terms penetrate the common lexicon, while the terminology problems have an impact on the development of language in general. At the present stage of the development of the society and languages, globalization plays a crucial role. Globalization, a kind of universalization, is reflected in all aspects of life: economic, political, ideological and cultural. English has the overwhelming influence; it is the language of the donor for all languages. Each specific language changes according to the transformative and innovative processes taken place in the society. Scientific achievements promote the formation of new words, the enrichment of the vocabulary of the national languages. Modern science cannot develop in isolation, regionally; it develops globally, combining the scientific and technological achievements of the international community. Because of the scientific and technological revolution, many languages have enriched their vocabulary, on the one hand, and the process of standardization and unification of their terminological fund takes place on the other hand. The democratization of the public life, the openness and accessibility of the latest achievements of the world science allow a huge number of people to obtain and share information. In the scientific sphere the written channel is the dominant channel of communication, therefore, the scientific literature is the most important mode of information transmission in the scientific community.

The remarkable developments in recent years towards global information and knowledge society have generated a significant evolution in the attitude of the government of Kazakhstan towards the development of state language and knowledge of Russian and English languages. In his Letter to the People of Kazakhstan, «A New Kazakhstan in a New World», the President of the country, Nursultan Nazarbayev emphasized: «Kazakhstan must be perceived throughout the world as a highly-educated country, whose population employs three languages.» [3.P.2]. In this regard it is essential to pay much attention to the development of Kazakh language as the state language, Russian as the language of international communication between 130 nationalities which live on the territory of Kazakhstan, and English as the language of successful integration into the global economy, and to view this as one of the top priorities of state language policy.

William Fierman, former director of the Center for Central Asian and Kazakh Studies of the University of Seattle (USA) considers the initiative of the President of the Republic of Kazakhstan for implementing linguistic triunity in the country as

a correct one, and it will promote the development of the state. «In contemporary Kazakhstan the Kazakh language must begin to play a greater role, particularly in the cities, as it has always prevailed in the villages. English has very quickly begun to occupy a significant place in Kazakhstan, which is a very positive trend.»[4. P.3]. The «Linguistic Trinity» project presumes the establishment of conditions for providing all citizens of the Republic of Kazakhstan with the opportunity to study English. The use of English has received a great boost because of globalization and new information technologies. It is the language of international business, the language of computers and the Internet. The fact that English is the de facto global language of science is not likely to change anytime soon optimizing communication among

members of the international community of scientists, and thus advancing scientific progress. English is considered as a passport for a secure future. It is probably the only language, which is spoken in all the continents of the world. «Rather than a process which leads to uniformity and homogeneity, globalization seems to create new, hybrid forms of culture and language: the results of global influences meeting local traditions, values and social contexts» [5, 33]. English was far from the dominant scientific language in 1900. The dominant language was German. So the story of the 20th century is not so much the rise of English as the serial collapse of German as the up-and-coming language of scientific communication.

National terminology policy must be linked to the overall development policy.

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