

Volume 3. 2019

ISSN 2522-1043

Central Asian Journal of  
**Social Sciences**  
and **Humanities**



Al-Farabi Kazakh National University

*Central Asian Journal of Social Sciences and Humanities* is a peer-reviewed academic journal covering all branches of social and humanitarian areas: historical; philological; philosophical, social, psychological, educational and legal sciences.

The editors aim to maintain the publication of results of research faculty, doctoral and postgraduate students of Al-Farabi Kazakh National University, as well as scholars from various domestic and foreign universities and research institutes.

One of the most important priorities of the journal is to publish articles aimed at the study of problems with innovative techniques and information technology.

## Central Asian Journal of Social Sciences and Humanities

### SCIENCE EDITOR

**Mukhtarova Karlygash Saparovna**

Doctor of Economics, Professor, Department of International Relations and World Economy, Kazakh National University. Al-Farabi (Almaty, Kazakhstan)

### DEPUTY SCIENTIFIC EDITOR

**Erimpasheva Aida Tilektesovna**

Ph.D., Associate Professor of the Department of International Relations and World Economy KazNU. Al-Farabi (Almaty, Kazakhstan)

### MEMBERS OF THE EDITORIAL BOARD:

**Nurysheva Gulzhikhan**

Doctor of Philosophy Sciences, Professor, Head of Philosophy Department, Al Farabi University (Almaty, Kazakhstan)

**Chukubaev Ermek Samarovich**

Ph.D., Head of the Department of International Relations and World Economy KazNU them. Al-Farabi (Almaty, Kazakhstan);

**Tynybekov Serikkali Tynybekovich**

Doctor of Law, Professor, Head of the Department of Civil Law and Civil Procedure, Labor Law of the Kazakh National University. Al-Farabi (Almaty, Kazakhstan);

**Natalya Yem**

Candidate of Historical Sciences, Associate Professor Head of the Department of Far East Studies al-Farabi Kazakh National University (Almaty, Kazakhstan)

**Sultangaliyeva Gulmira Salimzhanovna**

Doctor of Historical Sciences, Professor, Head of the Department of World History, Historiography and Source Studies of the Kazakh National University. Al-Farabi (Almaty, Kazakhstan);

### EXECUTIVE SECRETARY

**Tovma Nataliya Aleksandrovna**

Associate professor department Accounting and audit, al-Farabi Kazakh National University (Almaty, Kazakhstan)  
Mob 8-778-888-5051, e-mail Tovma.Natali@kaznu.kz

**Gerd Hofmeister**

Professor University of Erfurt (Germany)

**Christian Brauweiler**

Professor Business Administration, Management Accounting & Internal Auditing (Germany)

**Toluev Yury Ivanovich**

Dr. Ph.D., Fraunhofer Institute IFF (Germany, Magdeburg)

**Onyusheva Irina**

Dr. PhD, Stamford International University (Thailand)

**Rajasehara Mouli Potluri**

Dr. PhD, University Professor (Delhi, India)

**Gregory Glissen**

Dr. PhD, Professor of the European Center for Security Studies named. J. Marshall (Russia)

**Mikhail Molchanov**

Dr. PhD, professor at St. Thomas University, (Canada)

**Pierre Chabal**

Dr. of Political Sciences, PhD, Professor at the University of Le Havre, (France)

### TECHNICAL SECRETARY

**Kishibayeva Botagoz Sakenovna**

Department Accounting and audit, al-Farabi Kazakh National University (Almaty, Kazakhstan)  
Mob 8-747-698-4198, e-mail botik\_com@mail.ru



**Proprietor of the Edition:** Al-Farabi Kazakh National University

**Editor-in-chief:** K.I. Baizakova

Certificate № 15155-Ж Registered on March 12th, 2015 in the Ministry of Cultural and Information of the Republic of Kazakhstan.

Computer page makeup and cover designer: A. Kaliyeva

**IB №13158**

Signed to publishing 28.09.2019. Format 60x84 1/8. Offset paper. Digital printing. Volume printer's sheet. Edition: 300. Order No7365. Publishing house «Kazakh Universiteti»

**www.read.kz Telephone: +7 (727) 3773330, fax: +7 (727) 3773344**

Al-Farabi Kazakh National University  
KazNU, 71 Al-Farabi, 050040, Almaty

Printed in the printing office of the Publishing house «Kazakh Universiteti».

# • ECONOMY

IRSTI 06.41

<https://doi.org/10.26577/CAJSH-2019-3-s1>

## DIGITAL ECONOMY: DEFINITION, ADVANTAGES, DISADVANTAGES

Mukhamed Al-Hodari

Doctor PhD, professor Kansas University, USA, Lowrance  
e-mail: amukhamed@ gmail.com

**Abstract.** The purpose of the study is to analyze the current state and develop effective measures to regulate the digital economy to achieve sustainable economic growth, improve the competitiveness of the economy and improve the quality of life of the population of the Republic of Kazakhstan. The introduction of information technologies in the public sector brings to a qualitatively new level key aspects of life – from payment for utilities to insurance policies and treatment. The methodology is based on methods of analysis, synthesis, induction and deduction. The value of the research is that the model of digital economy development is defined. The practical significance of the study lies in the development of proposals to improve the regulation of the digital economy in the Republic of Kazakhstan. The digital economy is becoming an important driver of innovation, economic growth and competitiveness. More than 15 countries are implementing a national programme of digitization. The formation and development of the national segment of the digital economy through the use of trusted, mainly domestic ICT, and its further integration into the global digital economy, on the one hand, provides a “window of opportunity” for the integration of the economy of the Republic of Kazakhstan in the emerging world economic order, and on the other hand – carries significant risks to economic security and sovereignty of the state. The article is executed within the project AP05135078 “Formation and development of digital economy in the Republic of Kazakhstan: theory and practical measures of realization” of grant financing of scientific researches of the Ministry of education and science of the Republic of Kazakhstan.

**Key words:** digital economy, digital dividends, digital state, single digital market, online sales, development of electronic networks and digital services.

Мухамед Ал-Ходери

PhD, профессор, Канзас университеті, АҚШ, Лоуренс қ., e-mail: amukhamed@ gmail.com

### Сандық экономика: анықтама, басымдығы және кемшіліктер

**Аңдатпа.** Зерттеудің мақсаты – тұрақты экономикалық өсуге қол жеткізу, экономиканың бәсекеге қабілеттілігін арттыру және Қазақстан Республикасы халқының өмір сүру сапасын жақсарту үшін қазіргі заманғы жағдайды талдау және сандық экономиканы реттеудің тиімді шараларын әзірлеу. Мемлекеттік секторда ақпараттық технологияларды енгізу коммуналдық қызметтерді төлеуден бастап сақтандыру полистерін ресімдеуге және емдеуге дейінгі халық өмірінің негізгі аспектілерін сапалы жаңа деңгейге шығарады. Әдістеме талдау, синтез, индукция және дедукция әдістеріне негізделген. Зерттеудің құндылығы – сандық экономиканың даму моделі. Зерттеудің практикалық маңыздылығы Қазақстан Республикасында цифрлық экономиканы реттеуді жетілдіру бойынша ұсыныстарды әзірлеу болып табылады. Сандық экономика инновациялардың, экономикалық өсудің және бәсекеге қабілеттілікті қамтамасыз етудің маңызды драйверіне айналады. Өлемнің 15-тен астам елі цифрландыру Ұлттық бағдарламаларын жүзеге асырады. Сенім білдірілген, басым түрде отандық АКТ-ны пайдалану негізінде цифрлық экономиканың ұлттық сегментін қалыптастыру және дамыту және оның әлемдік цифрлық экономика кеңістігіне одан әрі кірігуі, бір жағынан, қалыптасқан әлемдік экономикалық тәртіпке Қазақстан Республикасының экономикасын енгізу үшін «мүмкіндіктер терезесін» ұсынады, ал екінші жағынан, экономикалық қауіпсіздік пен мемлекет егемендігінің елеулі тәуекелдерін көтереді. Мақала AP05135078 «Қазақстан Республикасында цифрлық экономиканы қалыптастыру және дамыту: теория және практикалық іске асыру шаралары» жобасы аясында Қазақстан Республикасы Білім және ғылым министрлігінің ғылыми зерттеулерін гранттық қаржыландыру аясында орындалды.

**Түйін сөздер:** сандық экономика, сандық дивидендтер, сандық мемлекет, бірыңғай сандық нарық, онлайн сату, электрондық желілер мен сандық қызметтерді дамыту.

Мухамед ал-Ходери

PhD, профессор, Университет Канзас, США, г. Лоруенс,  
e-mail: amukhamed@gmail.com

### Цифровая экономика: определение, преимущества, недостатки

**Аннотация.** Цель исследования – анализ современного состояния и разработка эффективных мер регулирования цифровой экономики для достижения устойчивого экономического роста, повышения конкурентоспособности экономики и улучшения качества жизни населения Республики Казахстан. Внедрение информационных технологий в государственном секторе выводит на качественно новый уровень ключевые аспекты жизни населения – от оплаты коммунальных услуг до оформления страховых полисов и лечения. Методология основана на методах анализа, синтеза, индукции и дедукции. Ценность исследования заключается в том, что определена модель развития цифровой экономики. Практическая значимость исследования заключается в разработке предложений по совершенствованию регулирования цифровой экономики в Республике Казахстан. Цифровая экономика становится важнейшим драйвером инноваций, экономического роста и обеспечения конкурентоспособности. Более 15 стран мира реализуют национальные программы цифровизации. Формирование и развитие национального сегмента цифровой экономики на основе использования доверенных, преимущественно отечественных ИКТ, и его дальнейшая интеграция в пространство мировой цифровой экономики, с одной стороны, предоставляет «окно возможностей» для встраивания экономики Республики Казахстан в формирующийся мировой экономический порядок, а с другой стороны – несет значительные риски экономической безопасности и суверенитету государства. Статья выполнена в рамках проекта AP05135078 «Формирование и развитие цифровой экономики в Республике Казахстан: теория и практические меры реализации» грантового финансирования научных исследований Министерства образования и науки Республики Казахстан.

**Ключевые слова:** цифровая экономика, цифровые дивиденды, цифровое государство, единый цифровой рынок, продажи онлайн, развитие электронных сетей и цифровых услуг.

**Introduction.** The digital world does not ask us whether we are ready for change, the world is changing globally. The digital economy in developed countries is developing in different ways, but they have important common features: the presence of favorable conditions for the development and introduction of innovations, as well as large amounts of investment in digital technologies and infrastructure. There are great opportunities for Kazakhstan to make technological leaps in all areas of the economy. The development of digital technologies in the country is determined by such factors as the strengthening of the role of information and communication services in the global market and the provision of support to domestic companies.

Indeed, probably, all our actions in computer virtual reality can be attributed to the system of production, distribution, exchange or consumption. However, of course, virtual reality, as such, did not appear with the creation of a computer. All human thought activity can be attributed to it. In addition, money – the main tool of the economy – is also a product of virtuality, since they are invented “measure” of the value of goods and services. But with the invention of the computer, it was possible to “digitize” money, which undoubtedly simplified

commodity-money relations, led to a tremendous time saving and increased security of operations.

Roman Meshcheryakov – Professor of the Russian Academy of Sciences, Doctor of Technical Sciences, Vice-Rector for Research and Innovations, Tomsk State University of Control Systems and Radioelectronics, believes that there are two approaches to the term “digital economy”. The first approach is “classical”: the digital economy is an economy based on digital technologies and it is more correct to characterize exclusively the field of electronic goods and services. The classic examples are telemedicine, distance learning, the sale of medical content (cinema, TV, books, etc.).

The second approach is advanced: “digital economy” is economic production using digital technologies. “At present,” explains Roman Meshcheryakov, “some experts believe that it is necessary to expand this understanding and include in it the chain of goods and services that come with using digital technologies, including such concepts as: Internet of Things, Industry 4.0, smart factory, fifth-generation communication networks, engineering for prototyping, etc.”

Indeed, before the virtual part of the world, which was located in the mental reality of man, was not a

productive force, it was not the medium where new ideas and products are created. Now the virtual part is combined with the real: you can create a “world based on real events” world, which itself will be an “economy in the economy.” The virtue of this world is that there you can do anything. This is important not only in the case when it becomes possible to create an online game where you can jump up to the height of a multi-storey building, travel around space without a spacesuit and die many times – this is important for testing, improving, testing new products.

Thus, the digital economy has got a smart chance to overtake the “analog” one, which is obliged to carry out a crash test every time, breaking machines in reality, and not in a virtual environment. Alexandra Engovatova – Candidate of Economic Sciences, Associate Professor, Department of Economics of Innovations, Faculty of Economics, Moscow State University Lomonosov, it gives the following definition: “Digital economy is an economy based on new methods of generating, processing, storing, transmitting data, as well as digital computer technologies.”

“Within the framework of this economic model,” emphasizes Alexandra Engovatova, “the existing market business models undergo a radical transformation, the model of value-added formation changes significantly, the value of intermediaries at all levels in the economy is sharply reduced. In addition, the value of the individual approach to product, because now we can simulate anything” Summarizing, we can say that the digital economy can cover everything that is amenable to formalization, that is, transformation into logical circuits. Moreover, life itself will find an opportunity to write this “something” into the system of production, distribution, exchange and consumption.

**Literature review.** Research of the main trends of the digital economy dedicated to the works by I. V. Alekseeva, A. S. Airapetian, A. Bryan, A. P. Dobrynin, A. V. Druzhinin, K. A. Zhumagaliev, V. Ivanov, V. Yu. Konyukhov, D. Marchukova, V. P. Kuprianov, I. A. Matveeva, E. V. Popova, K. A. Seed, N. Stefanova, D. V. Sikorski, D. A. Smirnova, I. M. Tushkanova, A. Rusina, L. Yu., Chernykh, A. A. Kharchenko and T. N. Yudina.

In the Republic of Kazakhstan, the problem of formation and development of the digital economy, Internet marketing, the information sector of the economy were engaged in such scientists as A. A. Ashimov, F. M. Dnishev, A. K. Koshanov, G. M. Mutanov, B. M. Mukhamediev, etc. Theoretical and practical issues, K. A. Sagadiyev, M. S. Tulegenova A. G., etc.

Despite the scientific contribution of scientists to the theory and practice of the formation and development of the digital economy, there are issues that require further study, in particular, requires clarification of the regulation of the digital economy.

The relevance, great demand, and not the study of the main trends in the development of the digital economy in the future predetermined the choice of topics and main areas of research.

At the World Bank seminar in December 2016, the digital economy was identified as the paradigm of accelerating economic development with the help of digital technologies. In another definition, digital economics implies a virtual environment that complements our reality.

The digital economy is digital production. Currently, about half of the world’s population uses the Internet in their daily lives to learn and conduct business. The volume of virtual trading in the near future will exceed the standard types of trade relations. Digitized money is easier to use, much more difficult to fake.

Virtual life is an industry where new products are produced and the craziest ideas are implemented. Tests of new inventions have become more accessible and faster – there is no need for real tests. Emulation allows you to identify the pros and cons of new products with minimal cost. Electronic economy, according to experts, will completely change the usual business processes and economic relations.

However, until now, the content of this concept remains vague, and there is no clear definition in the WB report. In this material, RIA “Science” contains the most general ideas about what constitutes a digital economy. To begin with, it is worth remembering the definition of a conventional “analog” economy – this is the economic activity of a society, as well as the totality of relations developing in the system of production, distribution, exchange and consumption. The use of computer, Internet, mobile phones can already be considered “consumption”, in this case, the digital economy can be represented as that part of the economic relations, which is mediated by the Internet, cellular communication, ICT. Doctor of Economics, Corresponding Member of the Russian Academy of Sciences – Vladimir Ivanov gives the broadest definition: “The digital economy is a virtual environment that complements our reality” (Message of the President, 2017).

Indeed, probably, all our actions in computer virtual reality can be attributed to the system of production, distribution, exchange or consumption. However, of course, virtual reality, as such, did not appear with the creation of a

computer. All human thought activity can be attributed to it. In addition, money – the main tool of the economy – is also a product of virtuality, since they are invented “measure” of the value of goods and services. But with the invention of the computer, it was possible to “digitize” money, which undoubtedly simplified commodity-money relations, led to a tremendous time saving and increased security of operations.

The term “virtual economy” is increasingly appearing in news and newspaper headlines. Scientists, politicians and businesspersons use this concept in their speeches, reports and scientific papers. A great future is predicted for the virtual economy (Digital Kazakhstan, 2017).

The digital economy is digital production. Currently, about half of the world’s population uses the Internet in their daily lives to learn and conduct business. The volume of virtual trading in the near future will exceed the standard types of trade relations. Digitized money is easier to use, much more difficult to fake.

Doctor of Economics, Corresponding Member of the Russian Academy of Sciences – Vladimir Ivanov gives the broadest definition: “The digital economy is a virtual environment that complements our reality” (Message of the President, 2017).

Indeed, probably, all our actions in computer virtual reality can be attributed to the system of production, distribution, exchange or consumption. However, of course, virtual reality, as such, did not appear with the creation of a computer. All human thought activity can be attributed to it. In addition, money – the main tool of the economy – is also a product of virtuality, since they are invented “measure” of the value of goods and services. But with the invention of the computer, it was possible to “digitize” money, which undoubtedly simplified

commodity-money relations, led to a tremendous time saving and increased security of operations.

**Material and Methods.** The research methodology is based on a comprehensive analysis of the problem. The state can provide a “digital leap” in the country through the accelerated development of specific technologies. In such cases, the state assumes the role of an investor, determining the key, the most promising areas of financing, based on the assessment of long-term return on investment, competitive position, trends, as well as invested in the fundamental conditions of success, such as education and retraining. In South Korea, with the active position of the state, support companies are beginning to independently invest in breakthrough digital technologies. Virtual life is an industry where new products are produced and the craziest ideas are implemented. Tests of new inventions have become more accessible and faster – there is no need for real tests. Emulation allows you to identify the pros and cons of new products with minimal cost. Electronic economy, according to experts, will completely change the usual business processes and economic relations. Formation and advantages of the digital economy. The main direction of the digital economy is to provide quick and easy access to services through the Internet. The advantage of digital technologies are low costs, which affects the reduction of the cost of goods and prices for the end user. For example, an electronic version of a book can be purchased at least 25 percent cheaper than its printed equivalent. Virtual releases of your favorite artists are less expensive to produce than recordings on standard media.

**Results and Discussion.** For the successful functioning of the digital economy in the country, it is necessary to: develop infrastructure with Internet access, using telecommunications, as well as e-business and commerce (See tabl 1):

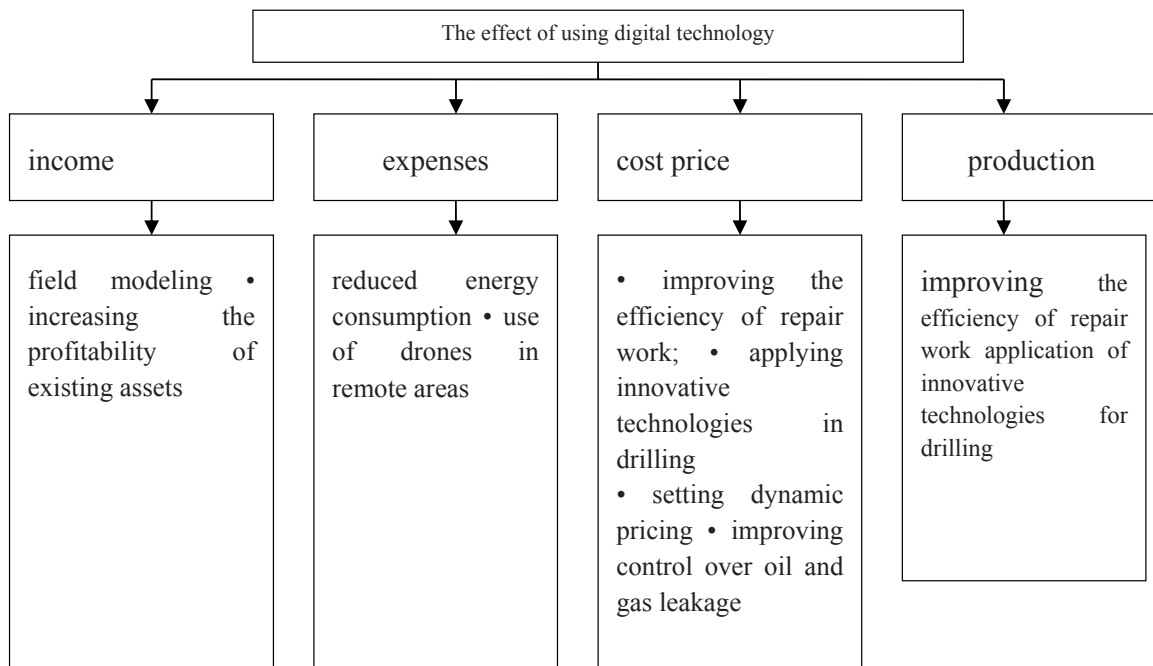
**Table 1** – Tasks for achieving the goals for the implementation of the digital economy in the Republic of Kazakhstan

Companies	State
Introduction of new technologies, improvement and digitalization of production processes	Improving and digitizing production processes The introduction of new approaches to learning, the improvement of educational processes. Increase investment in R & D
Search for new personnel, cooperation with educational and research centers	Preparation of the base for mass retraining of personnel, in connection with the disappearance of many professions and the emergence of new professions and jobs
Investments in new technologies, a choice of advanced directions	Improvement of innovation processes and their competent regulation by the state

Companies	State
Increasing competitiveness, developing an innovative culture modeled on the world’s highly developed digital companies	Digitization of public services, literacy and widespread community involvement in the digital economy

The penetration of the digital economy is everywhere observed around the world, in particular, new opportunities are opening up in all areas where new products are being developed, working methods are being modernized, production processes are being optimized, logistics supply channels are being improved, and ways of interacting with suppliers and customers are

improving. Through cheaper processing, transmission and storage of information, as well as infrastructure development, society is on the first step towards a new digital revolution that will change the global economy as a whole. Digitalization will affect all industries, including oil and gas. The effect of using digital tools in the oil and gas industry is shown in Fig. 1:



**Figure 1.** The effect of using digital technology

The main task that the digitalization of the sector is intended to solve is to increase the volume of transit freight traffic. It is expected that the reduction of transit time will significantly increase the volume of transit freight in the railway sector in all directions from China through Kazakhstan to Europe, Turkey and Iran. The main effect will be obtained both through the transition to electronic document flow, including in the field of air transportation, and through the introduction of an intelligent transport system, which will increase the volume of cargo transportation by providing high-quality and safe road infrastructure

between the regions of Kazakhstan and international traffic.

The priority will also be the creation of an infrastructure of support, including direct and indirect measures, including the creation of service support centers for the conduct of electronic commerce (E-commerce and Fulfillment). To ensure the security, simplification and development of digital services, including government, social and commercial, it is planned to build a model of remote identification, including based on various biometric indicators, based on the principles of the risk-based approach.

The model involves the identification of customers using a database of state and commercial companies, as well as obtaining services by government agencies, commercial companies and in the social sphere (education, health care, population census and others). The introduction of the digital identification mechanism will be the underlying infrastructure. This will allow building a universal digital environment for interaction and communication between financial institutions, customers, government agencies and organizations. This will qualitatively increase the level and efficiency of financial, state and other services.

There are many ways to develop a digital economy, since each of them is characterized by the concept of integrating IT into real economic processes. The formation of the digital economy occurs with a focus on consumer preferences, methods of implementation and the level of prices, which should correspond to the quality of the services provided. Today, the world economy is at the stage of transition to a post-industrial digital economy, the main features of which will be: Information as the main resource; Unlimited online trading platforms; The ability of small companies to compete with the largest market players; The scope of operations is limited only by the size of the Internet.

**Conclusion.** The new digital revolution is changing the way we produce, supply chains and value chains. Industry 4.0, one of the drivers of the digital transformation of the industry, is a concept of organizing production, where additional value is provided through the integration of physical objects, processes and digital technologies, in which physical processes are monitored in real time, decentralized decisions are made, and interaction also occurs between themselves and people.

The end-to-end digitalization of all physical assets and their integration create the basis for the transition from mass production to mass individualization, increases production flexibility, shortens the time to master new products, which allows implementing new business models and applying an individualized approach to working with clients. All this greatly improves the efficiency and competitiveness of industrial enterprises. The end-to-end digitalization of all physical assets and their integration create the basis for the transition from mass production to mass individualization, increases production flexibility, shortens the time to master new products, which allows implementing new business models and applying an individualized approach to working with clients. All this greatly improves the efficiency and competitiveness of industrial enterprises. In the next 10 years, it is expected that

the attractiveness of e-commerce will increase due to a number of qualitative changes. Among them – improving the efficiency of delivery, including with new delivery methods, widespread use of client analytics, expanding the range of products and the growing popularity of mobile commerce. At the same time, it is necessary to take into account a number of barriers to the development of electronic commerce present at all stages of the value chain. Thus, at the stage of attracting customers, the limiting factor is the insufficient promotion of electronic commerce and players; electronic commerce is not advertised on television and in outdoor advertising, which also does not allow attracting new consumers. When organizing access to an electronic platform, frequent technical failures of IT systems occur among players in the e-commerce industry. At the same time, one of the most common problems remains the inability of the widespread adaptation of systems for their use from mobile devices. In addition, in Kazakhstan, there is a shortage of specialists with specific competencies necessary for the development of the industry, for example, Internet marketers and content specialists. Completion, shipment and delivery of goods are complicated by the insufficient level of development of transport and logistics infrastructure, which causes expensive and long-term logistics. To all the above-mentioned difficulties, a low consumer culture online, a low level of public awareness, poor availability of debt financing for SMEs and an unfavorable economic environment causing high cost of capital are added.

There are also key problems in the field of legal regulation of e-commerce. These include complex customs procedures that restrict the export of e-commerce companies, the absence of tax incentives, and other effective incentives from the state, restrictions on the development of foreign companies, including cross-border trade and large shadow trade. The financial sector is an important element of the economy, and the speed and quality of the changes taking place depend on its condition. Currently, electronic payments and electronic commerce have become an integral part of the financial sector. The financial industry has traditionally been a leader in the implementation and application of innovative technologies and digital services for interacting with customers. Almost all banks provide services through remote channels. 70% of banks provide services to individuals through the Internet and mobile banking, 55% of banks provide their services based on mobile applications. The volume of payments of individuals using the Internet and mobile banking in 2016 compared to 2015 increased by 2.6 times.



For investors, the procedure for providing electronic services by brokers has been simplified, including conducting trading operations based on a client's digital signature and providing electronic services through a personal account. This simplified access to the market for regional investors and allowed investors to trade in financial instruments on the Kazakhstan stock market from anywhere in the world.

Obstacles to the further digitalization of financial relations are the lack of effective regulation, unified standards for the electronic interaction of the financial sector with state information systems and databases, a universal mechanism for remote customer identification, as well as an insufficient level of financial literacy of the population. An important element is the involvement of the population in the formal financial system.

Today, a number of factors affecting the development of the digital economy can be identified. Internal factors are managerial. Management factors include: corporate governance effectiveness; dynamism in the perception of innovations by managers; level of corruption. External factors –

infrastructural and general economic. Infrastructure factors: the development of information technology, especially telecommunications; the size and rate of growth of the Internet audience; the level of intellectual potential in the development of computer technology.

General economic factors: the stability of the economic situation; the share of the “shadow” sector in the economy; the size of the national economic complex; dynamics of indicators of national production and consumption; the level of monopolization of the economy; tax climate; investment climate; the level of monetization of the economy; the level of price differentiation for homogeneous products, etc.; the level of development of electronic payments; availability of convenient and relatively inexpensive ways of delivering goods to consumers, etc. It has been established that the development of the digital economy in the future will depend on the success of a number of breakthrough technologies. There are five such technologies: 5G-connection; 3D printing; blockchain; Artificial Intelligence; a virtual reality. The listed technologies are among the most important areas of development outlined in the strategic documents of most developed countries.

#### References

- Digital Kazakhstan: realities and prospects. [Electronic resource.] Mode of access: <https://primeminister.kz/ru/news/all/tsifrovoi-kazahstan-realii-i-perspektivi-16155>. Data treatment 10.03.2018.
- Decree Of the President of the Republic of Kazakhstan № 922 “on the Strategic development plan of the Republic of Kazakhstan until 2020” dated February 1, 2010
- Kazakhstan ranked 59th in the competitiveness index. [Electronic resource.] Access mode: <https://24.kz/ru/news/economy/item/271998-v-indekse-konkurentosposobnosti-kazahstan-zanyal-59-mesto>. Date of application: 17.10.2018
- Named the most developed countries in the field of It [electronic resource]. Mode of access: <https://www.kommersant.ru/doc/998722>. Data treatment: 29.10.2018
- Nemtsov, A. K. (2017) The Russians waiting for the digital economy. High technology can revive a weak economy.– M. – 320 p.
- National Plan-100 concrete steps to implement the five institutional reforms of the Head of state Nursultan Nazarbayev from 05.2015.
- National action plan for the implementation of The President's Address to the people of Kazakhstan “Third modernization of Kazakhstan: global competitiveness” dated January 31, 2017.
- Stefanova N. (2018) Evaluation of the digital economy //Vestnik of the Volga state University of telecommunications and Informatics. – № 11. – P. 122-124.
- State program “Digital Kazakhstan”. Approved by the government of Kazakhstan № 827, from 12.12. 2017.
- State program “Information Kazakhstan-2020”. As amended on 19 March 2010
- The welfare of the Kazakh dance: increase incomes and quality of life. Message Of The President Of The Republic Of Kazakhstan N. Nazarbayev to the people of Kazakhstan from 5 October 2018.
- The Digital economy has been transformed. [Electronic resource.] Mode of access: <http://www.connect-wit.ru/tsifrovaya-ekonomika-transformirovalas-transformirovalas.html>. Date of access 1.04.2018.
- Top 10 countries with advanced it Technologies. [Electronic resource.] Mode of access: <https://www.vestifinance.ru/articles/73084>. Date of access: 10.07.2017.
- Tulegenova M. S., Syzdyk N. (2017) The digital economy and new directions of social development of Kazakhstan // Bulletin of the University of Turan. – №4. – Pp. 12-131.
- World ranking on the level of economic freedom according to Heritage Foundation [Electronic resource]. Mode of access: <http://gtmarket.ru/ratings/index-of-economic-freedom>. Date of access: 20.12.2017.

## FOREIGN INVESTMENTS IN PRIORITY SECTOR THE ECONOMY OF KAZAKHSTAN

Hájek, Petr

Doctor (PhD), professor, Institute of Computer Science of the Academy  
of Sciences, Czech Republic, Prague,  
e-mail: hajek@mail.ru

**Abstract.** The inflow of foreign direct investment in Kazakhstan is carried out through the establishment of joint ventures, subsidiaries, privatization of state-owned enterprises with foreign capital, transfer of large industrial enterprises to the management of foreign firms and investment in the banking sector.

The article analyzes the inflow of foreign direct investment in the context from 2014 to 2018, in the priority sectors of the economy of the Republic of Kazakhstan, which are the mining industry, processing industry, professional scientific and technical activities and innovative development.

The paper deals with the issues of investment in priority sectors of the economy of Kazakhstan. The methodological basis of the research was analytical and statistical methods, dialectical method of cognition and observation.

The works of well-known authors of economists were studied and considered. According to the research of the analytical review, by 2022 the inflow of foreign direct investment should grow by 26% compared to the data of 2016, and the ratio of FDI to GDP should be at the level of 19%, while at the moment this figure is 16.5%. Given the investment restructuring and the direction of investment in the service segment of the economy, by 2022 the volume of foreign investment in fixed assets of the non-commodity sector of the economy should increase to 50%, also compared to 2016.

The bulk of foreign investment continues to be directed to areas that do not require large-scale investments and are characterized by rapid payback.

Thus, drawing a conclusion on the study of trends in the functioning, outflow and inflow of foreign direct investment in the priority sectors of the economy of the Republic of Kazakhstan, in the sectoral structure of investments, the main share is the mining industry, and the oil and gas industry is still in one of the first places in terms of attracted investments. Industries such as construction and manufacturing receive the least amount of foreign investment.

The article has scientific value and novelty of research.

**Key words:** foreign direct investment, industry, priority sectors, industry.

Хайек П.

PhD, профессор, Чехия ғылым академиясының Информатика институты, Прага қ.  
e-mail: hajek@mail.ru

### Шетелдік инвестициялар – Қазақстан экономикасының басым секторына

**Аңдатпа.** Қазақстанға тікелей шетелдік инвестициялар ағыны бірлескен кәсіпорындар, еншілес кәсіпорындар құру, шетелдік капиталдың қатысуымен Мемлекеттік кәсіпорындарды жекешелендіру, ірі өнеркәсіптік кәсіпорындардың шетелдік фирмаларының басқаруына беру және банк секторын инвестициялау арқылы жүзеге асырылады.

Мақалада өндіруші өнеркәсіп, қайта өңдеу өнеркәсібі, кәсіптік ғылыми-техникалық қызмет және инновациялық даму болып табылатын Қазақстан Республикасы экономикасының басым секторларына 2014 жылдан бастап 2018 жылға дейінгі бөліністе тікелей шетелдік инвестициялардың құйылуына талдау жүргізілді.

Жұмыста ҚР экономикасының басым секторларына инвестициялау мәселелері зерттелді. Зерттеудің әдіснамалық негізі аналитикалық және статистикалық әдістер, таным мен бақылаудың диалектикалық әдісі болды.

Белгілі экономистер авторларының жұмыстары зерделеніп, қаралды. 2022 жылға қарай талдамалық шолудың зерттеулері көрсеткендей, тікелей шетелдік инвестициялар ағыны 2016 жылғы деректермен салыстырғанда 26%-ға өсуі тиіс, ал ТШИ-ның ЖІӨ-ге қатынасы 19% деңгейінде болуы тиіс, ал ағымдағы сәтте бұл көрсеткіш 16,5%-ды құрайды. Инвестициялық қайта құрылымдауды және инвестициялардың экономиканың сервистік сегментіне бағытталуын ескере отырып, 2022 жылға қарай экономиканың шикізат емес секторының негізгі капиталына сыртқы инвестициялардың көлемі 2016 жылмен салыстырғанда 50%-ға дейін ұлғаюы тиіс.

Шетелдік инвестициялардың негізгі көлемі бұрынғысынша ауқымды салымдарды талап етпейтін және тез етелімділікпен сипатталатын салаларға бағытталады.

Осылайша, Қазақстан Республикасы экономикасының басым секторлары бойынша тікелей шетелдік инвестициялардың жұмыс істеу үрдістерін, ағынын және ағынын зерттеу бойынша қорытынды жасай отырып, инвестициялардың салалық құрылымында негізгі үлесті тау-кен өндіру саласы алады, ал мұнай және газ өнеркәсібі бұрынғысынша тартылатын инвестициялар деңгейі бойынша бірінші орындардың бірінде болады. Құрылыс және өңдеу өнеркәсібі сияқты салалар шетелдік инвестициялардың ең аз санын алады. Мақалада зерттеудің ғылыми құндылығы мен жаңалығы бар.

**Түйін сөздер:** тікелей шетелдік инвестициялар, өнеркәсіп, басым секторлар, өнеркәсіп.

Хайек П.

PhD, профессор, Институт компьютерных наук Академии наук, Чехия, г. Прага  
e-mail: hajek@mail.ru

### **Зарубежные инвестиции - в приоритетный сектор экономики Казахстана**

**Аннотация.** Основной объем иностранных инвестиций по-прежнему направляется в сферы, не требующие масштабных вложений и характеризующиеся быстрой окупаемостью.

Таким образом, делая вывод по исследованию тенденций функционирования, оттока и притока прямых иностранных инвестиций по приоритетным секторам экономики Республики Казахстан, в отраслевой структуре инвестиций основную долю занимает горнодобывающая отрасль, а нефтяная и газовая промышленности по-прежнему находятся на одном из первых мест по уровню привлекаемых инвестиций. Такие отрасли как строительство и обрабатывающая промышленность получают наименьшее количество иностранных инвестиций. Статья имеет научную ценность и новизну исследования. Приток прямых иностранных инвестиций в Казахстан осуществляется посредством создания совместных предприятий, дочерних предприятий, приватизации государственных предприятий с участием иностранного капитала, передачи в управление иностранным фирмам крупных промышленных предприятий и инвестирования банковского сектора.

В статье проведен анализ притока прямых иностранных инвестиций в разрезе с 2014 по 2018 годы, в приоритетные сектора экономики Республики Казахстан, которыми являются добывающая промышленность, перерабатывающая промышленность, профессионально научно-техническая деятельность и инновационное развитие.

В работе были исследованы вопросы инвестирования в приоритетные сектора экономики РК. Методологической основой исследования послужили аналитический и статистические методы, диалектический метод познания и наблюдение.

Изучение и анализ тенденций оттоков и притоков прямых иностранных инвестиций в отрасли экономики Республики Казахстан, а также отраслевой структуры инвестиций позволило выяснить, что основная доля принадлежит горнодобывающей промышленности. Нефтегазовая отрасль по-прежнему находится на одном из первых мест по объему привлеченных инвестиций. А такие отрасли, как строительство и производство, получают наименьшее количество иностранных инвестиций.

**Ключевые слова:** прямые иностранные инвестиции, промышленность, приоритетные сектора, промышленность.

**Introduction.** Focusing on market relations, the main direction of economic reforms is the development and implementation of the investment policy of the state aimed at ensuring high rates of economic growth and improving the efficiency of the economy. In the current conditions, in order to

ensure structural reforms of the economy on the basis of the government's programmer of action to deepen reforms and in conditions of limited domestic sources of financing, it is extremely important to attract foreign capital to the economy of the Republic. Foreign investments in the global

economy are becoming one of the most relevant and priority forms of economic cooperation between the countries. The total volume of these investments in the world is growing at a much higher rate each year than the total gross product of the countries of the world (Chichilnisky G., 1994:874).

Attracting investment resources on a national and regional scale is one of the priorities of Kazakhstan's economic policy. At the same time, the structure of foreign investments is an important issue (Copeland B.R., 1994:755).

Foreign investments characterize investments of capital by non-residents in the objects of investment in the country (David L., 2002:275).

As you know, the main task of the state investment policy of our country is to create a favorable environment for the expansion of extra-budgetary sources of financing of capital investments and attracting private domestic and foreign investments on the basis of further improvement of the regulatory framework and state support for effective investment projects (Atici C., 2012:167-178).

There are several sectors of the economy: the development of natural resources, infrastructure, communications and information, which are essential for our country. The development of these industries will have an impact not only on economic growth, but also on the social sphere, as well as on the integration of Kazakhstan into the international community. These are capital-intensive industries, for the development of which both foreign capital and strict strategic control of the state are necessary (Birdsall N., 1993:137).

Prospects for the development of the country's economy are closely linked to the need to attract foreign direct investment. The formation of a favorable investment climate and the solution of problems to attract foreign direct investment in the priority sectors of the Republic of Kazakhstan, in turn, are associated with a set of economic, social, political, infrastructure and other aspects of economic development. Thus, at present, the Republic of Kazakhstan faces the task of attracting investments taking into account its own incentives and achievements of national goals (Dean, J.M. 1992:103).

**Literature review.** Studies on FDI have used several different proxies for the infrastructure variable (see Root, and Ahamed 1978y.; Nonnemberg and Cardoso 2002y.; Jaumotte 2004y. among others). Unfortunately, however, complete time series data on most of these proxies is not readily available for the period under study (1970-2007yy.). Consequently, this study followed Morisset (2000y.) and Nizar and Singleton (2001y.), among others and uses the

number of telephone lines (landlines and mobile) per 1000 people in a country as a proxy for infrastructure. This has been reported to be a consistent and reliable measure of economic growth which has been extensively employed in the FDI literature (Asiedu, 2002.; Loree and Guisinger, 1995.; Khadaroo and Seetanah, 2003. Mutenyo, 2008.; Opolot, et al 2008.).

Also, Wheeler (2001y.) used data from three developing countries (China, Brazil and Mexico) with a high level of FDI to study its effect on pollution. In this case, he found that the level of FDI decreased the levels of pollution. For their part, Perkins and Neumayer (2008y.) verified the relationship between FDI and the efficiency in CO<sub>2</sub> and SO<sub>2</sub> emissions in 114 countries. The results proved that economies that started from a worse environmental situation improve their ecological efficiency faster when they adopted technologies and environmental policies similar to those of countries that started from a better situation, resulting in a convergence over time. Atici (2012y.) found, on the other hand, that the level of FDI had a negative and significant impact, so that they did not tend to increase pollution levels in the long term. On the other hand, the intensity of research and development activities has a great relevance on the relationship between the economic level and the level of pollution. On the one hand, there are direct effects of better efficiency on the reduction of pollution levels for a level of income. On the other hand, there is the effect of the greater benefit per unit of production, which decreases the energy intensity needed for production by each economic unit. Therefore, we assume that the greater the intensity of R&D activities, the lower the environmental impact of economic activities (Wheeler D., 2001:225).

In fact, Opolot et al (2008y.) contend that although the number of telephone lines may not be the best proxy for infrastructure, its significance nonetheless shows that infrastructure development does matter for FDI inflows to SSA.

Accordingly, in this study, the assumption was that a country with a large number of telephone lines is more likely to have better roads, Internet access, and water/electricity supply, or in short better infrastructure. The model was specified just like Maria Delgado et al. (2000) and Balamurali et al (2004), the time subscripts are omitted for presentation simplicity.

**Material and Methods.** We have developed the following research plan:

1. Analysis of trends in the functioning, outflow and inflow of foreign direct investment in the priority sectors of the economy of the Republic of Kazakhstan.

2. The main countries investors in the Republic of Kazakhstan on the indicators.

In the country context, the largest FDI flows are from the following countries: The Netherlands – \$ 3.1 million., US \$ 2.3 million, Switzerland -1.2 million dollars, China – \$ 495.3 million, Russia – \$ 444.6 million., Belgium – \$ 646.4 million, France – \$ 415.6 million, Korea – \$ 246.8 million, UK – \$ 245.2 million (Sarsenov, 2017:4).

Foreign direct investment is considered not only as an additional source of domestic investment, but also as a way to gain access to new, improved technology, to the sales system in foreign markets, to new sources of financing. Foreign investment can help accelerate the creation of new industries (Pao, 2011:765).

At the same time, there are serious concerns that the transfer of control over resources to foreign corporations may lead to their outflow abroad at unreasonably low prices, negatively affect the potential of national economic development. Real investment policy should be based on the balance of positive and negative aspects of investment (Adeolu B., 2007:165).

Foreign investments in the global economy are becoming one of the most relevant and priority forms of economic cooperation between the countries. The total volume of these investments in the world is growing at a much higher rate each year than the total gross product of the countries of the world (Perkins, 2008:2970).

The paper deals with the issues of investment in the priority sectors of the economy of Kazakhstan. The methodological basis of the research is analytical and statistical methods, dialectical method of cognition and observation. The research consists in the following, which sectors of the Republic of Kazakhstan are the priority, that is, the most attractive for foreign investors with the lowest risks, with a high growth of forecasting. The impact of FDI on the economic potential and development of the country's economy (Agosin M.R. 2000:146). Currently, the main factor of the world economy was the direct international production of business associations, based on the international movement of business capital. Capital is characterized by a high degree of international mobility, its movement occurs in the process of moving financial flows between creditors and borrowers of different countries, between owners and their firms, which they own abroad (Eskeland G.S., 1997:1).

**Results and Discussion.** The inflow of foreign direct investment in Kazakhstan is carried out through the establishment of joint ventures and subsidiaries, privatization of state-owned enterprises

with foreign capital, transfer of large industrial enterprises to the management of foreign firms and investment in the banking sector. The main form of attracting direct investment in the Republic are joint ventures (JV), to a lesser extent – with 100% foreign capital-subsidiaries. The largest number of them was organized jointly with Turkey, Russia, China, Germany, the USA, Italy, South Korea, Great Britain and other countries.

As can be seen from figure 1, there is still a steady trend of investment in the extractive industry, with a decrease in the level of scientific and technical activities. At the same time, there is a positive trend in investment in the manufacturing industry.

Due to the fall in prices for the main export commodities, there has been a decline in FDI inflows to our country.

Thus, in comparison with 2014 (\$23.7 million). The volume of gross FDI for 2016 decreased by 11.5 % to \$ 21 million. USA. At the same time, despite the decline in FDI in a number of industries, compared with 2014, FDI in the manufacturing industry increased in 2016:

- production of chemical products 4.8 times (2016y. – \$ 173 million), 2014y. – \$ 35.9 million.);
- production of textiles, clothing and leather 2.8 times (2016y. – \$ 16.8 million), 2014y. – \$ 6.1 million.);
- production of vehicles and equipment-2.4 times (2016y. – \$ 20.8 million), 2014y. – \$ 8.6 million.);
- production of the metallurgical industry by 1.2 times (2016y. – \$ 3.5 million). 2014y. – \$ 3 million.).

According to the National Bank of the Republic of Kazakhstan in the 1st half of 2017y., the volume of gross FDI inflow amounted to \$ 10.5 million. That is 8.6% more, than in the same period of 2016y. (\$9.6 million).

The largest increase in gross FDI inflows is seen in industries such as:

- trade-by 54.2% (\$1.3 million);
- mining-2.2% (\$5.7 million);
- manufacturing-by 46.7% (\$2.4 million);
- transport – 10.3% (\$308.4 million);
- agriculture – by 13.7% (\$14.3 million).

The largest fall in gross FDI inflows in the following sectors:

- professional, scientific and technical activities-95% (\$151.2 million);
- in exploration decline of 95.3%;
- information and communication-94.2% (\$21.7 million).

At the same time, the share of the manufacturing industry in the production of oil and coal, processing of petroleum products in the investment structure

increased from 16.9% (in the 1st half of 2016y.) to 22.8% (in the 1st half of 2017y.).

In the context of the new economic reality – the outflow of capital from emerging markets and falling prices for the main export commodity positions, the Government of the Republic of Kazakhstan faces the task of finding new sources of investment in the development of production in non-commodity sectors of the economy.

In order to improve the investment climate, significant measures are being taken to support investors, including:

- a package of incentives has been introduced, providing for investment preferences, stability of legislation;

- a detailed plan was adopted to improve the investment climate, aimed at improving the visa and migration regime, the import of foreign labor, tax and customs legislation, etc.;

- since 2016, the WORLD is a "one window" for investors, where they can get the public services necessary for the implementation of investment projects. Also, "one window" was created in all regional centers of Kazakhstan;

- there is an investment Ombudsman, which protects the rights and legitimate interests of investors;

- a Government Council has been established to coordinate the work on major investment projects involving TNCs.

Also, in all regions there are councils to attract investment under the leadership of government structure to address issues at the local level.

Foreign direct investment includes both the investor's initial acquisition of property abroad and all subsequent transactions between the investor and the enterprise in which his capital is invested. The composition of direct investment includes:

- investment of equity capital by companies abroad – capital of branches and shares in subsidiaries and associates;

- reinvestment of profits – the share of the direct investor in the income of the enterprise with foreign investments, not distributed as dividends and not transferred to the direct investor;

- intra-corporate capital transfers in the form of

loans and borrowings between the direct investor, on the one hand, and subsidiaries, associates and branches, on the other.

In most studies on foreign investment, there is a positive role played by investment in the development of the economy of each country, not an exception, and our country – Kazakhstan.

In recent years, investment attractiveness accounts for the share of industrial real sectors of Kazakhstan, which attracted almost 2/3 of all capital investments. One of the strategic plans of the Ministry for investment and development of the Republic of Kazakhstan for 2017-2021yy. is the development of a diversified economy by improving the investment climate, including the involvement of TNCs in the manufacturing industry rather than in the raw materials sector of the economy.

As part of the implementation of the National action plan for the implementation of The President's address to the people of Kazakhstan dated November 30, 2015 "Kazakhstan – a new global reality: growth, reform, development" and "national Plan – 100 steps to implement five institutional reforms", special attention will be focused on further improvement of the investment climate and attraction of TNCs.

In the long-term dynamics, it is noticeable how the interest of countries to Kazakhstan increases. After a sharp decline in global investment flows in 2014y. (up to 1.3 trillion doll.) in Kazakhstan, their volume fell by a significant 38.7% next year.

As shown in Fig. 1, investments in fixed assets for January-April 2018y. amounted to 26 trillion tenge – this is 41.6% more than in 2017y. (it was 19 trillion tenge). The main areas of investment are: industry-1.7 trillion tenge (2017y. – 1.1 trillion tenge), operations with real estate – 335.9 million tenge. (2017y. – 251.9 million tenge), transport and storage – 304.1 million tenge. (2017y. – 191.9 million tenge).

Collectively, the share of these three areas is 88.4%, or 2.3 trillion tenge.

In industry, the main share of investments is directed to the production of crude oil and natural gas – 11 trillion tenge (65%), production of coke and petroleum products – 215 million tenge (12.8%), and production of metal ores – 98 million tenge (5.8%) – tabl.1:

**Table 1** – Investments in fixed capital (January-April 2017-2018 years million tenge)\*

Direction by industry	2017 year	2018 year	growth
All Industry	1128,4	1682,7	49,1%
Real estate transactions	251,9	335,9	33,4%
Transport and storage	191,9	304,1	58,4%
Agriculture, forestry and fisheries	47,2	60,1	27,2%
Wholesale and retail trade	40,4	53,9	33,5%
Education	42,5	37,7	-11,3%
Restaurant and hotel business	22,4	32,4	44,8%
Construction of objects	13,1	21,8	66,7%
Health and social services	10,4	19,0	82,4%
Arts, entertainment and recreation	10,7	19,0	76,9%
Information and telecommunications	14,4	17,1	18,8%
Financial and insurance activities	14,0	15,1	7,5%
Professional, scientific and technical activities	10,1	11,4	12,7%
Administrative and support activities	49,5	10,0	-79,8%
Public administration, defence and social security	6,2	6,2	-3,1%
Provision of other services	3,0	3,0	-14,6%
<b>Total</b>	<b>1856.1</b>	<b>2628.8</b>	<b>41,6%</b>
*Note: compiled by the author on the base of the data of the COP I RK finprom.kz 2018y.			

Table 1 shows that investments in the industrial sector grew by 44.2%, to 2.1 trillion tenge from the beginning of 2018y. The volume of investments in oil production increased by 68.1 %. According to the Agency, almost three – quarters of investments were in the extractive sectors of the commodity sector, and 65% – directly to oil and gas production. With an overall growth of investment in fixed assets of the industrial sector of 44.2 % for the year, taking into account inflation, the growth was 31.2 percent.

In the mining sector, 88.5% of investments are directed to the sphere of oil and gas production – 1.4 trillion tenge, which is 68.1% more than in 2017y. this is 65% of all investments in the industrial sector. Another 129.6 million tenge, or 8.3% of investments in the mining industry, is directed to the extraction of metals, plus 25.7% for the year, and 28.7 million tenge, 1.8% – in coal mining. Thus, the annual growth of investments in this area has increased by 2.1 times. Almost three quarters of all investments in the industry are directed to the mining sector – 73.5%, or

1.6 million tenge, which is 56.6% more than a year ago. Another 19% was in the segment of processing – 404.8 million tenge, which is 33.6% more than a year earlier. Less than 8% of all investments in the industrial sector have contributed to energy and water supply. In the refining segment, the main volume of investments also fell on the sphere related to oil – 225.4 million tenge was poured into the production of coke and refined products, plus 38.3% for the year. In second place – the metallurgical industry-15% of investment in processing, 62.9 million tenge, followed by the food industry-46.3 million tenge – is 11.4% of the investments of the manufacturing industry.

In the first half of 2018y., Kazakhstan attracted 12.3 million us dollars to the national economy, which is 15.4% more than a year earlier – 10.6 million dollars.

Representatives of the 10 largest investor countries formed a pool of the most attractive industries. Dutch investors in the history of economic relations

with Kazakhstan have invested 54.2 million dollars (75.8% of all investments) in the mining industry. In the manufacturing industry and professional, scientific and technical activities directed 5.3 million and 5 million dollars, respectively (a total of 14.5%).

US investors have a similar industry investment portfolio: the mining industry accounts for 91.6% (\$28.2 million). In addition, investors from the US see the potential in the financial sector of Kazakhstan, cumulative investments in which amount to 1.3 million dollars (share – 4.3%). Close the list of investments in professional, scientific and technical activities – 479.6 million dollars (share – 1.6%).

Investment preferences of active investors from Switzerland are radically different from those of the previous two countries. For example, the main Kazakh industry investment magnet for Swiss investors is the manufacturing industry: \$ 3.1 billion USD (65.8%) accumulated investments. Next is the wholesale and retail trade, repair of motor vehicles and motorcycles: 480,1 million USD (a share of 10.1%). In the TOP 3 industries also got information and communication – 408.2 million dollars. (8.6%). The total investment from Switzerland at the end of the first half of 2018y. is 4.7 million dollars.

At the same time, it is noted that the Northern neighbor – Russia – is not only one of the key investors of the national economy, but also an important strategic partner. The flow of investments from Russia to Kazakhstan for all years of relations is 12.2 million dollars.

Russian investors, unlike their counterparts (TOP 10 investor countries), have made a more diversified portfolio, distributing investments in relatively equal shares. 24.3% (\$3 million) was allocated to

the manufacturing industry) all means. The mining industry attracted 2.6 million dollars (21.2%) of Russian assets. Closes the three potential industries of wholesale and retail trade, repair of cars and motorcycles: 1.9 million dollars (15.9%).

According to the research of the analytical review, by 2022y. the inflow of foreign direct investment should grow by 26% compared to the data of 2016, and the ratio of FDI to GDP should be at the level of 19%, while at the moment this figure is 16.5%. Taking into account the investment restructuring and the focus of investments in the service segment of the economy, by 2022y. the volume of foreign investments in fixed assets of the non-commodity sector of the economy should increase to 50%, also compared to 2016y.

The bulk of foreign investment continues to be directed to areas that do not require large-scale investments and are characterized by rapid payback.

**Conclusion.** Thus, making a conclusion on the study of trends in the functioning, outflow and inflow of foreign direct investment in the priority sectors of the economy of the Republic of Kazakhstan, in the sectoral structure of investments, the main share is occupied by the mining industry, and the oil and gas industry is still one of the first places in terms of attracted investments. Industries such as construction and manufacturing receive the least foreign investment. These figures for the last two industries have not changed significantly over the past 5 years. Investors are still reluctant to invest in these industries. The main investors in Kazakhstan are developed countries such as the Netherlands, the USA, Switzerland, China, Russia, Belgium, France, Korea and the UK.

## References

- Adeolu B. A. (2007) FDI and Economic Growth: Evidence from Nigeria. AERC Research Paper 165-African Economic Research Consortium, Nairobi April. – pp. 165-167.
- Agosin M.R. and R. Mayer. (2000) Foreign investment in developing countries: does it crowd in domestic investment? UNCTAD UNCTAD, Geneva, pp. 146-149
- Atici, C. (2012) “Carbon emissions, trade liberalization, and the japan–ASEAN interaction: a group-wise examination”, *Journal of the Japanese and International Economies*, vol. 26 No. 1, pp. 167-178.
- Birdsall, N. and Wheeler, D. (1993) “Trade policy and industrial pollution in Latin America: where are the pollution havens?” *The Journal of Environment & Development*, vol. 2 No. 1, pp. 137-149.
- Chichilnisky, G. (1994) “North-South trade and the global environment”, *The American Economic Review*, vol. 84 No. 4, pp. 851-874.
- Copeland, B.R. and Taylor, M.S. (1994) “North-south trade and the environment”, *The Quarterly Journal of Economics*, vol. 109 No. 3, pp. 755-787.
- David L. and Ans Kolk (2002) “Strategic Responses to Global Climate Change: Conflicting Pressures on Multinationals in the Oil Industry” *Business and Politics*. vol. 4, No. 3, pp. 275-300.
- Dean, J.M. (1992) “Trade and the environment: a survey of the literature”, *Policy Research Working Paper*, vol. 68, pp. 103– 116.
- Eskeland, G.S. and Harrison, A.E. (1997) “Moving to greener pastures? Multinationals and the pollution haven hypothesis”, *Journal of Development Economics*, vol. 70 No. 1, pp. 1-23.



Much more everything invest in Kazakhstan. [Electronic resource]. – URL: [https://tengrinews.kz/kazakhstan\\_news/kuda-bolshe-vsego-investiruyut-v-kazahstane-349057/](https://tengrinews.kz/kazakhstan_news/kuda-bolshe-vsego-investiruyut-v-kazahstane-349057/) (date of the address: 20.11.2018)

National Bank of Kazakhstan. the official online resource. [Electronic resource]. – URL: <https://nationalbank.kz/?docid=680&switch=russian> (date of the address: 25.11.2018)

Official Internet resource Ministry of finance Republic of Kazakhstan [Electronic resource]. – URL: <http://www.minfin.gov.kz/irj/portal/anonymous/SearchResult&layoutSetMode=exclusive&ResourceListType=com.sapportals.wcm.SearchResultList&SearchType=quick&QueryString=инвестиции> (date of the address: 10.01.2019)

Pao, H.-T. and Tsai, C.-M. (2011) “Multivariate granger causality between CO<sub>2</sub> emissions, energy consumption, FDI (foreign direct investment) and GDP (gross domestic product): evidence from a panel of BRIC (Brazil, Russian federation, India, and China) countries”, *Energy*, vol. 36 No. 1, pp. 685-693.

Perkins, R. and Neumayer, E. (2008) “Fostering environment efficiency through transnational linkages? Trajectories of CO<sub>2</sub> and SO<sub>2</sub>, 1980-2000”, *Environment and Planning A*, vol. 40 No. 12, pp. 2970-2989.

Sarsenov, Ilyas; Aldiyarov, Azamat (2017) Kazakhstan – The economy is rising: it is still all about oil – country economic update (Fall 2017). Kazakhstan economic update. Washington, D.C.: World Bank Group.

Services (BPM6): Exports and imports of total services, value, shares, and growth, annual, 2005-2017 Table summary (opens new window). [Electronic resource]. – URL: <https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=87010> (date of the address: 25.11.2018)

Total trade and services / Hand book of statistics. [Electronic resource]. – URL: <https://stats.unctad.org/handbook/Services/Total.html> (date of the address: 25.11.2018)

Wheeler, D. (2001) “Racing to the bottom? Foreign investment and air pollution in developing countries”, *The Journal of Environment & Development: A Review of International Policy*, vol. 10 No. 3, pp. 225-245.

United nations conference of trade and development / Hand book of statistics. [Electronic resource]. – URL: <https://unctad.org/en/Pages/Publications/Handbook-of-Statistics.aspx> (date of the address: 25.11.2018)

## DEVELOPMENT TRENDS INNOVATIONS IN THE WORLD

Prodanova N.A.

Doctor of economic science, professor, Plekhanov Russian University of Economics,  
Russian, Moscow, e-mail: [prodanova@mail.ru](mailto:prodanova@mail.ru)

**Abstract.** The article analyzes the theoretical and practical issues of researching the financial market and the impact of innovation on the empowerment of financial and non-financial institutions. Innovative development of society has taken on particular importance in recent years in the era of virtualization, internetization and cloud technologies, when new financial instruments appeared. These technologies provide the ability to transfer money to other countries and continents, make instant payment for goods and services, save and generate information in the database, conduct operations with virtual currencies, receive and provide loans between individuals and legal entities. The study, some of the findings of which are presented in this article, is devoted to current trends in the development of the financial market in the context of diversification of innovations, including on the stock and currency exchanges.

Object of study – the global financial market. The subject of the research is innovative processes in financial markets.

The purpose of the study is to identify trends and prospects for the development of innovative processes in financial markets.

The research methodology is based on the logical alignment of the material and on the analysis of the state of the global financial market and drawing conclusions based on the results.

The scientific and practical significance of the work consists in the new presentation and systematization of innovative processes in financial markets.

Results of the research: further development of the financial market requires the development of information technology, the banking sector and the stock market.

**Key words:** economics, financial market, innovation, information technologies, peer-to-peer or equal lending.

Проданова Н.А.

Экономика ғылымдарының докторы, профессор, Плеханов атындағы Ресей экономикалық университеті,  
Ресей, Мәскеу, e-mail: [prodanova@mail.ru](mailto:prodanova@mail.ru)

### Әлемдегі инновациялық трендтердің дамуы

**Аңдатпа.** Анықтау дамытудың үрдістерін және перспективаларын инновациялық процестердің қаржы нарықтарын зерттеу мақсаты болып табылады.

Мақалада теориялық және практикалық мәселелерін зерттеу бойынша қаржы нарығын және қаржылық және қаржылық емес институттардың ықпал ету мүмкіндіктерін кеңейту. Бұл технологиялар басқа елдер мен құрлықтарда ақша аудару жүргізуге, лезде тауарлар мен қызметтер үшін төлем, сақтауға және генерациялау ақпаратты деректер базасында операцияларды, виртуалды валюталармен алуға және беруге, кредиттерді жеке тұлғаларға және заңды тұлғалар арасында жүргізуге мүмкіндік береді. Бұл мақалада зерттеу жекелеген қорытындылары бойынша оған ұсынылған, қазіргі заманғы үрдістерге қаржы нарығын дамыту жағдайында әртарапандыру және инновацияларды, оның ішінде, қор және валюта биржаларына арналады.

Жұмыстың ғылыми және тәжірибелік маңыздылығы жаңа ұсыну және жүйелендіру инновациялық процестердің қаржы нарықтарын тұжырымдаудан тұрады.

Зерттеу әдістері: зерттеу және әдебиеттерді талдау, талдау, сараптамалық бағалау әдісі.

Зерттеу нәтижелері: қаржы рыногын одан әрі дамыту, ақпараттық технологиялардың қажеттік саласын, банк секторы мен қор нарығын дамыту.

**Түйін сөздер:** экономика, қаржы нарығы, инновациялар, ақпараттық технологиялар, тең-теңімен немесе тең кредиттеу.

Проданова Н.А.

Доктор экономических наук, профессор Российской экономической академии  
им. Плеханова, Россия, г. Москва, e-mail: prodanova@mail.ru

### Развитие инновационных трендов в мире

**Аннотация.** Исследование, отдельные выводы которого представлены в данной статье, посвящено современным тенденциям развития финансового рынка в условиях диверсификации инноваций, в том числе на фондовой и валютной биржах.

В статье анализируются теоретические и практические вопросы по исследованию финансового рынка и влияния инноваций на расширение возможностей финансовых и нефинансовых институтов. Особенно значимое инновационное развитие общества произошло в последние годы, в эпоху виртуализации, интернетизации и облачных технологий, когда появились новые финансовые инструменты. Данные технологии предоставляют возможности перевода денег в другие страны и континенты, производить мгновенную оплату за товары и услуги, сохранять и генерировать информацию в базе данных, производить операции с виртуальными валютами, получать и предоставлять кредиты между физическими и юридическими лицами.

Объект исследования – глобальный финансовый рынок. Предметом исследования являются инновационные процессы на финансовых рынках.

Цель исследования заключается в выявлении тенденций и перспектив развития инновационных процессов на финансовых рынках.

Методология исследования основана на логическом выстраивании материала и на анализе состояния глобального финансового рынка и получении выводов на основе научно-практических результатов.

Научная и практическая значимость работы состоит в новом представлении и систематизации инновационных процессов на финансовых рынках.

Результаты исследования: дальнейшее развитие финансового рынка требует развития сферы информационных технологий, банковского сектора и фондового рынка.

**Ключевые слова:** экономика, финансовый рынок, инновация, информационные технологии, пиринговое или равноправное кредитование.

**Introduction.** The development of innovative processes in financial markets concerns the securitization of financial markets and financial assets, the design of new financial instruments and the emergence of structured financial products.

Innovation processes associated with the formation of a new global financial market architecture, and the peculiarities of this process in new countries with market economies, can serve as an example of global changes in the global economy (Nikolay Berzon, Tamara Teplova, 2013).

The basis of the economy of any country is a banking system with traditional services within strictly regulated limits on weekdays according to the schedule of the working day. The development of information technology has led to the emergence of a new generation of financial companies that allow the use of traditional banking products through applications on mobile phones, tablets, laptops or computers. New type of financial institutions include on-

line microfinance institutions (MFIs), Internet banks, crowdsourcing platforms, and peer-to-peer lending systems (p2p or peer-to-peer) (Sharip B, 2016).

**Literature review.** Currently, much attention is paid to innovation, since the development of information technologies and the emergence of new technologies opens up new opportunities for economic development. The most actively developing financial sector, which, in turn, prevails in the banking sector, which, unlike other enterprises, has its own and borrowed funds. The challenge for banks and other financial institutions is to attract customers and their financial resources with which you can earn money. As a result, banks should create attractive conditions and individually focus on each client, as an expert on banking innovations, J.P. Nichols (J.P. Nichols, 2017).

Financial institutions that accumulate cash and other assets can invest accumulated funds in innovative projects, including in the following areas (J.P. Nichols, 2017):

– automation;

- robotics;
- information security.
- change user interface;
- development of digital marketing and sales;
- improved analysis and so on.
- development of digital competencies;
- changing information technology architecture;
- creation of a new digital bank;
- use of innovative proposals and other customer-oriented improvements.

Every year, new operations, players, changing terminology, new financial technologies or Fintech appear on the global financial market. Currently, Fintech is a whole industry consisting of companies that use technology and innovation to compete with traditional financial institutions represented by banks and intermediaries in the financial services market. Currently, Fintech includes technology start-ups and organizations that seek to improve and optimize their financial services.

Professor Patrick Schueffel from the Friborg School of Management reviewed more than 200 scientific articles published over the past forty years that mention the term “Fintech” and brought out the definition that Fintech is a new financial sector that uses innovative technologies to improve financial performance (German Gref, 2017):

The Fintech term generally refers to new applications, processes, products, or business models in the financial services industry, consisting of one or more additional financial services, including automation, trade insurance, and risk management (Sharip B. Sh., 2016). These services are provided entirely or mainly via the Internet. Various independent service providers, including at least one licensed bank or insurance company, may provide services. The interaction is provided through APIs (application programming interface) and is often governed by specific laws and regulations, such as the European Payment Services Directive.

**Materials and methods:** study and analysis of literature, deduction, analysis, method of expert assessments, expert assessments, inductive and deductive analysis, classification and group, historical, economical, and statistical methods. Their combination allows providing necessary degree of depth and universality of a research, validity of its conclusions.

Analysis of innovative processes in the financial market includes the following factors.

The greatest number of innovations occurs in

the following traditional areas of financial services (Barnett H.G, 1953):

1. Payments and money transfers: verification of identity and creation of accounts in which you can keep money, funds for depositing and withdrawing money and systems for the safe exchange of money between different parties,
2. Deposit and credit operations that accumulate money from investors and borrowers
3. Managing capital and investments in the stock market, as well as planning pension savings and real estate.
4. Insurance of property of legal entities and individuals and personal insurance.
5. Currency and account management.

**Results and discussion.** Payment systems that combine payment functions and methods of transferring or receiving money, including electronic fiat money based on networks, smart cards based on fiat electronic money, and electronic money based on private networks, are popular.

The most famous Fiat-based electronic money networks:

- PayPal – American payment system. As of 2017, PayPal operates in 202 countries (although not all of them provide a full range of services), has more than 200 million registered users, works with 25 national currencies. In the case of purchases, an important feature of PayPal is to provide security guarantees for both the buyer and the seller;

- QIWI – Russian payment system, which is used in Russia, Kazakhstan, Moldova, Belarus, Romania, USA, Ukraine and the United Arab Emirates;

- American payment system Payoneer, which has about four million users in more than 200 countries and territories, and provides cross-border transactions in more than 150 local currencies, using its banking network throughout the world to make local bank transfers;

- Payment system M-Pesa -African, which operates in Kenya and Tanzania. The name means “M” system, which is used in mobile devices, and “Pesah” in Swahili means money. This system is designed to transfer mobile, financial and microfinance mobile phones released in 2007 to Vodafone for Safaricom and Vodacom, the largest mobile operators in Kenya and Tanzania (Barnett H.G, 1953).

Fintech companies use the latest developments in the field of mobile payments, online lending, digital money transfer and other technologies in building their businesses. These organizations offer their services exclusively through the Internet and can work all over the world without the need to meet with their clients in person. The network business model allows

you to significantly reduce costs, which makes it possible to offer customers financial products on the most favorable terms. Special programs for smartphones allow you to take into account the individual preferences of users and their needs are met as fully as possible in the shortest possible time. At the same time, financial products are becoming more accessible to all categories of the population, and small and medium businesses receive new sources of financing.

Digital credit organizations use advanced scoring systems to assess the creditworthiness of potential borrowers based on Big Data technology or massive amounts of data using statistical methods and mathematical calculations.

Government regulators do not pay close attention to fintech companies, unlike traditional banking systems, which gives fintech additional competitive advantages. To retain its position in the market, Fintech companies are expanding their network and developing new products and services, which leads to the emergence of innovations in world markets.

In connection with the intensification of competition, new financial and information products emerge, financial advisers possessing powerful artificial intelligence (AI). Plastic cards will be gradually replaced by contactless mobile payments and the financial flow of documents will become completely digital.

Banks operating offline, to enhance their competitiveness, buy shares in fintech companies and create their own online divisions. The world's largest banks are reducing the network of their branches, since the online service does not require large premises and staff.

In the past decade, peer-to-peer lending systems have become popular, also called "p2p", peer-to-peer or person-to-person lending, which means "person-to-person" financing. In some sources, this type of financing is called "equal lending, equitable investment or social loan.

A P2P loan is a way of borrowing money from unrelated persons or "equal parties" without the participation of a financial intermediary in the person of a bank, MFI or other financial institution.

This service is provided on special Internet sites where both parties must register. The lender must be registered, replenish a bank account and form an offer to customers in electronic form. The borrower also fills out a form with personal data, including employment information, income, and leaves a request with acceptable conditions. Thus, peer-to-peer loans are provided online on the websites of special lending institutions through the use of lending platforms and

credit check tools, mainly credit scoring.

Equal loans, as a rule, belong to the category of unsecured personal loans, as they are issued to an individual, without collateral. Peer-to-peer loans can be provided to small enterprises by agreement of the parties. Interest rates are set by lenders (lenders) competing for a lower rate in a reverse auction, or are determined by an intermediary company based on an analysis of the borrower's credit history.

Intermediary companies providing an Internet site are commercial entities; whose income is formed from the payment of borrowers for the provision of loans and for servicing the loan, while the amount of payment may be fixed or set as a percentage of the loan amount.

The first company that provided equal loans was Zopa (Zone of Possible Agreement) from the UK, established in 2005, which currently has more than half a million customers (Patric Schueffel, 2017). Then companies like RateSetter appeared in 2010, which used a collateral fund to protect lenders from borrower defaults, Funding Circle portal, ThinCats, Market Invoice, Assetz Capital.

Despite the lack of government regulation, equal lending in the UK focuses on standards developed by an independent Equal Financing Association. The Equal Financing Association obliges its members to take measures to service the loans, even in cases where the intermediary company is declared bankrupt. Also, the British government announced that from April 2014 this industry will be regulated by the Financial Operations Authority.

In the United States, the modern direction of equal lending was formed in February 2006, when Prosper, Lending Club began to operate in San Francisco, California, and other peer-to-peer lending platforms opened. In 2008, the Securities and Exchange Commission (SEC) decided that equal loan companies register their bids as securities, in accordance with the US Securities Act of 1933. Lending Club and Prosper companies received approval from the SEC commission for issuing medium-term bonds to investors backed up by loan repayments. Lending Club and Prosper began working with FOLIO Investing to create a secondary market for their medium-term bonds, thus ensuring their liquidity for investors.

In 2009, the American non-profit organization Zidisha became the first peer-to-peer lending platform that works with lenders and borrowers from

different countries and continents. This company also organized a risk assessment of borrowers in the absence of digital financial history facts.

In 2008, a social insurance site was launched in Bangalore, India, which finances local Non-Governmental Organizations (NGOs), which act as lenders. In 2017, the Central Bank of India Reserve Bank of India (RBI) published a report that presented research on the international market of peering lending. According to RBI data, there are crowded internet platforms in India, 30 of which specialize in lending to startups (McBride, Sarah, 2017).

Given the rapid development of the P2P market in India, and taking into account the international experience of peer-to-peer lending, RBI, in its report, considers the main regulatory models: an unregulated market; regulation of P2P as a financial market; regulation of P2P as a banking sector; American regulatory model; complete ban on doing business. All arguments for and against were taken into account, as a result of which it was decided to get the opinion of the participants of equal lending themselves to reduce risks for both lenders and borrowers.

In Australia, the first lender issuing equal loans in accordance with current requirements was SocietyOne, which since August 2012 has issued loans in the amount of more than 1.2 million US dollars. This company also introduced innovative mobile service technology, which accelerated the process of issuing loan applications and loan financing.

The Central Bank of Russia constantly monitors the crowding market based on a sample of individual sites. The Agency of Strategic Initiatives, the Internet Initiatives Development Fund, Boomstarter and other participants in the financial market also voluntarily joined the monitoring (Trends in regulation, 2017).

In July 2016, a new player appeared on the financial market of Kazakhstan – the P2P lending project from Ules.kz. The peculiarity of the presented project is that the creditor is not a bank or a credit institution, but a large number of individuals or institutional investors. According to experts, such lending will not compete with banks, but is quite dangerous for the entire financial sector (Michel Tsoi, 2016). Experts fear causes a fairly high 45% lending rate, at which a large number of defaults or defaults are possible, since P2P loans are issued without collateral and are not secured in any way.

Ules P2P lending service is a platform that unites lenders, on the one hand, and borrowers, on the other, and the project is generated from Russian and Ukrainian peers. Ules.kz promises to provide low interest rates for borrowers, the opportunity to invest and independently choose a loan portfolio. P2P developers in Kazakhstan report that the main checks of a potential borrower in the P2P platform will remain the same as in banks: credit history, pension contributions and personal data. The difference lies in the fact that Ules.kz will use a program that will analyze the profile of a potential borrower in social networks. The Big data analysis technology will allow analyzing the borrower's profile data in social networks, based on which the program will predict the likelihood of debt repayment or non-repayment. Ules.kz operates based on the Civil Code of the Republic of Kazakhstan, but the National Bank of the Republic of Kazakhstan is not yet regulated.

Depending on in which of the sectors the money supply of the economy is concentrated, one can judge the effectiveness of the financial market. For example, in Europe and developed Eastern countries, the financial market is focused on the securities market, insurance and investment. In addition, government securities and foreign currency in these countries are traded on the open market, that is, on the stock exchange.

It is noted that Islamic securities will not have demand in the financial market of the CIS countries, as they imply participation in the company's share. At the same time, the buyer of the security shares both the profits and losses of the company, but domestic investors are not ready to share the losses of the issuing company.

The banking system is developing; confidence is growing, from both investors and the public. However, since the financial sector cannot exist in isolation from the rest of the economy, it is affected by a decline in GDP, problems in the partner countries. Some optimize the work, others – are experiencing financial problems, so they redistribute the costs for other purposes.

**Conclusion.** Thus, the further development of the financial market requires the development of information technology, the banking sector and the stock market. The development of the foreign exchange market and the market of urgent operations, which smoothly flow from the banking sector to other companies that operate on the basis of Internet technologies, is important. This trend is developing and encompassing an increasing share of the financial market, and therefore requires special attention, including from the state.

### References

- Barnett H.G. (1953) *Innovation: the Basis of Cultural Change*. New York : McGraw Hil. -P.7.
- Innovation in financial markets. (2013) / Ed. Nikolay Berzon, Tamara Teplova. – M. : Higher School of Economics. P. 560.
- German Gref. (2017) Banks and (vs) presentation report Fintech // materials of international financial Congress. P. 17.
- Kyrgyzstan financial market – development prospects (2017) // Materials of the meeting of the Private Investors Club of Kyrgyzstan // [http://www.senti.kg/article/financoviy\\_rinok\\_kirgizetana\\_perepektivi\\_razvitiya](http://www.senti.kg/article/financoviy_rinok_kirgizetana_perepektivi_razvitiya).
- Michael Tsoi. A new type of lending – P2P can be dangerous for the market (2016) // <https://www.kursiv.kz/news/finansy/novyj-vid-kreditovaniya-p2p-mozet-byt-opasnym-dla-rynka>.
- McBride, Sarah (2017). "AvantCredit Raises \$ 225 Million From Tiger Global, Peter Thiel". United States: Business Insider. Business Insider Inc.
- McGuire P & Conroy J. (2013) Fostering financial innovation for the poor The policy and regulatory environment. In: A. W. a. J. D. V. Pischke (ed) *Private Finance for Human Development, USA*, The Foundation for Development Cooperation.
- Nicols J.P.. (2017) *Innovation Strategy Leadership* // <http://jpnicol.com/>.
- Patrick Schueffel. (2017) Taming the Beast: A Scientific Definition of Fintech (engl.) // *Journal of Innovation Management*. Vol. 4, iss. four. P. 32-54.
- Fiat electronic money based on smartcards (2016). / Site: [https://en.wikipedia.org/wiki/Fiatnye\\_elektronnye\\_dengi\\_na\\_baze\\_smart\\_card\\_reader](https://en.wikipedia.org/wiki/Fiatnye_elektronnye_dengi_na_baze_smart_card_reader).
- Trends in regulation of peer-to-peer lending (Russia and India) (2017) // [https://penenza.ru/blogs/articles/trendy-regulirovaniya\\_piringovogo\\_kreditovaniya](https://penenza.ru/blogs/articles/trendy-regulirovaniya_piringovogo_kreditovaniya).
- 10 trends in the financial sector of Kyrgyzstan over the past few years (2016) // [https://kaktus.media/doc/340470\\_10\\_tendenciy\\_v\\_finansovom\\_sektore\\_kyrgyzstana\\_za\\_poslednie\\_neskolko\\_let.html](https://kaktus.media/doc/340470_10_tendenciy_v_finansovom_sektore_kyrgyzstana_za_poslednie_neskolko_let.html).
- Sharip B. Sh. (2016) *Upravlenie innovatsionnymi tehnologiyami v meditsinskoy slushbe* [Management of innovative technologies in the medical service]: the dissertation for the academic degree of “Doctor of Business Administration” / B. Sh. Sharp. Almaty-Moscow, ALMAU-RANKh. – 125 p.
- What does P2P means / Site: (2016) // <http://kredit-2014.ru/chto-soboj-predstavlyayet-piringovoe-kreditovanie/>.
- Werdigier, Julia (2012). "RIT Capital to Take Stake in British Financial Start-Up" (DealBook). New York, N.Y., United States: New York Times. The New York Times Company.

## SELF-EMPLOYMENT IN NATIONAL LABOUR MARKET OF KAZAKHSTAN

<sup>1</sup>Gottardello D., <sup>2</sup>Kondybayeva S.K., <sup>3</sup>Ilyashova G.K.

<sup>1</sup>Doctor PhD, Universitat Rovira i Virgili, Spain, Tarragona,  
e-mail: [debora.gottardello@urv.cat](mailto:debora.gottardello@urv.cat)

<sup>2</sup>Doctor PhD, al-Farabi Kazakh National University, Kazakhstan, Almaty,  
e-mail: [saltanat.kondybaeva@kaznu.kz](mailto:saltanat.kondybaeva@kaznu.kz)

<sup>3</sup>Senior lector, al-Farabi Kazakh National University, Kazakhstan, Almaty,  
e-mail: [guliya\\_ilyashova@mail.ru](mailto:guliya_ilyashova@mail.ru)

**Abstract.** The research topic is relevant in the modern economy of Kazakhstan since the unemployed became defined as self-employed people. In addition, today, the question about their support, the legalization of their activities in order to receive taxes and social contributions to the pension and medical insurance funds arises. The aim of the study is to define criteria that allow identifying self-employment among other types of employment, determining the status of self-employment in the national economy, disclosing forms of self-employment, considering the factors and characteristics of the formation of self-employment in the modern economy and justifying the forms of state regulation of self-employment in the Republic of Kazakhstan. The article considers literature review of Foreign, Russian and Kazakh authors in defining the term “self-employment”, the basic differences in analysis of the phenomenon are shown. In addition, the article gives author’s definition of self-employment. The article shows trends in the development of self-employment in republic since 1991 to 2018. The basic instruments of regulating, such as laws and norms, which accepted since independent day are considered. The article shows the dynamics of the regulation improvement of the self-employment in Kazakhstan and defining the basic factors affecting their effectiveness.

**Key words:** labour market, self-employment, unemployment, market economy, labour policy.

<sup>1</sup>Готтарделло Д., <sup>2</sup>Кондыбаева С.К., <sup>3</sup>Иляшова Г.К.,

<sup>1</sup>PhD докторы, Ровира және Вирджили университеті, Испания қ.  
e-mail: [debora.gottardello@urv.cat](mailto:debora.gottardello@urv.cat)

<sup>2</sup>PhD докторы, әл-Фараби атындағы Қазақ ұлттық университеті, Қазақстан, Алматы қ.  
e-mail: [saltanat.kondybaeva@kaznu.kz](mailto:saltanat.kondybaeva@kaznu.kz)

<sup>3</sup>аға оқытушы, әл-Фараби атындағы Қазақ ұлттық университеті, Қазақстан, Алматы қ.  
e-mail: [guliya\\_ilyashova@mail.ru](mailto:guliya_ilyashova@mail.ru)

### Қазақстанның ұлттық еңбек нарығындағы өзін-өзі жұмыспен қамту

**Аңдатпа.** Зерттеу тақырыбы Қазақстанның экономикасына өзекті болып табылады, өйткені қазіргі жағдайда жұмыссыздар өзін-өзі жұмыспен қамтыған адамдар ретінде анықталуда. Сонымен қатар, бүгінде оларды қолдау, зейнетақы мен медициналық сақтандыру қорларына салықтар мен әлеуметтік аударымдарды алу мақсатында олардың қызметін заңдастыру туралы мәселе туындады. Зерттеудің мақсаты: өзін-өзі жұмыспен қамтудың басқа түрлері арасында өзін-өзі жұмыспен қамтуды анықтауға мүмкіндік беретін критерийлерді анықтау, халық шаруашылығындағы өзін-өзі жұмыспен қамту мәртебесін айқындау, өзін-өзі құрудың факторлары мен сипаттамаларын ескере отырып, өзін-өзі жұмыспен қамту нысандарын ашу. Қазіргі экономикадағы жұмыс және Қазақстан Республикасындағы өзін-өзі жұмыспен қамтуды мемлекеттік реттеу нысандарын негіздеу. Мақалада шетелдік, ресейлік және қазақстандық авторлардың «өзін-өзі жұмыспен қамтығандар» ұғымына берілген анықтамалардың әдеби қарастырылымы келтірілген. Осы феноменді анықтауда, талдауда



негізгі ерекшеліктері мен айырмашылықтары көрсетілген. Сонымен қоса, авторлық тұжырым да берілген. 1991 жылдан 2018 жылға дейінгі өзін-өзі жұмыспен қамтудың динамикасы талданған. Негізгі реттеу құралдары сипатталған, яғни тәуелсіздік алғаннан бері қабылданған заңдар мен нормативтер. Қазақстандағы өзін-өзі жұмыспен қамтылғандарды реттеуді жақсартудың динамикасы көрсетілген, оның тиімділігіне әсер ететін факторлар сипатталған.

**Түйін сөздер:** еңбек нарығы, өзін-өзі жұмыспен қамту, жұмыссыздық, нарықтық экономика, еңбек саясаты.

<sup>1</sup>Готтарделло Д., <sup>2</sup>Кондыбаева С.К., <sup>3</sup>Иляшова Г.К.

<sup>1</sup>PhD, Университет Ровира и Вирджили, Испания, г. Таррагона,  
e-mail: debora.gottardello@urv.ca

<sup>2</sup>PhD, Казахский национальный университет им. аль-Фараби, Казахстан, г. Алматы,  
e-mail: saltanat.kondybaeva@kaznu.kz

<sup>3</sup>Старший преподаватель, Казахский национальный университет им. аль-Фараби, казахстан, г. Алматы  
e-mail: guliya\_ilyashova@mail.ru

### Самозанятость на национальном рынке труда Казахстана

Тема исследования актуальна для современной экономике Казахстана, так как на сегодня безработные стали определяться как самозанятые людьми. Кроме того, сегодня встает вопрос об их поддержке, легализации их деятельности с целью получения налогов и социальных отчислений в пенсионные и медицинские страховые фонды. Целью исследования является определение критериев, позволяющих выделить самозанятость среди других видов занятости, определить статус самозанятости в народном хозяйстве, раскрыть формы самозанятости, рассмотреть факторы и особенности формирования самозанятости. - занятость в современной экономике и обоснование форм государственного регулирования самозанятости в Республике Казахстан. В статье дается литературный обзор зарубежных, российских и казахстанских авторов определения понятия «самозанятость», показаны основные различия в подходе и анализе данного феномена. Также выдвинута авторская трактовка. Анализируется тенденция развития самозанятости в республике с 1991 года по 2018 год. Описаны основные инструменты регулирования, законы и нормативы, принятые республикой со дня получения независимости. Показана динамика по совершенствованию регулирования самозанятости в Казахстане и определены основные факторы, влияющие на эффективность их деятельности.

**Ключевые слова:** рынок труда, самозанятость, безработица, рыночная экономика, политика труда.

**Introduction.** The development and expansion of employment forms has become a new phenomenon for Kazakhstan as well as for the post-Soviet countries with a new market structure. Because the planned economy over the Soviet period had mono-employment (mono-jobs), and with the transition to a market economy people introduced with multiple jobs, and began to work in several jobs at the same time.

In the conditions of the economic restructuring, there was an urgent need to develop and substantiate the concept of transition to various forms of ownership, and, therefore, types of employment. The form of employment in any society characterizes the quality of human capital. In postindustrial countries, self-employment has been a research problem for more than two centuries, while for Kazakhstan; it is a new issue of a market economy.

Self-employment in market conditions is an inevitable process and an inherent element of market relations. Increased business activity in the private sector and interest in generating income, responsibility for able-bodied population has particular importance in a market society. Therefore, for the economy

development, there is a necessity in new initiatives to stimulate business activity and employment. This phenomenon is relevance today in many developing and developed countries.

Self-employed in the Republic of Kazakhstan is people, who provide and organize their own activities. This circumstance serves as their main source of income, they work self-sufficiently. It includes entrepreneurs, individuals engaged in individual labor contracts (ILC), members of cooperatives engaged in personal subsidiary farms (PSF). One of the main factors is dissatisfaction with the demand for jobs offered in the labor market, as it led to an increase of the self-employment among the population.

In Kazakhstan, employment has another history and logic of development: revolutionary transition from the feudal system of relations to the Soviet model, and then about 70 years of administrative-command economic system and sharp transition to market relations led to a distorted labor market. It should be noted, that not all countries have experienced successive stages of technical progress. Many developing countries (especially former colonies)

have passed the stage of industrial development. Such countries have political independence and remain economically dependent for more than half a century, supporting an economy with a distorted structure and a low level of economic development. The system of education, health, employment, quality of life remains on pre-industrial development level (Kulekeyev, 2016).

**Literature review.** The International Conference of Labor Statisticians (ICLS) considered and adopted the resolutions, where given the international definitions (standards) of various aspects of employment, unemployment and the labor market. The ICLS is guided by the UN methodology and relies on the standard system of national accounts (SNA), which has been applied in international statistics since 1953 by R. Stone, the UN Statistical Commission developed an international SNA. Its first version was adopted in 1953, the second – in 1968, the third – in 1993, the fourth – in 2008 (there are no fundamental changes, only some changes affect the level of GDP). Russia started use it in 1988, and Kazakhstan in 1993 (Mario Tovo, 2003; Dadonov, 2016).

The resolution on employment of the 13th ICLS (1982), that sets international standards into the category of employed includes wage labor and employees employed in their own enterprise (self-employed). Partially self-employed may be entrepreneurs of any rank, employers and even employees, if they are engaged in personal subsidiary plots (Mario Tovo, 2003).

Scientists gave different definitions and approaches to the concept of self-employed. According to Schumpeter J.A., (1911) self-employment is an employment status where people work in their own business on their own account and receive an economic return for their labour in the form of wages, profits, in-kind benefits or family gain (for family workers). The self-employed may work alone or employ others. They tend to be running their own business as a sole proprietorship, independent contractor, member of a partnership, or a non-incorporated company. Hundley (2001), Benz et al. (2004) explored the differentiations between self-employment and employment and showed the main reasons of satisfaction by self-employed. Blanchflower (2004) described the impact of self-employment on economy development. Ajayi-Obe et al (2005) mentioned the structure and evolution of self-employment in the case of Britain.

Self-employment is the production of goods and services that do not require large investments and complex forms of work organization, as mentioned by Mario Tovo (2003). Mahmud et al (2017) showed the main features of formality that workers values more.

According to Natalie Sappleton et al., individuals who opt for entrepreneurship or self-employment for personal fulfilment are considered opportunity entrepreneurs, whereas those whose choices to pursue self-employment or entrepreneurship were motivated by need are considered necessity entrepreneurs. Encouraging self-employment among the population can prolong working life in two ways. Firstly, self-employed individuals tend to work longer over their careers than do waged workers. Secondly, policies aimed at boosting self-employment can encourage waged-and-salaried workers to migrate from employment to self-employment following formal retirement.

According to Toksanbayeva (1998), self-employment is relevant in the situation of limiting the demand for wage labor. Self-employment is a genuine alternative to wage labor from the position of alienation of labor, in which it is deprived of the entrepreneurial motivation. Under deindustrialization, self-employment may not be an informed choice, but a temporary haven, and in this sense has a negative character for the employee, that is, it becomes an alternative to not self-employed, but unemployment. The crisis growth in self-employment does not compensate for the imbalance in the labor market. Therefore, the state seeks to provide self-employed support for the formation of financially sustainable and developing forms of self-employment, as it reviewed by Volgin (1999). Cvetkova (2002) wrote in her work that, it is a situation in which wage labor can be replaced by self-employment. Despite the successes in reducing unemployment, tensions in the labor market persist, including through insufficient restructuring of the economy and self-employment (as its important component).

Most Kazakhstani scientists Meldehanova M.K. (1999), Djumambayev S.K. (2011), Dadonov V.U. (2016) have come to the determination that Self-employment is a prerequisite for the development of entrepreneurship and the creation of own individual enterprises without employees. The problem of self-employment is a socially-oriented process, the quantitative parameter of which is the level of pay.

Summarizing all the researches, we consider it appropriate to give a clear definition of self-employment. Self-employment is the temporary or permanent employment of people (legally and illegally) in order to provide themselves with a useful business and using public demand, which brings a certain income on the basis of economic freedom and choice in the labor market.

In a market economy, self-employment is important for population in the hired labor system, since the

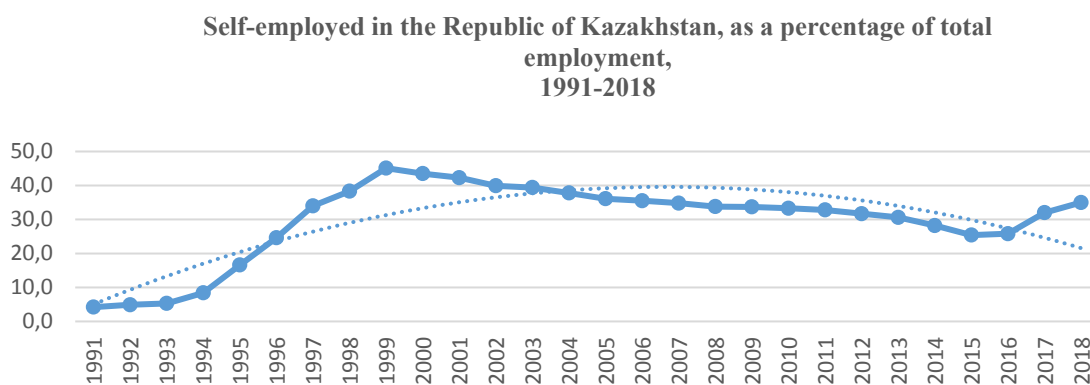
level of employment of employees strongly depends on the activities of entrepreneurs, so also outside this system. Self-employment is extremely important and promising in a market economy. Persons looking for work should not only seek the opportunity to be hired by an entrepreneur, but also try to find an opportunity for self-employment, relying on the support of small businesses by the state and local authorities.

**Materials and methods.** In the years of the reforms of the last century the following tendencies are characteristic of employment in the Republic of Kazakhstan: the share of people employed in the economy (without students and employed in personal subsidiary farms) decreased, the number of students of working age receiving training other than *on an in-service basis* had fallen. As a result, the share of the working-age population not engaged in social production increased, in turn, this meant that the unemployment rate in the economy increased. This means that the share of population engaged in personal subsidiary farming, housewives, and those who are not working is rising. The result is a decrease in the number of employees. If we consider that among the employed population, there is a large proportion of those, who work part time. Then it makes a situation, when employment does not provide a normal standard of living, especially when real wages do not satisfy the needs of the population.

This caused the transition of the population to self-sufficiency and self-employment during the period of economic reform in the Republic of Kazakhstan. Self-employment in market conditions is a mandatory objective element of market relations. Its development is due to the action of both economic and social factors. Self-employment in the Republic of Kazakhstan, one might say, existed "always", more precisely, it can be said that after the transition to market relations, it began to be vividly expressed in such activities as managing personal subsidiary farms, part-time work during vacations and evenings, tutoring, counseling, working at home, etc.

The market economy brings self-employment to a new level of commodity production, we can see it from the use of hired labor. The economic ideology of the market – the transition of every able-bodied self-reliance and self-earning. In addition, the market creates new incentives to work through the transformation of economic reality: creating an institution of private property, favorable conditions for small and medium businesses (Djumambayev, 2011).

Self-employment occupies a certain share of the labor market and a certain part of the economically active population. Today, self-employment in the Republic of Kazakhstan also has a certain level in the national economy. Figure 1 describes a dynamic of self-employment after receiving independence by RK (See fig.1):



**Figure 1.** Self-employment in the Republic of Kazakhstan

Source: Ministry of the national economy of the Republic of Kazakhstan Committee on (statistics [www.stat.gov.kz](http://www.stat.gov.kz))

The number of self-employed in Kazakhstan in the second quarter of 2018 amounted to 2159.3 thousand people or 25.3% of the total number of employed population, 24% of the economically active population, 12% of the total population of

Kazakhstan. That is, self-employed represent a very significant proportion of the population of the Republic of Kazakhstan.

At the same time, the average share of self-employed in the structure of the employed population

for European countries is about 14%. Consequently, the level of self-employment in Kazakhstan exceeds the European average by more than 11%. This is due, in our opinion, to the fact that Kazakhstan has a high share of agricultural self-employment – 42.3%, and a significant share of self-employed carries out its activities in the field of trade – 29.4%. In developed European countries, the tendency of crowding out agricultural self-employment prevails, and self-employment becomes the profession of individualized highly skilled professionals with large human capital.

**Results and Discussion.** *Regulatory mechanism of Kazakhstani self-employment.* Labour policy, institutions, laws, results. From the first days of independence, Kazakhstan took the path of transforming the economic and political system, focusing on the positive experience of countries with a free market economy. First, the main efforts of politicians were aimed at creating institutions of a market economy that were absent in the country. Particular attention was paid to the abolition of the old constitutional norms that guaranteed every citizen the right to work, including the right to choose a profession, and work in accordance with his or her abilities. The abolition of the former norms of the socialist Constitution, which provided full employment, and the current situation in the economy, sharply pointed out the problem of organizing a new labor market infrastructure and regulatory framework governing employment in the context of a mixed economy. Therefore, in 1990 authority focused on the preparation the law "On employment of the population" as the basic normative legal act, that regulates the basic principles and directions of state employment policy (Meldehanova, 1999).

So, Kazakhstan was the first among the republics of the former USSR that adopt this law, which began functioning on July 1, 1991; from that time the functioning of the service and the registration of the unemployed began. With the adoption of the new law "On employment of the population", the state recognized a person as the owner of its abilities for productive and creative work, while at the same time removing the responsibility for ensuring full employment of the population. On the other hand, in accordance with the norms of the new law, the state assumed the obligation to provide material and moral support to an employee who received the status of an officially registered unemployed, which included the payment of unemployment benefits, retraining of the unemployed, providing them with public works, etc.

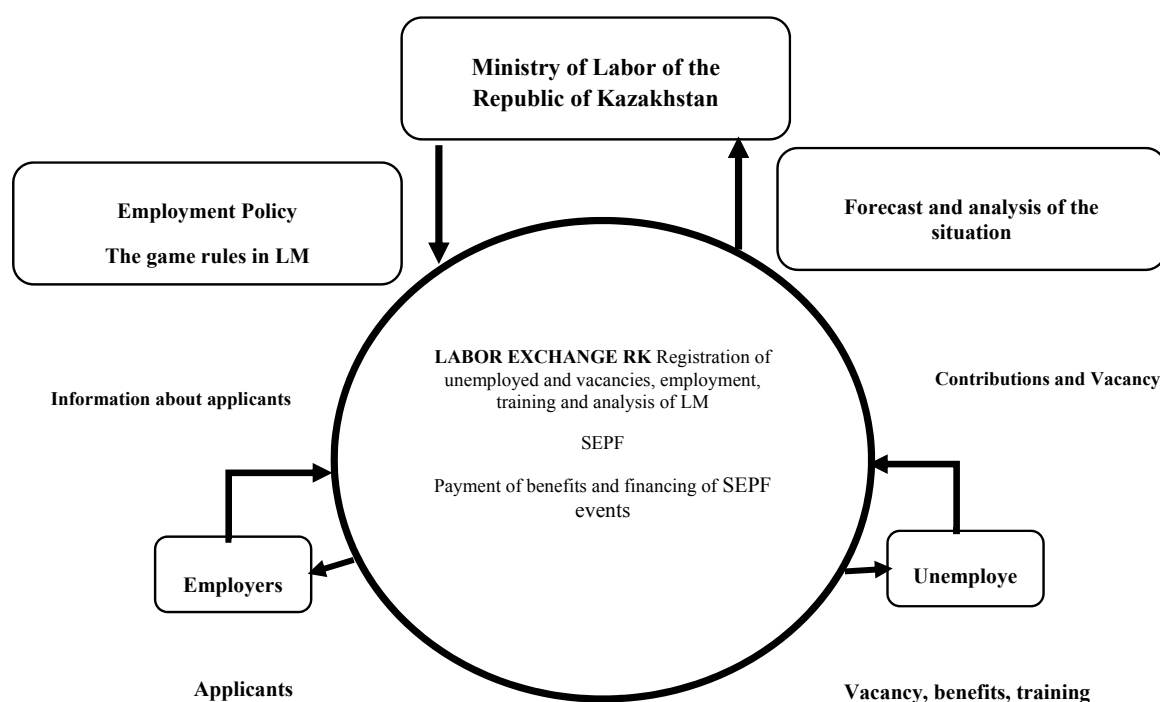
The law "On employment of the population" was market-oriented, because the problem of employment and ensuring the balance of the labor market was

proposed to be solved through market mechanisms. In 1991, in accordance with the requirements of this law, all the necessary regulatory documents were developed and adopted to create the State Employment Service (SES) and the State Fund for Assistance to Unemployed Citizens, and the State Employment Promotion Fund (SEPF) in the country. These entities assisted unemployed citizens, as a source of financing activities of the State Employment Service. Since the totality of the two institutions forms the basis for the labor exchange, the country made a decision to regulate labor market problems with the help of generally accepted mechanisms in the world.

To implement the new employment policy in accordance with the provisions of the new law "On employment of the population" and by the requirements of a multistructure economy, 370 public employment services were created in cities and regions, at the regional and republican levels. In addition, the State Employment Promotion Fund (SEPF) was established as a financial institution, whose funds were formed at the expense of compulsory contributions by organizations for 2% of the wage fund. Thus, these two institutions formed the Kazakhstan Labor Exchange with the following functions:

- the account of the unemployed and the provision of assistance in employment;
- providing advice to employers and the unemployed;
- organization of training and retraining of the unemployed;
- payment of unemployment benefits;
- development of republican and territorial employment programs;
- assistance to employers in creating additional jobs;
- analysis and forecasting of the situation in the labor market.

A labor inspection was established, as part of the state employment service. It implements the function of state control over the execution by all enterprises, institutions, organizations and other employers of all forms of ownership of current legislation on employment. The activities and the content of the state employment service were carried out with the assistance of the Employment Assistance Fund, which was subordinate to the higher territorial and central executive authorities. The bodies of the state employment service were the coordinators of the funds of the Employment Assistance Fund and were fully responsible for their targeted and lawful use. Figure 3 explains the functioning of the Labor Exchange in 1991-1998 (See fig.2):



**Figure 2.** The scheme of the Labor Exchange functioning in the Republic of Kazakhstan from 1991 to 19982004 (Kulekeyev, 2016)

Since early 1992, the country began active work on the fundamental economy reform, the state political foundations. At the beginning of 2018, prices for basic consumer goods were released, which led to hyperinflation, deepening of the payment crisis, financial destabilization and a decline in production in all sectors of the economy. High inflation growth rates (in 1991 – 247 %, in 1992 – 3060 %, in 1993 -2265 %, in 1994 -1258%) were accompanied by a depreciation of the population's savings, a decline in production led to mass unemployment. The government could not ensure macroeconomic stability because the state was in the ruble zone and did not have the tools to conduct an independent monetary policy. The sharp decline in the number of officially employed, the worsening financial situation of many economic entities led to a significant decrease in real income to the Employment Promotion Fund.

The rapid growth in the number of officially registered unemployed required from the State Employment Service and the Employment Promotion Fund a serious attitude towards solving the social problems of the unemployed. The Labor Exchange of Kazakhstan faced with a huge ball of accumulated problems in conditions of limited financial resources and high inflation. During the first years of reform (1991-1995), the country's economy faced strong difficulties, the country's aggregate demand declined

by more than 30%, industrial output declined by more than 50%, which had a huge negative impact on the demand for labor resources. During these years, the number of employees decreased to about 30%, while the number of unemployed in 1994 exceeded for the first time half a million people (Dadonov, 2016).

Therefore, during the period from 1992 to 1998, the Government made various decisions to improve the situation of the SEPF. It included financing the deficit of the Fund for the Promotion of Employment through the State Budget, the merger of the SEPF with the state budget in 1994, the reverse separation of the SEPF from the state budget in 1995 at the request of international financial institutions.

In the first years of independence, there were huge challenges. Such as liberalizing the economy, ensuring macroeconomic stability, limiting the state regulation of the enterprises economic activities, creating the basis for market infrastructure, but also in the shortest time necessary to create all the necessary institutions of an independent state (presidency institution, executive bodies, Parliament, National Bank, customs, embassies, defense, etc.). By the end of 1998, the financing costs of the State Employment Service, including the payment of unemployment benefits had reached significant figures, since the number of officially registered unemployed was 1 million people (the unemployment rate was over

13%). The financial possibilities of the state were extremely limited, so the priority was given to the formation of institutions of state power. For these reasons, in 1999, labor market institutions, such as the State Employment Service, the Employment Assistance Fund, which provided moral and material support to citizens seeking work, were abolished. Since that moment, unemployed citizens have stopped receiving material support from the state in the form of unemployment benefits. The functions of labor market institutes in terms of providing moral

support were given to an authorized state body accountable to local executive bodies, the so-called Employment and Social Programs Coordination Service. The central authorized authorities left issues of general methodological guidance for the activities of regional employment services, as well as the collection and compilation of statistical materials. As a result, the labor market in Kazakhstan became decentralized, the coordination of employment policies was significantly weakened and a new model of the labor market began to function – figure 3:

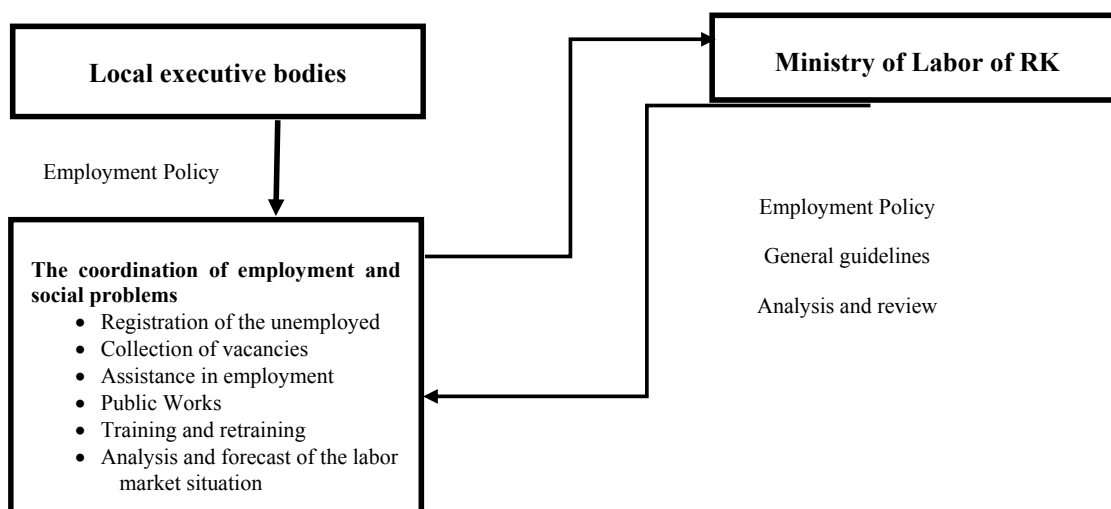


Figure 3. Scheme of interactions of labor market institutions from 1999 to 2004 (Kulekeyev, 2016).

Figure 3 shows the scheme of interactions of labor market institutions from 1999 to 2004, according to which the role of market mechanisms of labor market regulation was minimized. Since that time, job seekers have lost interest in registering with employment services and obtaining official unemployed status, because they did not promise any material benefit to them.

In the conditions of a market economy, the diversity of socio-economic processes are generating various forms of employment. Consider the modern interpretation of employment: "full, productive and freely chosen employment", used by the economists.

Full employment means a situation in a society when all persons receive paid work. In this context, on the one hand, labor is a purely voluntary affair of every person; on the other hand, if a person has expressed a desire to work, then society should provide him with this opportunity.

The productive (effective) employment must meet the two most important requirements.

First, employment must bring to the working people an income that provides decent living conditions. Second, productive employment implies the use of labor without loss with maximum efficiency. Consequently, the policy of productive employment assumes that each person's work will be economically expedient and justified from the point of providing with the maximum productivity in the existing organizational and technical conditions of production. Thus, it is opposed to formal employment, when the maintenance of full employment encourages the maintenance of surplus workers in production or an increase in the number of self-employed people.

A freely chosen employment means that the right to dispose of one's own ability to work belongs exclusively to the worker himself, i.e. he decides whether to be economically active or not, what profession to choose, in which region to live and in which workplace to work. This principle guarantees the right of every employee to choose between

employment and unemployment, prohibiting all forms of forced employment.

The study of the Kazakhstan's labor market from the position of the international definitions of different employment forms makes it possible to notice the presence of serious structural problems. First, the relative prosperity in the labor market in Kazakhstan is due to the high proportion of the self-employed population (about 30% of the total employed population), of which only 13% are engaged in the production of goods and services for the realization. These data indicate a high proportion of unproductive and inefficient employment in the country. Consequently, a further strategy for economic growth and employment expansion should be aimed at improving quality employment.

Economists do not dispute the importance of full employment to ensure high rates of economic growth, but the facts say that not always full employment is accompanied by a reduction in poverty. It is known that the poor in many developing countries are generally not unemployed and can not break the vicious circle of poverty by hard work, because not only open and massive unemployment, but also the absence of quality employment that provides employees with a decent income level and acceptable conditions life is the cause of poverty. Thus, it is necessary to emphasize the importance of high-quality employment, which ensures the implementation of the above-mentioned principles of decent work. To implement this approach, it is necessary at the government level to intensify work on integrating employment and decent work principles into existing employment policy documents. Currently, the country has all tools and sufficient funds to turn employment into a full-fledged source of progressive development of the economy and improve the social well-being of citizens (Kulekeyev, 2016).

In this regard, the labor market of the Republic of Kazakhstan is systematically working on reforming employment centers, creating a single online platform and the full implementation of the electronic labor exchange. To this purpose, the project of law "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Employment and Population Migration" was drafted. Since October 2017, the electronic labor exchange functioned in a pilot mode in the employment centers of Astana, Almaty, Pavlodar and Shymkent, and since January 2018 the Portal has been launched throughout Kazakhstan. At the moment the portal takes the second place in Kazakhstan in terms of attendance among the sites on the topic "Jobs and Vacancies" and 74th among all Kazakhstan sites".

**Conclusion.** Self-employment creates favorable conditions for individuals seeking to become entrepreneurs, provides them with opportunities to develop innovative ideas and products, which, in particular, are noted by representatives of the USA Small Business Administration. In the EU countries there are also many opportunities for choosing a specialization in the field of self-employment. In Kazakhstan, self-employed people also began to be perceived as a factor in the development of society, which responds to modern global trends. Important here is the question of how to encourage self-employed in Kazakhstan to pay taxes. At the same time, the conclusion of the self-employed of their shadow sector should become attractive both for themselves and for the state. In the conditions of the new stage communications development, In Kazakhstan, there are no effective search mechanisms between self-employed and customers of their services. The effective protection of the self-employed in the Republic of Kazakhstan and their consolidation around the state institution is also not ensured. The purpose of the research is to develop a model for legalizing the self-employed activities and a mechanism for determining their income in the modern economy of the Republic of Kazakhstan.

With the transition to market relations, the Republic of Kazakhstan is in the process of forming and implementing an effective economic policy to ensure the country's competitiveness. It includes: diversification of the economy (in the labor market, the transition from mono-employment to multi employment, the formation of small and medium businesses); clustering (sectoral development of labor resources, development of entrepreneurship); modernization (training and retraining of personnel); innovation and industrial development (training in financial literacy of the population, training of professional personnel); industrialization in the frame of the industrial revolution (improving the health and quality of labor resources).

Nowadays, Kazakhstan is considering the ways of the revitalization of entrepreneurship. One of the options is to give for rent unused production premises to SME. It is necessary to develop proposals to reduce deductions from the wage fund. It will make conditions for businesses to create new jobs and officially pay higher salaries to employees. Legalization of wages depends on the size of these deductions.

The problem of the legalization of labor relations is other side of issue. In the conditions of an excessive number of people looking for work, the employer prefers not to form employee, but to pay a "black cash". This problem can be solved only by reducing deductions from the wage fund.

## References

- Ajayi-Obe, O., Parker, S.C. (2005) The changing nature of work among the self-employed in the 1990s: Evidence from Britain. *Journal of Labor Research*, 26 (3), pp. 501-517. / Site: <http://www.springerlink.com/content/0195-3613> doi: 10.1007/s12122-005-1017-1
- Benz, M., Frey, B.S. (2004) Being independent raises happiness at work. *Swed. Econ. Pol. Rev.*, 11 (2), pp. 95-134.
- Blanchflower, D.G. (2004) Self-employment: More May Not Be Better. National Bureau of Economic Research Working Paper No. w10286
- Cvetkova S.N. (2002) Samozanyatost' kak ekonomicheskoye yavleniye, regional'naya politika i upravlyayemyy protsess [Self-employment as an economic phenomenon, regional policy and managed process] Marketing in production, service and commerce: materials of the International conf.: part 3. South-Rostov State University of Economics and Service. Shahty: SRSUES, V. 2. P. 36–50.
- Dadonov V.U. (2016) Povysheniye effektivnosti zanyatosti naseleniya v Kazakhstane: otsenka potentsiala strukturnykh izmeneniy [Increasing the effectiveness of employment in Kazakhstan: assessing the potential for structural changes] Dialogue. Politics – Law – Economics. International Scientific and Analytical Journal of the Interparliamentary Assembly of the CIS Member States. St. Petersburg №2. P.109-121
- Djumambayev S.K. (2011) Problemy samozanyatosti v Kazakhstane [Problems of self-employment in Kazakhstan] Weekly "Business Week" №26.
- Hundley, G. (2001) Why and when are the self-employed more satisfied with their work? *Industrial Relations*, 40 (2), pp. 293-316. / Site: <http://www.blackwellpublishers.co.uk/journals/IREL/descript.htm> doi: 10.1111/0019-8676.00209
- Kulekeyev Zh.A. (2016) Rynok truda i zanyatost' v Kazakhstane [Labor market and employment in Kazakhstan] Kazstatinform, Almaty: 304 p.: 27
- Mahmud, M., Gutierrez, I., Kumar, K., Nataraj, S. (2017) What aspects of formality do Workers value? Evidence from a choice experiment in Bangladesh." GLM—LIC Working Paper No 37
- Mario Tovo (2003) ILO. Self Employment in Italy. *Journal of Man and Labour* №2. P. 74-77
- Meldehanova M.K. (1999) Model' effektivnogo ispol'zovaniya chelovecheskikh resursov [Population employment and economic growth: methodology, strategy and regulatory mechanism] Almaty: Institute of Economics MS&HE RK. 295 p.
- Ministry of the national economy of the Republic of Kazakhstan Committee on statistics / Site: [www.stat.gov.kz](http://www.stat.gov.kz) — 2016
- Sappleton, N., Lourenço, F. (2013) Entrepreneurship, Self-Employment and Retirement. pp. 67-89 /Site: [https://link.springer.com/content/pdf/10.1057%2F9781137398390\\_4.pdf](https://link.springer.com/content/pdf/10.1057%2F9781137398390_4.pdf)
- Schumpeter, J.A., [1911] (2008), *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest and the Business Cycle*, translated from the German by Redvers Opie, New Brunswick (U.S.A) and London (U.K.): Transaction Publishers.
- Toksanbayeva M.S. (1998) Samozanyatost' i yeye protivorechiya // Ekonomicheskaya nauka sovremennoy Rossii [Self-employment and its contradictions. Economic science of modern Russia] №3. P. 32-45.
- Volgin N.A. (1999) Rynok truda i dokhody naseleniya [Labor market and incomes of the population] Ed. N.A. Volgin. Tutorial. – M.: Information and Publishing House "Filin": – 280 p.



## PROBLEMS OF FORMATION ANTICORRUPTION LEGAL AWARENESS

<sup>1</sup>Joshua Castellino, <sup>2</sup>Mynbatyrova N.K.

<sup>1</sup>Professor of Law, Middlesex University, UK, Middlesex,  
e-mail: [j.castellino@mdx.ac.uk](mailto:j.castellino@mdx.ac.uk)

<sup>2</sup>Candidate of Juridical Sciences, Associate Professor of the Department of Theory and History of State and Law,  
Constitutional and Administrative Law, Law Faculty,  
Al-Farabi Kazakh National University, Kazakhstan, Almaty,  
e-mail: [nurlaiym@mail.ru](mailto:nurlaiym@mail.ru)

**Abstract.** The article is consider problem of current corruption and how to deal with it is discussed. At the same time, modern peculiarities of the legal awareness of anti-corruption law are analyzed and studied. The author of the article also pays special attention to the development of legal awareness. The results and conclusions reached by the author can be used to ensure the state policy, increase the legal awareness of the society, and encourage the legal education of the society.

Corruption in all its manifestations represents a serious threat to the national security of any state, has a destabilizing effect on all areas of society and the individual. The key to successfully countering its manifestations is not only the effective operation of state institutions in this area, but also a clear understanding by every citizen of corruption as an absolutely unacceptable social phenomenon. Corruption is a large-scale problem of our time. No state, regardless of its socio-economic and political structure, has absolute immunity to corruption. Today we are talking about the fight against corruption, its development and structure, the world outlook of citizens, and the whole economy. The First President of the Republic of Kazakhstan, the Leader of the Nation Nazarbayev N.A. underlined in his annual Address to the people of Kazakhstan the importance of anti-corruption. Anti-corruption has become one of the priority directions of Kazakhstan's legal reform. At this point, corruption issues are frequently heard in the media and public speeches. Different ways and methods of combating corruption are being developed.

**Key words:** law, legal interpretation, legal awareness, legal nihilism, the state, the activities of the State, corruption.

<sup>1</sup>Кастеллино Дж., <sup>2</sup>Мынбатырова Н.К.,

<sup>1</sup>профессор, Миддлсекс университеті, Ұлыбритания, Миддлсекс,  
e-mail: [j.castellino@mdx.ac.uk](mailto:j.castellino@mdx.ac.uk)

<sup>2</sup>заң ғылымдарының кандидаты, әл-Фараби атындағы ҚазҰУ-дың заң факультеті,  
мемлекет және құқық теориясы мен тарихы, конституциялық және әкімшілік құқығы кафедрасының доценті,  
Қазақстан, Алматы қ., e-mail: [nurlaiym@mail.ru](mailto:nurlaiym@mail.ru)

### Сыбайлас жемқорлыққа қарсы құқықтық сананы қалыптастыру мәселесі

**Аңдатпа.** Жұмыста қазіргі кездегі сыбайлас жемқорлықтың туындау мәселелері және онымен күресу жолдары мен мазмұндық тұстары ашылып, қарастырылады. Сонымен қатар қазіргі сыбайлас жемқорлыққа қарсы құқықтық сананың ерекшеліктері талданып, жан-жақты зерттелінеді. Сондай-ақ мақаланың авторы құқықтық сананың ары қарай дамуына аса назар бөледі. Автордың қол жеткізген нәтижелері мен қорытындыларын мемлекеттік саясаттың қамтамасыз етілуіне, қоғамның құқықтық санасын арттыруға, қоғамның құқықтық

тәрбиесін көтермелеу ісінде қолдануға болады. Барлық көріністеріндегі сыбайластық кез келген мемлекеттің ұлттық қауіпсіздігіне елеулі қатер болып табылады, қоғамның және жеке тұлғаның барлық салаларына тұрақсыздандырушы әсер етеді. Өз көріністеріне сәтті қарсы тұрудың кілті тек осы саладағы мемлекеттік мекемелердің тиімді жұмысы ғана емес, сондай-ақ әрбір азаматтың мүлдем қолайсыз әлеуметтік құбылыс ретінде айқын түсінуі болып табылады. Сыбайлас жемқорлық біздің уақытымыздың ауқымды мәселесі болып табылады. Бірде-бір мемлекет, оның әлеуметтік-экономикалық және саяси құрылымына қарамастан, сыбайлас жемқорлыққа мүлдем иммунитет бермейді. Бүгінде біз сыбайлас жемқорлыққа қарсы күрес, оның дамуы мен құрылымы, азаматтардың дүниетанымдық көзқарасы және тұтастай алғанда экономика туралы айтып отырмыз. Қазақстан Республикасының Тұңғыш Президенті, Елбасы Н.Ә. Назарбаев жыл сайынғы Қазақстан халқына Жолдауында жемқорлыққа қарсы маңыздылығын атап өтті. Сыбайлас жемқорлыққа қарсы іс-қимыл Қазақстандағы құқықтық реформалардың басым бағыттарының бірі болды. Бұл кезде бұқаралық ақпарат құралдарында және қоғамдық тыңдауларда сыбайлас жемқорлық мәселелері жиі естіледі. Сыбайлас жемқорлыққа қарсы күрестің әртүрлі тәсілдері мен әдістері әзірленуде.

**Түйін сөздер:** құқық, құқықтық таным, құқықтық сана, құқықтық нигилизм, мемлекет, мемлекеттің функциясы, сыбайлас жемқорлық.

<sup>1</sup>Кастеллино Дж., <sup>2</sup>Мынбатырова Н.К.

<sup>1</sup>Профессор, университет Миддлсекс, Великобритания, Миддлсекс,  
e-mail: j.castellino@mdx.ac.uk

<sup>2</sup>Кандидат юридических наук, доцент кафедры теории и истории государства и права, конституционного и административного права юридического факультета, Казахский национальный университет им. аль-Фараби, Казахстан, г. Алматы, e-mail: nurlaiym@mail.ru

### Проблемы формирования антикоррупционного правосознания

**Аннотация.** В работе рассматриваются содержательные стороны антикоррупционного правосознания, всесторонне исследуются природа возникновения коррупционных правонарушений и пути их устранения. В работе также особое внимание уделяется дальнейшему развитию правосознания общества. Основные выводы и положения авторов могут быть использованы в обеспечении политики государства, в повышении правосознания и правового воспитания казахстанского общества. Коррупция во всех ее проявлениях представляет собой серьезную угрозу национальной безопасности любого государства, оказывает дестабилизирующее воздействие на все сферы жизни общества и отдельных людей. Ключом к успешному противодействию его проявлениям является не только эффективное функционирование государственных институтов в этой области, но и четкое понимание каждым гражданином коррупции как абсолютно неприемлемого социального явления. Коррупция - это масштабная проблема нашего времени. Ни одно государство, независимо от его социально-экономической и политической структуры, не обладает абсолютным иммунитетом к коррупции. Сегодня мы говорим о борьбе с коррупцией, ее развитии и структуре, мировоззрении граждан и всей экономики. Первый Президент Республики Казахстан, Лидер Нации Н.А. Назарбаев в своем ежегодном Послании народу Казахстана подчеркивал важность борьбы с коррупцией. Борьба с коррупцией стала одним из приоритетных направлений правовой реформы Казахстана. В этот момент проблемы коррупции часто звучат в СМИ и публичных выступлениях. Разрабатываются разные способы и методы борьбы с коррупцией.

**Ключевые слова:** право, правопонимание, правовое сознание, правовой нигилизм, государство, деятельность государства, коррупция.

**Introduction.** Corruption in all spheres of society, in particular economy, social sphere, politics, etc. adverse effects. The negative effects of this phenomenon are so serious that it will not only hurt the development of society but also seriously affect the national security of the country.

According to economists, corruption is determined based on the premise that it is rational a type of behavior aimed at finding the best way interests in the context of limited resources. In sociology, corruption is understood as a dysfunctional phenomenon, the pathology of society, generates ugly forms of relationships between people. Sociological approach defines this socio-economic phenomenon as informal

system of regulation of public processes existing in parallel with the official mechanism of such regulation and generated ineffective activity of public authorities.

In political science, corruption is considered as one of the phenomena of the political sphere, deforming the political organization of society. Here is a study of corruption mainly associated with the question of the possession of power or a way to fight for it.

Corruption in such a context is understood as behavior that expresses in the illegitimate use by officials of their position for the purpose of occupying and retaining power in society. These corruption re-

lations themselves, according to political scientists, especially clearly manifested during the election.

Formal legal model of corruption, ignoring economic, political and sociological characteristics of corruption, based on the recognition that corruption—it is a system of unlawful actions of power subjects related to the violation, first of all, special legal norms defining the activities of state bodies and officials. Within the framework of this paradigm, only the act that is in the sphere of legal regulation and may be qualified as an official crime or offense.

**Literature review.** A cultural-logical approach to the definition of the essence of corruption offers three interpretations this phenomenon. According to the first interpretation, corruption is peculiar culture (business or organizational) and should be analyzed in terms of reproduced within the business community or organization of symbols, myths, customs, ten representations and basic values. According to the second cultural interpretation, corruption is a temporary condition, dysfunction in a culture that becomes possible in a situation of anomie, negative attitudes or indifference of a significant part of communities to social norms generated by the conflict between elements of the system values. For example, anomia occurs when symbols are exalted in society success (for example, material), supposedly common to the entire population as a whole, while how do the current rules and regulations limit or completely eliminate access to legal means of achieving these values for a significant part of the population. Third interpretation within the framework of the cultural approach considers corruption not as temporary, painful condition, but as a phenomenon, constantly reproducible cultural a tradition that relies on permanent, stable features. (Hegel, 1990)

Some academic psychologists see corrupt behavior as dependence, which develops in four steps. The first stage has character one-time remuneration, and at the second stage there is dependence, (a corrupt official is waiting for this event, anticipating a moment of corrupt behavior).

The symptom of the third stage of corruption as an addiction is the appearance of depressive signs with a shift of priority exclusively to corrupt behavior, which turns into a certain dope, allowing you to experience a feeling of comfort, have place resistant frequency, activity in the search for opportunities for corruption behavior and the development of effective corruption schemes. Last fourth stage occurs when a person constantly exists in the stream of corruption income, divorced from reality, losing the feeling of empathy and even the ability to rejoice what gets as a result of corrupt acts.

**Material and Methods.** Corruption in the global economy: infringes the mechanisms of market competition, leads to the inefficient distribution of state budget funds, unfair distribution of income, promotes rise in prices for goods, creates an organized criminal group and creates shadow economy. All of this impedes the taxation of the state budget and the implementation of the economic activity of the state.

Corruption in the social sphere: It promotes unfair distribution of living things that in turn leads to property inequalities, restricts the right of the state, which regulates the existence of the state and society, and in the consciousness of the society, the views and feelings about the vulnerability of citizens to power and criminality are formed (Vengerov, 2000).

Corruption offenses include bribery, stealing in their favor, misuse of authority, and crimes can be attributed. At present, countering corruption, including bribery is a challenge. The relative vulnerability of the majority of the population to corruption and the tolerance to society have limited opportunities to prevent and combat this crime. For many entrepreneurs, citizens, and other employees, unlawful remuneration for official acts has become a usual and normal phenomenon.

At present, there are two main areas for fighting corruption:

Firstly, the fight against the external appearance of corruption is a direct counteraction to the subjects of corruption, by means of direct influence on the corrupt actors, in order to stop their illicit activities, including legal action, including legal coercion.

It should be borne in mind that corruption is a serious phenomenon, and it is important that the crime is not disclosed. Corruption is often attributed to offenses, which often show the truth and are not interested in punishing the perpetrator. Therefore, there are no opportunities to show corruption elements. It is important to stress that this is a must and should be done to combat corruption offenses. It is important not only to combat corruption, but also to prevent and eliminate corruption (Program, 2014).

The law has established the legal basis of state policy in the fight against corruption, it is aimed at protecting the rights and freedoms of citizens and public interests from threats arising from corruption, ensuring effective activity of state bodies, other organizations, government officials and persons equivalent to them by warning, identify, suppress offenses that create the conditions for corruption and corruption offenses, eliminate their consequences. However, first of all this document is aimed at the prevention and prevention of corruption (Decree, 2006).

The key measure in the formation of intolerance to corruption among the younger generation is: anti-corruption education, obtaining knowledge in the field of anti-corruption, as well as the practice of application of normative legal acts on countering corruption; anti-corruption outlook – a stable belief system, value orientations, rejection of corruption, which determine student behavior; anti-corruption behavior – actions, actions of a person, motivated by rejection and denial of corruption; prevention of corruption – neutralization of factors of a corruption situation with the help of pedagogical methods and their elimination; as well as information, counseling, advertising.

One of the most important areas of anti-corruption policy is the change in public consciousness under the influence of anti-corruption propaganda, the formation of anti-corruption behavior and a negative attitude towards manifestations of corruption. An atmosphere of intolerance towards corruption must be created in society, and this must be fostered. The most important role in this is given to the mass media.

The media is one of the tools for anti-corruption propaganda. Only in cooperation with the media can we form a full-fledged anti-corruption policy, the conditions for its implementation.

The media themselves in the field of anti-corruption activities may, in particular, the following:

- create a database of publications on corruption;
- to educate citizens about corruption and ways of life without corruption, to organize peculiar actions of refusal from bribes;
- search for and describe the experience of countering corruption in other localities and regions of our country;
- to educate citizens, businessmen and officials about the methods used to successfully counter corruption in other countries;
- all its activities contribute to the expansion of openness of government and business to society.

The most important components of anti-corruption activities, as well as anti-corruption advertising, is to determine their main goals and objectives. The goals of anti-corruption advertising, depending on the information placed in it, are anti-corruption information and the formation of anti-corruption behavior. Anti-corruption information occurs in two forms:

- informing the public about anti-corruption measures in public authorities;
- informing the population about the ways to protect their rights and legitimate interests from corrupt officials in law enforcement and judicial bodies (their location, mechanisms for applying to them, etc.).

Formation of anti-corruption behavior of the pop-

ulation, including government (municipal) employees is carried out by informational influence in order to reject corruption behavior (formation of passive anti-corruption behavior) or by helping law enforcement agencies to fight corruption (formation of active anti-corruption behavior). Achieving these goals of anti-corruption advertising can help address the main goal of anti-corruption policy – reducing corruption in society and increasing the effectiveness of anti-corruption (Law, 2015).

At the same time, to achieve the main goals of anti-corruption advertising, it is necessary to gradually solve a number of interrelated and interdependent tasks, namely:

- a) to draw public attention to the problem of corruption;
- b) change the attitude of the population towards it unambiguously to the negative;
- c) show possible ways to reduce the level of corruption in the republic;
- d) change the behavior patterns of residents when confronted with facts of corruption;
- e) to create new behavioral values – the rejection of corruption as a means of solving personal, group or corporate interests. At the same time, it is necessary to agree with domestic experts that any social advertising, including anti-corruption, solves only one specific task facing it.

The specificity of anti-corruption advertising forms specific and its main functions. These functions largely coincide with the functions of social advertising, and reflect the specificity of the advertised object. Such functions of anti-corruption advertising are:

1. Informational. The information function is to inform the public about measures to counter corruption, designating the interests of the state and society.
2. Educational. The educational function of anti-corruption advertising involves the formation and adjustment of public consciousness, psychological attitudes and behavioral models of the population (the formation of anti-corruption consciousness, anti-corruption outlook and anti-corruption behavior).
3. Educational. The educational function of anti-corruption advertising is aimed at disseminating anti-corruption values, educating the public on anti-corruption issues.
4. Economic. The economic function of anti-corruption advertising is that in the future, the advertiser may not so much make a profit as to reduce the economic costs associated with corruption.

Anti-corruption education is a purposeful process of training and education in the interests of the individual, society and the state, based on general educa-

tional programs developed within the framework of state educational standards and implemented in educational institutions for solving the problems of shaping an anti-corruption worldview, increasing level of legal consciousness and legal culture of students.

Within the framework of the Anti-Corruption Strategy, the education system is also an important component. The issue of anti-corruption education and enlightenment of pupils in an educational institution is rather complicated and requires targeted efforts by specialists and the public in general to solve.

In the content of school education and, in particular, in the educational field "Public Disciplines", great attention is paid to the development of the legal culture of the individual, which is considered as one of the most important conditions for solving the strategic political task – turning Kazakhstan into a modern legal state. Tomorrow the youth will have to occupy responsible posts in the system of state authorities and local self-government, public life and business. For pupils, it is important not only to gain certain knowledge, but also to form a negative attitude towards corruption, gaining practical social skills and communication skills that allow you to avoid corrupt practices.

Against the background of an increasing number of various forms of deviant behavior, corruption is increasingly acquiring features that threaten the national security of the state. At the present stage, human activity aimed at increasing the comfort of its existence is at the same time a source of the formation of negative behavior, striving to acquire benefits through illegal activities. In this regard, the rejection and prevention of corruption ceases to be the lot of only professional professionals and becomes a problem for every person (Petrishin, 2013).

Misunderstanding of the importance of preventing corruption leads to the fact that social injustice increases every year, neglect of the law increases, the ecological situation worsens, etc. Many of the negative phenomena in society are a consequence of corruption.

Modern society places high demands on the professional training of students. Under current conditions, the need for anti-corruption implementation of various types of activities, the individual's understanding of the goals and consequences of their actions for society is relevant. This means that one of the most important goals of the educational process is the formation of future thinking specialists, based on the principle of unconditional non-acceptance of corruption in solving any professional and personal tasks. Consequently, there is a need for the formation of a special type of culture, taking into account the

peculiarities of human activity in modern conditions of anti-corruption culture.

It is important not only to limit corruption and the way it acts, but also to investigate and investigate the nature of the problem. In order to prevent this as an anti-corruption effort, students should introduce special discipline in higher education institutions aimed at creating anti-corruption ideas (Law, 2008).

It is worth noting that the Law Faculty of Al-Farabi Kazakh National University started to implement this problem in practice. A new discipline called "Legal basis of anti-corruption" was introduced to the curriculum of the current year or 2017-2018 by the faculty of law faculty of the University as a compulsory subject for all faculties. In the discipline students study and study the concepts, systems, historical and legal aspects of corruption, the nature of emergence, the regulatory framework aimed at counteracting corruption in the RK, ways of overcoming and preventing it. It is a good lesson for students. As mentioned above, corruption is a violation of all spheres of the society, so it is envisaged to study in all faculties.

New educational standards involve the formation of key competencies of students, such as: personal, informational, self-cognitive, subject-specific, and civil law. This program is aimed at the formation of anti-corruption consciousness among pupils through the formation of key competencies that will allow them to socialize adequately in modern society (Matuzov, 2003).

This program focuses pupils on the ethical side of the problem. The problem of moral choice, which should be a psychological neoplasm of a modern school graduate, is the most difficult in teaching practice. To date, legal and organizational measures to counter corruption are already being implemented in the Kazakhstan. However, according to the results of various studies, it is clear that corruption in the Kazakhstan state is becoming one of the global problems, with each year increasing its potential. Corruption as a social and legal negative phenomenon is a threat not only to the economic security of the state, but is also a national problem of all states of the world, since a high level of corruption in any state completely destroys all values and traditions, destroys key concepts of morality, legal foundations and a sense of social justice. According to Kazakhstan and foreign scientists, the causes of corruption are in the legal consciousness of the society itself, since legal culture based on historical development has long been formed in any society. In modern Kazakhstan, the legal consciousness of society is successive, especially the firmly established national traditions of different times are seen. Of course, this

affects the effectiveness of the implementation of the anti-corruption strategy of the Kazakhstan state. In the current socio-economic situation in our country, the importance of analyzing and restructuring those aspects of education that significantly affect the professional potential of a future university graduate and, consequently, determine the life path, is growing. Today, one of the defining sides of education is the fundamental nature of theoretical and practical training of students, including a developed legal consciousness, which implies readiness for preventive anti-corruption activities. Education problems are closely interrelated with the development trends of Kazakh society, which are aimed at the formation of standards of anti-corruption behavior. These standards should include such requirements that could cultivate in young people the rejection of corruption as negative phenomena in society that are completely incompatible with the values of our state. This will be the most important task of Kazakhstan education, since the level of education of the population, its legal culture is not only the face of our state in the global space, but also a matter of national security (Tapchanian, 1999).

Secondly, prevention of corruption is the formation and implementation of anti-corruption policy as an independent function of the state. The country has adopted an anti-corruption strategy for 2015-2025 and its provisions are being implemented.

To address the challenges of combating corruption, it is necessary to involve all Kazakhstani society in the fight against the dangerous phenomenon, to implement complex, systematic measures and to improve the legal framework for strengthening of legal responsibility.

Recently, the level of corruption in the public service has grown so much that today it has become one of the threats to the national security of the country. The problem of anti-corruption is one of the issues of the scientific community, society and the state. Today, corruption is very important for political scientists, government officials and citizens of the country. In recent years, much attention has been paid to the problem of anti-corruption in the system of public services. Such a focus on the part of the state and the society means that corruption is a decline in the effectiveness of public administration. As a result, economic growth in the country will decline, people's well-being will be weakened, the number of criminal cases will increase (Kurazhenkova, 2015).

Corruption is a complex phenomenon that distorts the political, economic, and social foundations of society. Corruption is an attempt by the offenders,

political and administrative civil servants to make their own benefit, which seriously damages the state and society. Today, anti-corruption law, anti-corruption strategy, and various anti-corruption programs are in the country. At present the country needs to join the Association of Civilized States. Despite the huge work done by the state apparatus, civil society and the individual in the field of anti-corruption, the number of corruption increases substantially. Corruption fosters the development of a democratic society. In recent years, corrupt officials in civil service in the country have become transnational. Corruption in public service is not only a result of the public and individual, but also as a result of public servants' reputation. Many of them spend illegal profits through offshore banks or foreign real estate. As a result, foreign law enforcement officials are notified.

As noted above, it is not enough for the state apparatus to carry out anti-corruption measures. There is a question of active involvement of the state and civil society in the political life of the country. Every citizen has a great future in the country's future. Every citizen should know the rules of conduct with civil servants and should not make them incapable of corruption. Implementation of innovative and effective public service delivery will undoubtedly contribute to the reduction of public expenditures, reducing corruption, and increasing public confidence in the government. The state, as the main source of public service, defines ways and means of improving the public service delivery system.

The main task of the modern state is to form a qualitative form of public administration. Its main purpose is, of course, to protect and safeguard the legitimate interests and rights of citizens. As we all know, the efficiency of the public service delivery system to meet the needs of citizens is characterized by two factors: availability and quality of service.

It should be noted that from July to December 2018, the Public Reception Program "Civil Control" on the social order of the Agency for Civil Service Affairs and Anti-Corruption of the Republic of Kazakhstan has been launched at the Al-Farabi Kazakh National University. In this project, the law faculty of the Department of Theory and History of State and Law, Constitutional and Administrative Law of the Faculty of Law of the Al-Farabi Kazakh National University is doing a great job. The goal of the project is to provide comprehensive anti-corruption measures, anti-corruption monitoring and anti-corruption culture in society.

**Results and Discussion.** Public reception performs the following functions:

1) Provides consultations on compliance with the requirements of the legislation of the Republic of Kazakhstan within the scope of public service, public services, anti-corruption and the Ethical Code;

2) carries out informational and organizational activity aimed at formation of anti-corruption culture, in particular, organizes informational work and events in mass media on a regular basis. (Ayupova, 1997)

The Public Reception Project «Civil Control» is actively implementing these services today. For example, 10th of November, 2018 Al-Farabi Kazakh National University in the frames of the project "Social Analysis of Corruption Risks in the Control-Supervisory Sector" by the Agency of the Republic of Kazakhstan on Corruption under the Governmental Order of the Republic of Kazakhstan on Corruption and Corruption Proceedings.

During the event, the issues of corruption-related and controllable functions of the state bodies were discussed at the meeting. In addition to the public reception of "Civil Control" Public Association "Young people Resource Center of the Kazakh National University named after al-Farabi" Keremet " Askerov A.A. It has not been forgotten that it is impossible to define the anti-corruption law, to exploit the group, to execute the state functions, to direct them to the merits and to identify the consequences of the use of methods and methods. It is necessary to evaluate the prize and to evaluate corruptive risks.

The participants noted in their speeches found that risk and corruptions could be prevented from establishing the entire frame of mind. However, the installation of similar bands can always lead to risk. The analysis of corruptive risks is foreseen for the long-term debt crisis and its deterioration. In the twelve months of the day, some of the problems that existed in the field were offered and I proposed their decision (Yuldybaev, 2008).

In addition, the participants noted in their speeches wrote that corruption has the right to the excellence, and at one time or another, it is possible to distinguish between corrupt practices. For a definition of the corrupt state of the state, it is impossible to detect a social and economic order in the frames of the state act. Degree corrupt risk can be defined by definition and analysis of the internal and social control, and in the case of execution of the specific full – fledged.

By the way, the law enforcement agencies and advisory bodies on the implementation of the law initiated a roundtable. On the results of the seminar-meeting on the topic: "Results of the analysis of corruption risks in the control and supervision sphere", conducted within the framework of the project Pub-

lic reception "Civil control" on social order of the Agency for Civil Service and Anti-Corruption of the Republic of Kazakhstan

The main topic of discussion was the problematic issues of the activity of control and supervisory bodies.

Following the seminar meeting, proposals and recommendations were developed to improve the current legislation:

- Due to the fact that it is not possible to find any information about companies in the system, it is necessary to optimize the system and create integration links for the site;

- for the normal functioning of the entire system of control and supervisory functions, it is necessary to improve the current legislation, in particular, the verification of a small enterprise such as cafes and restaurants to 50 places is regulated by law, below 50 places the sanitary epidemiological station has no right to inspect;

- a large number of orders from the control bodies are carried out in written form, in order to avoid the time and expense required, certain types of instructions must be replaced from the written one to the oral one;

- it is necessary to improve the legislation in the field of carrying out a life threat check, in particular if there is a need to hold accountable for the threat to human health. Unscheduled inspections are replaced for verification; it is proposed to be conducted for those entrepreneurs for whom violated Article 11 of the Business Code.

Corruption, along with moral and moral destruction, hinders realization of the state policy and destroys it. The low quality of public service delivery, the social and psychological situation, the presence of acquaintances and royalty contribute to the growth of corruption.

Corruption will have a negative impact on the development of the economy and social infrastructure as well as the power and governance. As a result of corruption in a significant part of the public service sector, the scope of free mandatory service in education, health care and social welfare is reversed (Report, 2017).

Corruption is a reason to get rid of legal liability for offenses committed by offenders, which in turn creates an escape from punishment and degrading authority of the state, increases public confidence in them, and creates the most dangerous phenomenon or legal negligence.

One of the functions of culture is the implementation of the optimal form of life in society. Therefore, the need for anti-corruption implementation of professional and social activities is updated.

Anti-corruption culture is a state of personal development, which is characterized by the attitude to the problems of ensuring a reduction in the level of a corrupt situation, both in personal environment and in society. It is also a social process aimed at the realization of such conditions of existence and activity in society, the formation and development of such behavioral stereotypes in which corruption becomes an unacceptable phenomenon. From the psychological and pedagogical point of view, this is an integral personality quality that determines the readiness and focus on the development of the need to acquire special scientific legal knowledge, continuous improvement of skills and abilities to realize the rejection of corruption, the formation of certain competencies (Rafiev, 2015).

Anti-corruption culture is an integral part of the general culture and is of a regulatory nature, aimed at a specific result – the mandatory implementation by the individual of the norms of behavior in society, which, in fact, is a moral position. The lack of anti-corruption culture leads to a decrease in the culture of society, a decrease in the level of individual values and distorts the process of professional career.

Of course, state authorities pay close attention to the formation of intolerance to corruption in society, but in educational institutions, in our opinion, this is spontaneous and scattered, manifested in holding one-time events, in various forms-lectures, meetings with law enforcement officials, holding meetings, flash mobs and contests.

Increasing corruption can lead to a socially dangerous object, such as bribery.

1) low level of use of information and communication technologies in the process of receiving public services. While introducing the e-government portal, it is not unusual for the public to use it. Although the people know that there is an electronic government, most of the population can not use it. This, in its turn, leads to the informational and technological illiteracy of the population. At the same time, we must address the problem in rural areas. In many rural areas, there is no Internet connection or not. One aspect of this problem, on the other hand, rural people are often unable to use the computer. (Melnichuk, 2008)

2) It is necessary to improve the regulatory framework regulating public services. One of the actual issues of the law enforcement service is the incomplete implementation of the principle of access to the service.

3) There is a need to use international experience of public service. In foreign countries, various portals and websites operate.

It is important to identify the causes of corruption and to be consistent in its fight against corruption, and to achieve transparency, quality and prompt service, which will contribute to reducing corruption and increasing civic activism.

To carry out anti-corruption activities in the country:

- promotion of legal literacy and legal education of the country;

- It is necessary to identify and investigate the negative factors that influence the development of corruption;

- encourage and increase the anti-corruption culture and legal awareness of the Kazakh society;

- It is necessary to interact with the public authorities in the matter.

The causes of corruption should always be studied and should be constantly monitored, and it would be more effective to find ways to prevent it until it faces the consequences of corruption.

Confident in the authorities, corruption that will undermine the authority will seriously hurt the social, political, economic and legal policies of the public, hindering the interests of the community, the exercise of hatred (Zatsepin, 1991).

The key to overcoming corruption is the formation of anti-corruption consciousness, a high legal culture of citizens and their legitimate behavior. Forming a legal culture based on knowledge and respect for the legislation of the Republic of Kazakhstan, on the correct understanding of its norms, conscientious attitude towards the performance of official duties and civic duty, an anti-corruption consciousness is undoubtedly formed. Here the decisive role belongs to society and its institutions, since it is a question of using different means of influencing the inner world of a person and his actions.

Education in the field of countering corruption should form students' legal awareness and civic ethics, instill anti-corruption standards, and competence in combating corruption at various levels: combating corruption at the first level, i.e. based on the basic vocational education received, and at the second level, while mastering additional professional anti-corruption education programs. This education, as a rule, should be directed at the citizen in order to promote legal consciousness and behavior, as well as training in the recognition of corruption and other actions. The basis of basic anti-corruption education lies in the formation of civil responsibility, an uncompromising attitude towards corruption as a negative social and legal phenomenon. The main task of anti-corruption education is to educate in individuals the fundamen-



tals of civic ethics and the formation of ideas about social control skills, since historical experience, including that of our country, indicates that the use of public control turned out to be an effective means of combating corruption strategy. Many citizens of our country have their own anti-corruption outlook, but they cannot alone or a small group fight against corruption manifestations, however they already have intolerance to its manifestations and cannot close their eyes to corrupt practices in society, which they happened to witness. In a professional sense, anti-corruption education is aimed not only at preventing, but also at actually countering corruption.

Thus, the purpose of this education is to form students' anti-corruption outlook, a firm civic and moral position, as well as possession of sustainable knowledge, skills, skills and competence in the field of combating corruption. In general, in the process of anti-corruption education one should strive to overcome legal nihilism. Anti-corruption education is an integral part of the education process as a whole and involves the use of various forms of interactive work in the educational process, which have a significant impact on the formation of the student's personality. (Golik, 2005)

**Conclusion.** Today it is possible to see the corrupted organizations that have deep roots today. They encourage citizens and organizations to interact with government agencies to fulfill their rules. In our opinion, there are a number of reasons for corruption in public service, including the complexity of the structures of the government, the lack of internal and external control over the functioning of the state power, unequivocal division of powers, duplication of official duties, lack of mechanisms and legal frameworks for the protection of interests of citizens involved in the work of the authorities or something else (Decree, 2017)

For intensive anti-corruption activities in the country:

- constantly develop mechanisms for interaction with public authorities and law enforcement agencies in the fight against corruption;

- adoption of laws and other administrative measures aimed at inviting citizens to participate actively in anti-corruption actions;

- We believe that it is necessary to introduce anti-corruption requirements that set out a single system of prohibitions, restrictions and permits that provide corruption prevention.

Structural analysis of the content of anti-corruption consciousness has shown that this is a complex multi-purpose anti-corruption tool used in modern regional and municipal anti-corruption activities that need a relatively new semantic definition. Taking into account the structural analysis of the content of anti-corruption campaign conducted by us, the following definition can be proposed.

Anti-corruption campaigning is the dissemination by the subjects of an anti-corruption policy of anti-corruption information in any way, in any form and with the use of any means against an indefinite number of persons, aimed at forming a stable anti-corruption outlook and active anti-corruption behavior in society. Of course, the definition of anti-corruption campaign presented by us is not ideal, and other approaches to its formation are possible. However, it seems to us that the proposed definition has a number of obvious advantages over the definitions of anti-corruption campaigning available in legal theory. Firstly, it quite fully describes the circle of subjects vested with the authority to carry out anti-corruption campaigning. Secondly, it indicates the object of anti-corruption agitation – anti-corruption information. Thirdly, it defines and fixes the main goals of anti-corruption agitation – the formation of a stable anti-corruption outlook and active anti-corruption behavior. Fourthly, it indicates subjects of anti-corruption agitation – an indefinite circle of persons, which does not exclude the use of anti-corruption agitation means and target groups. Fifth, the use of any anti-corruption information methods, forms and means is allowed to achieve the goals of anti-corruption agitation. Sixth, the use of the single legal definition of “anti-corruption agitation” proposed by us allows us to eliminate the legislative contradictions in the implementation of regional and municipal legislative activities in the sphere of combating corruption and thereby improving its quality.

## References

- Ayupova Z.K., Sabikenov S.N. (1997) The concept of the rule of law. – Almaty Gylym. – 80 p.
- Decree of the President of the Republic of Kazakhstan dated July 25, 2006 No. 154 "On the Concept of the Development of Civil Society in the Republic of Kazakhstan for 2006-2011" / Site: // [http://online.zakon.kz/document/?doc\\_id=30014253&doc\\_i](http://online.zakon.kz/document/?doc_id=30014253&doc_i)
- Decree No. 500 of the President of the Republic of Kazakhstan of June 20, 2017 "On the Approval of the Concept of State Policy in the Religious Sphere of the Republic of Kazakhstan for 2017-2020" / Site: // [http://online.zakon.kz/Document/?doc\\_id=36541164](http://online.zakon.kz/Document/?doc_id=36541164)
- Golik Yu.V., Karasev V.I. (2005) Corruption as a mechanism of social degradation. – SPb.: Legal Center Press. – 329 p.

Hegel. Philosophy of law. Academy of Sciences of the USSR. Institute of Philosophy. From the "Thought". Moscow – 1990 with. – p.247

Kurazhenkova N.S. (2015) Family as the main institute of education // Internet-journal "The World of Science". – №3 // <http://mir-nauki.com/PDF>

Law of the Republic of Kazakhstan dated November 18, 2015 No. 410-V "On Combating Corruption" (with amendments and additions as of July 3, 2017) // [http://online.zakon.kz/document/?doc\\_id=33478302](http://online.zakon.kz/document/?doc_id=33478302)

Law of the Republic of Kazakhstan as of October 20, 2008 No. 70-IV "On the Assembly of the People of Kazakhstan" (with amendments and additions as of July 11, 2017) / Site: // [http://online.zakon.kz/Document/?doc\\_id=30352401#pos=0;0](http://online.zakon.kz/Document/?doc_id=30352401#pos=0;0)

Matuzov N.I. (2003) Legal awareness and legal culture // Matuzov NI, Malko AV Theory of State and Law: Textbook. – 2nd., Pererab. and additional. – M.: Lawyer, – 776 p.

Melnichuk O. (2008) Law and the State in the Concept of Legal Jurisprudence Ilyin. // Monograph: Phoenix,. – 178 p.

National report on combating corruption (Astana, 2017) // <http://kyzmet.gov.kz/en/pages/nacionalnyy-doklad-o-protivodeystvii-korruptcii>

Petrishin O.A. (2013) Civil society is the basis for the formation of legal consciousness in Ukraine. // Bulletin of the Academy of Sciences of Ukraine. – No. 3 (34). – P. 142-161.

Rafiev R.B. (2015) The Role of Civil Society in Counteracting Corruption // The Young Scientist. № 22. – P. 467-469. – URL <https://moluch.ru/archive/102/23055>

Tapchanian N. (1999) Legal awareness and legal culture of the individual in the conditions of modern Russia: Author's abstract. dis. ... Candidate of Sciences/ – M., – 41 p.

The Nur Otan party's anti-corruption program for 2015-2025 (approved by the resolution of the Political Council of the Nur Otan Party of November 11, 2014 No. 1) / Site: // <http://old.nurotan.kz/en/programma-protivodeystviya-korruptcii-partii-nur-otan-na-2015-2025-gody>

Vengerov A.B. (2000) Theory of State and Law: A Textbook for Law Schools. 3rd ed. – M.: Jurisprudence. – 528 p.

Zatsepin V.I., Bereshchenko AV, Buchinskaya LM (1991) Young family. Kiev Ukraine. -320 pp.

Yuldybaev B.R. (2008) On Some Aspects of the Formation of a Culture of Family Relations in Modern Russian Society – Bulletin of the Bashkir University. – T. 13. -№ 3 – P. 648-650.

## ROLE AND FEATURES OF LEGAL ENTITIES AT INSTITUTE OF AN INDUSTRIAL HEALTH AND SAFETY

<sup>1</sup>Tynybekov S., <sup>2</sup>Aldashev S.

<sup>1</sup>Doctor of Juridical sciences, professor, head of the Department labor law,  
al-Farabi Kazakh National University, Kazakhtan, Almaty,

e-mail: [tynybekov@mail.ru](mailto:tynybekov@mail.ru)

<sup>2</sup>Candidate of Juridical sciences, al-Farabi Kazakh National University, Kazakhtan, Almaty,

e-mail: [s.aldashev@mail.ru](mailto:s.aldashev@mail.ru)

**Abstract.** The article is devoted to research the difficult institution of labor law, labor safety and protection, the role of legal entities as employees. According to Article 1 of the Constitution of the Republic of Kazakhstan accepted on August 30, 1995 the Republic of Kazakhstan is the social constitutional state, and its most valuable property are life, the rights and freedoms of the person. The right to professional safety is one of fundamental human rights whose right to work according to safety requirements and purity is fixed at the constitutional level. Standards of safety and labor protection contain in the conventional international documents, such as Universal Declaration of Human Rights of 1948, International Covenant on Economic, Social and Cultural Rights of 1966 and Commonwealth of Independent States. Besides, Conventions and the Recommendations of the International Labor Organization are also applicable to regulation of the civil and labor law of the Republic of Kazakhstan. It: "Safety and labor protection in the production environment", "About protection of workers against professional pollution, noise and vibration", "Inspection of work in the industry and trade", "About prevention of industrial accidents".

**Key words:** labor, labor relations, labor safety, labor protection, employee, employer.

<sup>1</sup>Тыныбеков С., <sup>2</sup>Алдашев С.

<sup>1</sup>заң ғылымдарының докторы, кафедра меңгерушісі, еңбек құқығы кафедрасының профессоры,  
әл-Фараби атындағы Қазақ ұлттық университеті, Қазақстан, Алматы қ.

e-mail: [tynybekov@mail.ru](mailto:tynybekov@mail.ru),

<sup>2</sup>заң ғылымдарының кандидаты, әл-Фараби атындағы Қазақ ұлттық университеті, Қазақстан, Алматы қ.

e-mail: [s.aldashev@mail.ru](mailto:s.aldashev@mail.ru)

### Өндірістік денсаулық сақтау және қауіпсіздік институтында заңды тұлғалардың рөлі және тәртібі

**Аңдатпа.** Аталған мақалада еңбек құқығының күрделі институттарының бірі еңбек қауіпсіздігі және еңбекті қорғаудағы заңды тұлғалардың жұмыс беруші ретінде атқаратын ролін зерттеуге арналған. Мақала еңбек құқығы, еңбек қауіпсіздігі және еңбекті қорғау институтын, заңды тұлғалардың қызметкерлер ретіндегі ролін зерттеуге арналған. 1995 жылғы 30 тамызда қабылданған Қазақстан Республикасы Конституциясының 1-бабына сәйкес Қазақстан Республикасы әлеуметтік-конституциялық мемлекет болып табылады және оның ең құнды қасиеті – өмір, адамның құқықтары мен бостандықтары. Кәсіби қауіпсіздік құқығы – адамның негізгі құқықтарының бірі, оның қауіпсіздік пен тазалық талаптарына сай жұмыс істеу құқығы конституциялық деңгейде бекітілген. Еңбек қауіпсіздігі және еңбекті қорғау стандарттары 1948 жылғы Адам құқықтарының жалпыға бірдей декларациясы, 1966 жылғы экономикалық, әлеуметтік және мәдени құқықтар туралы халықаралық пакт және Тәуелсіз Мемлекеттер Достастығы сияқты қарапайым халықаралық құжаттарда бар. Бұдан басқа, Халықаралық еңбек ұйымының конвенциялары мен ұсынымдары Қазақстан Республикасының азаматтық және еңбек заңнамасын реттеуге қолданылады. Ол: «Өндірістік ортадағы еңбек қауіпсіздігі және

еңбекті қорғау», «Жұмысшыларды кәсіби ластанудан, шу мен дірілден қорғау туралы», «Өнеркәсіп пен саудадағы жұмыс инспекциясы», «Өндірістегі жазатайым оқиғалардың алдын алу туралы».

**Түйін сөздер:** еңбек, еңбек қатынастары, еңбек қауіпсіздігі, еңбекті қорғау, жұмыс беруші, жұмыскер.

<sup>1</sup>Тыныбеков С., <sup>2</sup>Алдашев С.

<sup>1</sup>Доктор юридических наук, профессор, заведующий кафедрой трудового права,  
Казахский национальный университет им. аль-Фараби, Казахстан, г. Алматы,  
e-mail: tynbekov@mail.ru

<sup>2</sup>Кандидат юридических наук, Казахский национальный университет им. аль-Фараби, Казахстан, г. Алматы,  
e-mail: s.aldashev@mail.ru

### **Роль и особенности юридических лиц в институте промышленного здоровья и безопасности**

**Аннотация.** Данная статья посвящена исследованию сложного института трудового права безопасности труда и охраны труда, роли юридического лица как работодателя и место института в трудовых отношениях. Статья посвящена исследованию трудового права, безопасности труда и роли юридических лиц как работников. Согласно статье 1 Конституции Республики Казахстан от 30 августа 1995 года Республика Казахстан является социальным конституционным государством, и ее наиболее ценными достояниями являются жизнь, права и свободы человека. Право на профессиональную безопасность является одним из основных прав человека и закреплено на конституционном уровне. Всеобщая декларация прав человека 1948 года, Международный пакт об экономических, социальных и культурных правах 1966 года и Содружество Независимых Государств. Кроме того, Конвенции и Рекомендации также применимы к Закону Республики Казахстан. Это такие как «Безопасность и охрана труда в производственной среде», «О защите работников от профессионального загрязнения, шума и вибрации», «О предотвращении несчастных случаев на производстве».

**Ключевые слова:** труд, трудовые отношения, безопасность труда, охрана труда, работодатель, работник.

**Introduction.** The development of international law at the beginning of the twentieth century laid the foundation for the development of all branches of law, including labor law. By the beginning of the 21st century on the international scene, there was a legal base of regulation of safety of work and labor protection not only on universal, but also at the national and regional level. At the present stage of development of the labor relations and integration adoption of necessary precepts of law and acts in the sphere of the labor law is the most important element of improvement of institute of safety of work and labor protection.

The following norms, which are the maintenance of "Institute of safety and protection of work" include regulations on granting privileges and compensations to the workers connected with harmful and dangerous factors and on protection and neutralization of influence of harmful factors, all norms have to be included. Article 1 of the Labor code of the Republic of Kazakhstan provides the following definitions of safety and protection of work:

Labor protection – the condition of protection of workers provided with a package of measures, the workers excluding susceptibility to influence of harmful and (or) dangerous production factors in work;

The system of health protection of life and health of workers in the course of work, including legal, social, economic, organizational, technical, sani-

tary and epidemiologic, treatment-and-prophylactic, rehabilitation and other actions and means of labor protection;

The employer approves special provisions and standards on the labor relations both the legal and natural person. The existing Labor code of the Republic of Kazakhstan which was adopted in 2015 on December 23 is obligatory for the employer – the legal or natural person according to Article 25 of Article 23 of the Code "Basic Rights and Obligations of Employer" to exercise internal control of safety and protection of work. Standards in the field of protection and protection of work – the ergonomic, sanitary and epidemiologic, psychophysiological and other requirements providing normal and safe working conditions;

In this case, grants and compensations are provided in the form of salary increase and an additional holiday and reduction of working hours. The standards establishing neutralization under the influence of harmful production factors include means of collective and individual protection, such as special clothes, special footwear, masks, helmets, fogs and so on. Are provided free of charge and granting soap and disinfectants and norms on performing medical examinations. Such protection is necessary in chemical, toxic materials, on production, in mines, mines and other similar places and also in special temperature conditions or during the work of pollution of a

body. There are no doubts that the norms regulating reduction of working hours, an additional holiday are intended for protection of labor protection of the workers occupied at such works in (dangerous) and (very dangerous) working situations. For normal people the working hours determined by the law are generally criterion of the amount of work, but not labor protection, and these two aspects of working hours are interconnected. If the amount of work increases, there is a labor protection problem. The level of development of science and technology is the measure directed to protection of work and minimization of harmful effects of industrial factors on health of workers in comparison with usual normal time on production that does not allow eliminating harmful and dangerous factors for human health. This point of view is based that Ya.L. Kiselyov S.A. Goloshchapov. These categories (reduction of working hours, an additional holiday and salary increase) should be referred to the Integrated interindustry establishment on safety and protection of work, but it does not include their "employment contract", "working hours", "rest time" and "Salary" consists of a set of norms of institutes "Insurance and Compensation". Each category is intended for restoration of moral and physical force of the worker for work in harmful, dangerous and difficult working conditions, remaining in the same measurement, as work, time of rest and remuneration. The standards determining working hours and its reduction, additional holidays and higher salary is, first of all, the size of labor, the amount of compensation and only those safety arrangements which are transferred to the relevant institutions. It is important to use the differentiated approach to the solution of a question of exile on the rules regulating compliance and control of observance of rules of labor protection to the studied institute. As for control of the employer of observance of rules of protection of work and safety measures by employees of the relevant enterprise, the legal adoption of their Labor code (Article 179, Paragraphs 2-5) means consideration of "Labor Protection and Protection of Work" institute of this group of standards.

Planning, financing, the organization and safety measures are regulated by the rules "providing and protection of work". The organization of a security system and protection of work includes the development, a statement and use of the guides to labor protection for personnel, maintenance, storage of special clothes and footwear, drying, disinfection, security measures and financing from the budget of the enterprise, plans for development of the business plan, and maintaining the magazine, accounting of unsuccessful events and many other questions.

The concept of labor protection, its essence and

contents were a subject of a hot topic in the scientific literature published during the Soviet period of the 1960-1980th years. In the past the concept of labor protection and also the maintenance of Institute of protection of work about the nature of institute – whether it be branch or mixed or as the complex industry – had contradictory questions and also protection of work as the principle of safety of work and so on was considered as the right.

In the field of the labor, law does not raise doubts that the theory of labor protection connected with theoretical revision of methods of legal protection of workers is subject to significant changes. Changes in the theory of labor protection, rule of law and the legislation on labor protection and also rates and trends of development of the operating institute of health care do a research relevant and demand studying of its concrete aspects, and, first of all, legal aspect. The famous scientist-lawyer K.A. Shaybekov noted that the concept of protection of work has to be considered for development. The movement of this concept means, on the one hand, results of social and economic, technical, medical, legal aspects of work, production of goods; on the other hand, results of achievements and results of studying of these aspects of work: synergism, ergonomics, work economy, work sociology, safety measures of work, occupational health, work physiology, social hygiene, work psychology, work esthetics, industrial design, jurisprudence. In the past, the science concluded that the labor law has the right to work as the Occupational Safety and Health Act. S.A. Ivanov based this concept. At the same time, he considers that, the purposes of labor protection fall under operation of all laws on work and are one of key institutes in legal area of a research, which carries out the social and economic task. Development of public relations led to development of labor rights in the conditions of market economy, especially in the conditions of market economy, and created new problems for the decision. The labor law is designed to increase production efficiency, to improve quality of products, to raise labor discipline, self-organization, to increase the level of employees, etc. is used. That is why he does not offer a full explanation of labor rights as sphere, which has to protect work and the interests of workers, its place and a role in a legal system.

In the theory of the right and in the field of the labor law the legal institute is understood as rather small, steady group of the precepts of law regulating certain types of the public relations. Distinguish the following features of legal institute: 1) in terms of regulation of property, each legal institute makes self-regulating impact on certain spheres of the relations; 2) Each legal institute differs according to

the legal and intellectual contents and differs in the specific and legal equality; 3) specifics of legal structure of institute. Labor protection is regulated only by certain aspects of the public relations in the context of the labor law. These public relations are directed to protection of labor process and minimization of harmful effects of production factors on the worker's organism. These standards also include work of socially vulnerable segments of the population.

The institute of labor protection differs from the intellectual and voluntary nature in a legal system. The institute of labor protection differs in concrete and legal uniformity. The institute of labor protection provides the general guidelines covering the main concepts and the key directions of state policy in the field of labor protection. All standards given in this establishment are subordinated to one purpose. These norms have to regulate completely and carefully questions of labor protection. In addition to the general rules there are standards adjusting work of certain categories of workers, for example, those who work in dangerous, harmful and harmful working conditions, or physically disabled people. Regulation of a variety, but at the same time existence of the norms directed to achievement of one purpose – safe work, defines an intellectual and voluntary nature of institute of labor protection. Labor protection also has legal base. The labor code adopted on November 23, 2015 in the territory of the Republic of Kazakhstan came into force, and the Code of labor protection and labor protection is defined as independent legal institute.

In legal literature of the Soviet period, the legal concept of labor protection is considered as a branch concept three the importance: a) wide – as set of all standards of labor rights as all of them are defined as the social purposes of labor protection, their value; b) as legal principle; c) in narrow sense it is considered as one of institutes of the labor law uniting precepts of law which directly concern safe working conditions of workers. Though these rules are repeatedly mentioned in literature, it is improbable that this question will be considered once again as it has important theoretical value. For example, the Russian lawyer Yu.L. Kiselyov also enters the norms connected with other law-enforcement structures into Institute of labor protection. He considers that reduction of operating time, additional holidays and some other standards are also related to simultaneous institute (Kiselyov, 2014). Approximately the same approach is given by S.A. Goloshchapov. It includes the rules regulating supervision and control of observance of rules of labor protection and of reduction of working hours, increase in rates of the salary and rates of remuneration (S.A. Goloshchapov, 2015). V.N.

Tolkunova and K.N. Gusov give the following definition: labor protection in a broad sense means the system of life and health of workers, including legal, social and economic, rehabilitation, etc. Measures are a labor protection, safe, legal, economic, medical and so on. Broad approach as utility. The broad definition of labor protection provided to V.N. Tolkunova and K.N. Gusov, is not only legal, but also social and economic, rehabilitation and so on. measures. A.S. Makevkina notes that labor protection is the principle of the labor law. Therefore, labor protection connects all institutes, and all labor law is continuous thread. It explains existence of standards on labor protection at various institutes of the labor law. It is worth to remember that they have specific features of the legal relations regulated by norms of other institutes they differ. The method of legal regulation also differs. All of them claim that there are no bases for integration of norms of various institutions into one establishment, and the concept "safety and occupational health" should be interpreted in narrow sense as institute of the labor law.

According to us, the Law on safety and professional law includes the following provisions and norms: safety regulations and sanitary standards; Special provisions on labor protection of the persons working in severe, dangerous and dangerous working conditions (including regulations on working hours and time of leisure, rules and provisions providing completion by collective and individual protection equipment, medical examination); standards of protection of women, minors and labor migrants; the norms regulating activities of bodies of the state and public control for compliance with the law about labor protection of the enterprises and also control of observance by the employer of rules of labor protection; the rules establishing responsibility for violations of the law about work and labor protection; rules of planning, financing and organization of works on labor protection.

From the questions, which are listed above the concept of "safety and health", first, according to the order established by the approved techniques and procedures for safe work of employees during the labor and technical standards, norms and rules, regulating activity consists of tool kit and the equipment has to be carried out according to requirements. Work is not only organizational and technical, legal or economic, but also social, material, spiritual, intellectual and physical services. Therefore such things as nature, equipment, tools, etc. The technical norms regulating behavior and behavior of the corresponding people also have social contents, which is the norm governing human relations in the nature and is shown in the form of

traditions, morals or precepts of law. Thus, rules, technical norms, standards and standards, which have to ensure safety of work and safety of workers, have social and legal value and are reflected in their technical and precepts of law, which are legally binding depending on their standard value. It is possible to draw a conclusion that legal definition of the concept "protection" includes the precepts of law conforming to requirements of technical norms (technical precepts of law).

Though legal literature well understands the concept, value and contents of safety measures and occupational health, it cannot be considered as a problem. Development of technical processes can lead to use of new technologies and means of labor, which have negative effect on health of workers. They can also change the contents therefore the question of occupational health and safety measures should be considered in areas of development.

**Literary review.** Works of the Russian and Kazakhstan scientists-jurists had an impact on studying of the studied problems: Bekyashev K. A., Entin L.M., Biryukova N.N., Egorova Dr.Econ.Sci., Kashkin Yu.S., Grigoryan S.A., Kartashkin V. A., Kolodkina R.A, Abaydeldinov T. M., Suleymenova – "ND", Nurasheva B. The practical importance of work is caused by a possibility of use of its provisions in process of improvement of the domestic national Kazakhstan labor law.

**Materials and methods.** A dialectic method of knowledge of public processes and the social and legal phenomena, its categoric conceptual framework, the principles of scientific knowledge make the theoretical– methodological basis of scientific research. Authors also actively used concrete and legal methods and also general scientific methods analyses and synthesis, a comparative method, logical

and historical. At the empirical level the research of normative legal acts of RK, other documents, printing editions, publications in MSM and so forth were applied.

**Results and discussions.** It is obviously possible also acceptable to instruct and acquaint qualitatively all workers of labor collective acts of the employer with conditions and provisions of the collective agreement and features of employment in a workplace. During the carried-out certification, each workplace is estimated in a complex in the following directions: For assessment of a condition of jobs on three levels use, the corresponding groups of indicators which are formed by the organization or the managed subjects taking into account specifics of production, features of employment, working conditions in workplaces, etc., The results of account and certification of jobs reflected in passports, maps, sheets and other forms are a basis for calculation and revision of technical and economic indicators of work for the corresponding period of work and development further of the corresponding standards of work on safety of work and labor protection of the organization and economic entities.

**Conclusion.** As a result of studying of practice and theoretical application of a regulatory framework of the Republic of Kazakhstan it is possible to draw a conclusion that in modern standard legal acts on an industrial health and safety and also certifications of jobs exist unresolved problematic issues of concerning safety of work and labor protection. The main of them are lack of coherence between the central public authorities, bodies of the local representative government and employers on the matters in standard legal acts or an incomplete regulation of these questions and lack of accounting of specifics of natural and climatic features of the Republic of Kazakhstan

## References

- Goloshchapov S.A (1982). Correct business. – M.: Legal literature – 162 pages.
- Golik Yu.V., Karasev V.I. (2005) Corruption as a mechanism of social degradation. – SPb.: Legal Center Press, – 329 p.
- Hegel. Philosophy of law. Academy of Sciences of the USSR. Institute of Philosophy. From the "Thought". Moscow – 1990 with. – p.247
- Kiselyov Ya.L.( 1962) Labor protection under the Soviet labor law. – M.: Gosuyrizdat,-126 pages.
- Labor code of the Republic of Kazakhstan (2017).- Almaty: LAWYER, 112 p
- Matuzov N.I. (2003) Legal awareness and legal culture. // Matuzov NI, Malko AV Theory of State and Law: Textbook. – 2nd., Pererab. and additional. – M.: Lawyer. – 776 p.
- Melnichuk O. (2008). Law and the State in the Concept of Legal Jurisprudence Ilyin. // Monograph – O.: Phoenix, – 178 p.
- National report on combating corruption (Astana, 2017) //http://kyzmet.gov.kz/en/pages/nacionalnyy-doklad-o-protivodeystvii-korruptcii
- Petrishin OA (2013) Civil society is the basis for the formation of legal consciousness in Ukraine. // Bulletin of the Academy of Sciences of Ukraine. – No. 3 (34). – P. 142-161.
- Rafiev RB (2015). The Role of Civil Society in Counteracting Corruption // The Young Scientist. – № 22. – P. 467-469. – URL <https://moluch.ru/archive/102/23055>

Tapchanian N. (1999) Legal awareness and legal culture of the individual in the conditions of modern Russia: Author's abstract. dis. ... Candidate of Sciences. – M. – 41 p.

The Nur Otan party's anti-corruption program for 2015-2025 (approved by the resolution of the Political Council of the Nur Otan Party of November 11, 2014 No. 1) // <http://old.nurotan.kz/en/programma-protivodeystviya-korrupcii-partii-nur-otan-na-2015-2025-gody>

Vengerov A.B (2000). Theory of State and Law: A Textbook for Law Schools. 3rd ed. – M.: Jurisprudence, – 528 p.

Zatsepin VI, Bereshchenko AV, Buchinskaya LM (1991) Young family. Kiev Ukraine. – 320 pp.

Yuldybaev BR (2008) On Some Aspects of the Formation of a Culture of Family Relations in Modern Russian Society – Bulletin of the Bashkir University. T. 13. № 3 – P. 648-650.