

**SZENT ISTVÁN  
UNIVERSITY**

**THE MECHANISM OF SUSTAINABLE SOCIO-ECONOMIC  
DEVELOPMENT OF THE AKMOLA REGION**

**Doctoral (Ph.D.) dissertation**

**Kurmangozhina Gulnara**

**Gödöllő - Hungary**

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**Name:** Enyedi György Doctoral School of Regional Sciences

**Discipline:** Regional Sciences

**Head:** **Prof. Tamás Tóth PhD. habil.**  
Professor  
Szent István University  
Faculty of Economics and Social Sciences,  
Institute of Regional Economics and Rural Development

**Supervisors:** **Prof. Dr. Hajdú Zoltán DSc. habil.**  
Professor  
Szent István University  
Faculty of Economics and Social Sciences,  
Institute of Regional Economics and Rural Development

**Anikó Khademi – Vidra PhD. habil.**  
Associate professor  
Szent István University  
Faculty of Economics and Social Sciences,  
Institute of Regional Economics and Rural Development

.....  
Approval of the Head of the Doctoral School

.....  
Approval of the Supervisors

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## **ABBREVIATIONS**

UN: United Nations

GRP: Gross Rating Point

USSR: Union of Soviet Socialist Republics

CPSU: Central Committee of the Communist Party of the Soviet Union

WTO: World Trade Organization

CIS: Commonwealth of Independent States

FAO: Food and Agriculture Organization

FDI: Foreign Direct Investment

SEZ: Special Economic Zone

LLP: Limited liability partnership

JSC: Joint-stock company

LTD: Limited

NEET: Not in Education, employment or training

## I. INTRODUCTION

### 1.1. Actuality of the research topic

At the present time, the socio-economic development of the region cannot be considered separately from national and world socio-economic processes. The greatest interest is caused by the necessity of the world community's transition to sustainable development with the aim of resolving the aggravated socio-economic problems of a global scale. The International Commission on Environment and Development at the 42nd session of the UN General Assembly in 1987 for the first time formulated the principles of sustainable socio-economic development, which should be implemented by states and regions in their territories.

Ideally, sustainable development assumes a stable development of the economy and society without causing irreparable damage to the environment, taking care of the fate of future generations. The overall global goals of sustainable development are realized by each member - the state of the world community, and on their territories - by regional or territorial entities.

Sustainable development of the economies of countries, ensuring their dynamic and balanced functioning is impossible without improving regional policies, optimizing regional proportions of the entire reproduction process. Special attention should be paid to the problems of social and economic development of the regions in order to increase the contribution of each region to the growth of national wealth, to improve conditions and to improve the quality of life of citizens.

Under the influence of the globalization of world economic processes, the role of regions in the national economy is changing. Increased competition, a free market, availability of resources, primarily information, allow regions to get great opportunities for development, to enter global markets. However, on the other hand, the regions became more susceptible to the impact of the world economic crises, to the economic expansion of stronger competitors.

In connection with this, state regulation of the market economy is gaining more and more importance. The global economic crisis and its consequences once again confirm that without the state regulation it is impossible to achieve the goals of sustainable development of the economy and society. The market mechanism is inherently incapable of solving the problems of sustainable social and economic development. It can also be argued that it generates them to a greater extent, it is their source (for example, an excessive social differentiation, environmental problems, etc.).

In view of the foregoing, the theory and practice of achieving sustainable regional development on the basis of a certain mechanism for its implementation is of great interest.

This is due to **the actuality of the research topic** of the mechanism of sustainable social and economic development at the regional level.

The problem of sustainability of development was first formulated by the greatest Russian scientist Vladimir Ivanovich Vernadsky in his teaching about the biosphere and its transition to the noosphere (P. Karako, 2008). Currently, the problem of sustainability of development and the implementation of ideas for its implementation are widely discussed by representatives of scientific communities of different countries, however, the generally recognized system of scientific views on the solution of this problem and the development of a mechanism for sustainable development has not yet appeared, which also causes the relevance of the research topic.

In addition, the concepts of "sustainable development mechanism" and "sustainable development management mechanism" have not been clarified. More often in various sources there is a question about "the mechanism of management of steady development". In our work, we will also focus on the "mechanism for managing sustainable development" in view of the above arguments about the need for state regulation to ensure the sustainability of development. Currently, administrative, economic, social instruments and management tools of the region are poorly linked, do not take into account the specifics of regional development, do not have a systemic basis. The emerging mechanism for managing the development of the region should ensure the solution of the problems of sustainable development, create a strong regulatory and legal and economic basis for regional development.

In our opinion, the concept of "a mechanism for sustainable socio-economic development of a region" is much broader than the concept of "a mechanism for managing sustainable socio-economic development of a region". However, it should be noted that the mechanism of sustainable socio-economic development of the region cannot exist without a management mechanism, the latter is a kind of support, the basis of the former, gives direction to the development process, ensures its stability.

**The degree of scientific elaboration of the problem.** The methodological foundations of the sustainability of social and economic development are examined and studied by many foreign and domestic researchers.

The study and systematization of theoretical material showed that, despite numerous studies in the field of sustainable development and regional governance, the issues of developing

and implementing a mechanism for sustainable development of the region were not fully reflected. At present, the regional development mechanism is not seen as a system, instruments and levers of management are disjointed and often contradict each other. In addition, the methodology for assessing the sustainability of the development of the region also needs to be further developed.

## **1.2. Research questions**

- What are the general and specific aspects of economic, social situation in the Akmola region?
- What kind of benefits may be received after study and implementation of the mechanism of the sustainable socio-economic development of the region?
- How can mechanism of the sustainable socio-economic development contribute to the further prosperity of the above-mentioned region?
- What aspects should be taken into consideration to advance the welfare of common citizens?
- What are strengths and weaknesses of the socio-economic development of the Akmola region?
- Which factors have been influencing on the sustainable socio-economic development of the Akmola region?
- Which measures will lead to an improvement of the social and economic situation in the region?

## **1.3. Research aims and objectives**

**Aims and objectives of the research.** The aims of this research are to theoretically and practically achieve sustainable regional development based on a certain mechanism for its implementation, identifying problems of practical implementation of the regulatory capabilities of the mechanism and developing specific recommendations on the effective use of the mechanism in stimulating regional economic growth in modern conditions; to develop methodological provisions and practical recommendations on the formation of a mechanism for sustainable socio-economic development of the region. In accordance with the stated aims, the following tasks are solved in the work:

- clarification of the concept, essence, content and principles of sustainable socio-economic development of the region, a mechanism for sustainable socio-economic development of the region, a mechanism for managing the sustainable social and economic development of the

region; systematization of existing and development of new methodological directions for the formation of a mechanism for sustainable socio-economic development of the region;

-building the management model for sustainable socio-economic development of the region as the basis for a mechanism for sustainable regional development, developing a methodology for assessing the sustainability of regional development;

analysis and identification of features and specific characteristics of the socio-economic situation of the regions, as well as a mechanism for managing the socio-economic development of the region;

- approbation of the mechanism of sustainable socio-economic development of the region, justification of the choice of tools for the management of sustainable socio-economic development of the region, forecasting indicators of socio-economic development of the region.

**The object of the research** is the Akmola region as a socio-economic system.

**The subject of the research** is the theoretical and practical basis for the formation of a mechanism for sustainable socio-economic development of the region.

**The theoretical and methodological basis** of the research is made by the fundamental works of domestic and foreign scientists on urgent issues of sustainable development of social and economic systems, relevant legislative acts and normative documents.

**The information-empirical basis of the research.** To solve the tasks and verify the evidence of the hypothesis, we used a set of theoretical and empirical research methods. Theoretical methods: analysis of publications; logical and comparative-historical analysis, analysis of definitions of basic concepts; method of modeling. Empirical methods: questioning; comparative analysis; methods of processing and analysis of statistical data of the conducted research.

The information base of the research was made by legislative and normative acts of the Republic of Kazakhstan, monographs and articles in specialized publications, various factual materials (annual reports, analytical and overview developments, statistical and reference materials published in foreign and domestic sources), as well as information from research centers, sociological services, the Internet.

#### **1.4. Research hypotheses**

**The first hypothesis** of the dissertation research is based on the assumption that the condition for sustainable socio-economic development of the region is the creation and functioning of a full-fledged mechanism. This mechanism will be aimed at eliminating the

negative trend and bringing the processes associated with sustainable socio-economic development to a balanced state.

**The second hypothesis** of the dissertation research lies in the scientific assumption that the role of the Akmola region in the regional policy of independent Kazakhstan is growing as the growing pole of Nur-Sultan.

**The third hypothesis** of the dissertation research is based on the assumption that the condition of the accelerated development of the economy of the Akmola region is the direction of the agro-industrial complex.

**The fourth hypothesis** of the dissertation research lies in the scientific assumption that the grain industry occupies one of the leading places in the agro-industrial complex of the region and in the whole in the economy of Kazakhstan and is one of the priorities for the development of the grain economy, which contributes to the development of the export potential of the grain market of Kazakhstan and will increase the competitiveness of Kazakhstan grain exporters in the world market.

**Practical significance of the dissertation research.** The practical significance of the results of the study is the development of specific recommendations on the formation and implementation of a mechanism for sustainable socio-economic development of the region, as well as the addition of a methodological apparatus for regional management.

**Structure and amount of work.** The dissertation work consists of an introduction, five chapters, conclusion, a list of used references and appendices.

## II. THEORY OF THE MECHANISM OF SUSTAINABLE SOCIAL-ECONOMIC DEVELOPMENT OF THE REGION

### 2.1. The essence of sustainable social and economic development of the region

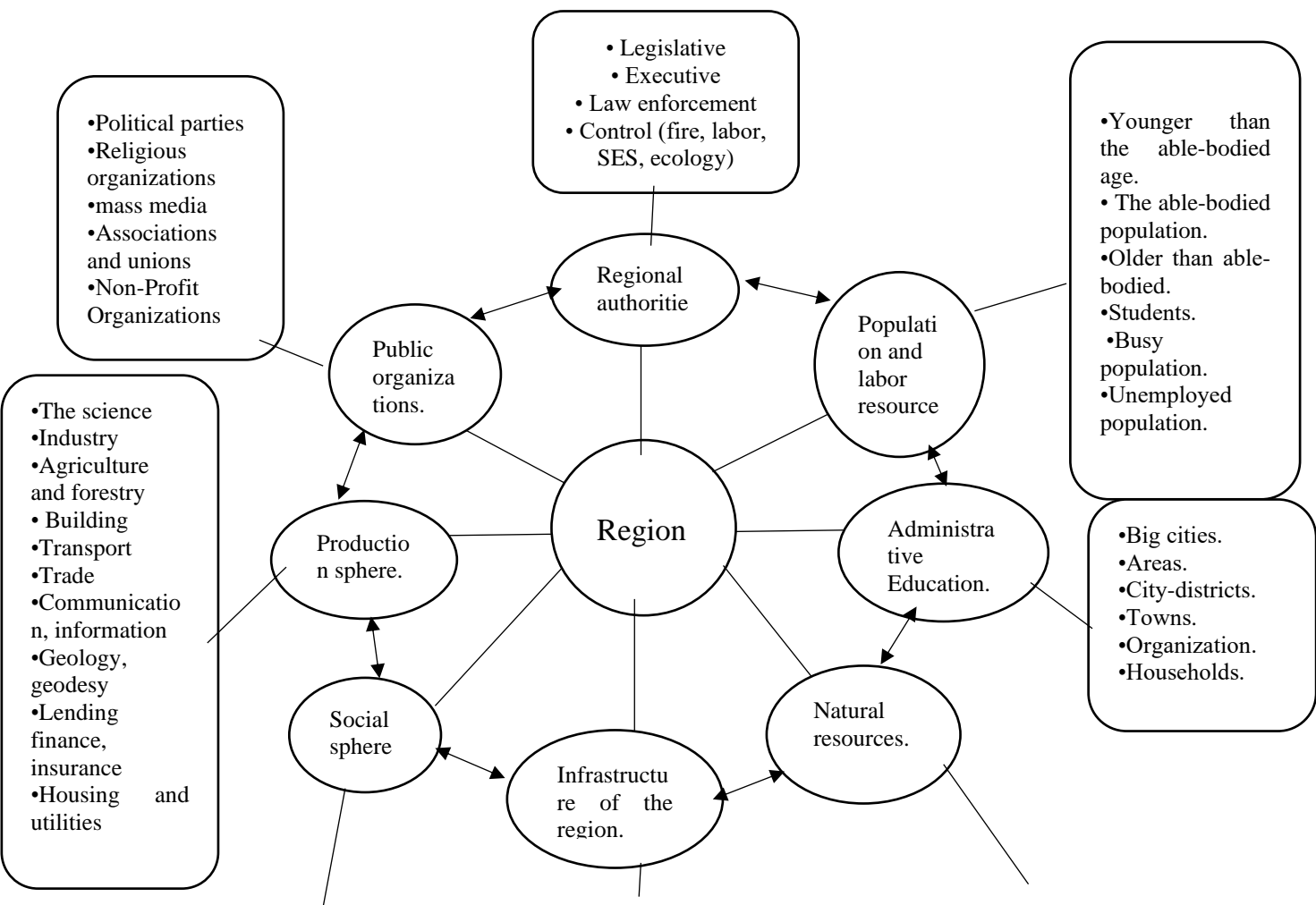
Before proceeding to the study of the mechanism for sustainable development of the region, it is necessary to define key concepts related to this problem.

First of all, it is necessary to pay attention to the interpretation of such concepts as sustainability, development and the region. In what follows we shall understand the following terms in these terms.

At present, many authors, researchers have proved that the region is an open (alive) socio-economic system. At the same time, it is necessary to emphasize the unity and mutual influence in the given system of elements of inanimate and living nature, social and economic elements.

At the same time, the composition of subsystems of the region is sufficient for system analysis and development of a mechanism for sustainable socio-economic development of the region. In the table 1 we can see the composition of subsystems of the region.

**Table 1. Composition of subsystems in the region.**



Health care  
 • Education  
 Soc. security  
 • Physical  
 Education  
 • Culture  
 Art

•Automotive  
 and railways.  
 •Waterways  
 •Air and  
 airfields.  
 •Product and oil  
 pipelines.  
 •Water supply.  
 • Power supply.

• Earth  
 • Water  
 • Subsoil  
 • Forest  
 • Air

Source: Kenzheguzin M. (2013).

Since the region is a system of interrelated elements, one can speak about the inherent properties of the system, including about such a property as stability (homeostasis).

In conditions when the medium is the source of a set of constantly acting disturbances or noise, the presence of stability mechanisms must be recognized as an indispensable condition for the existence of any organized structures in the world around us, now a broad study is given to the stability mechanisms characteristic of systems of inanimate and living nature (A. Armand, 1992).

With regard to socio-economic systems, the following definition can be given (A. Armand, 1992).

Stability of socio-economic systems - the ability of systems to withstand external and internal disturbances, maintaining equilibrium or homeostatic state, as well as the structure, the nature of the functioning and the trajectory of movement for a relatively long time.

The development of the system is the sum of the directed processes leading to the removal of the state or structure of the system from the initial ones (A. Armand, 1992). For a regional development system, we consider such a removal of the system from the initial state, which leads to a qualitative improvement in the state of the system, its structure or type of functioning.

Based on these definitions, it can be concluded that sustainability and development are oppositely directed processes, so it is necessary to dwell in detail on the relationship between sustainability and development.

In the real world, absolute stability would mean the end of development. The thing is that stability is inextricably linked with variability. Any system exists on the principle of "change in order to survive." The preservation of the system in most cases is impossible without adaptive changes in the system itself or adaptive changes in the environment. Changes in the environment



must be compensated by internal changes in the system. Thus, stable states are only steps on the general staircase of development, regardless of whether it leads upwards, to ordering, or down, to disorder (A. Armand, 1992).

At present, the term "sustainable development" is widely used. In connection with the global deterioration of the ecological situation, the aggravation of ethnic conflicts, the intensification of terrorist activity, the world community, beginning in the 1980s, is trying to find a way to solve these problems, to work out a strategy for the further development of states, countries, territories.

In the report of the World Commission on Environment and Development "Our Common Future" the following definition (G. Brundtland, 1987) can be seen:

"Sustainable development is a development that meets the needs of the present but does not compromise the ability of future generations to meet their own needs."

It includes two key concepts:

- the concept of needs, in particular, the needs necessary for the existence of the poorest sections of the population, which should be the subject of priority;
- the notion of restrictions due to the state of technology and the organization of society, imposed on the ability of the environment to meet current and future needs.

However, this definition is not clear enough and does not take into account the systematic approach to realizing sustainable development in a particular territory. In our opinion, the concept of "sustainable socio-economic development of the region" is the development of the territory as a system of equitable elements (human, nature, society), which in response to environmental factors contributes to the preservation of the system, restore its equilibrium, maintain the state, structure, type of functioning, its qualitative improvement at a new stage of development.

In addition, in the socio-economic system, the importance of such function as management increases, since it ensures the further development of the system.

The development of the system is forced - development as a result of external factors. Evolution can occur in the direction of the equilibrium state, away from it or with the conservation of the dry matter, its equilibrium.

Control is the forced development of a system, triggered and controlled by a super system or a special control unit (subsystem). In the narrow sense - a purposeful change in state and

structure, such as the functioning of the system by man [3]. We believe that in the socio-economic systems, government is an element of the system, and the exercise of the governance function is an indispensable condition for the development of the socio-economic system.

The purpose of managing the socio-economic system is to ensure the sustainability of its development, a qualitative improvement in the state, structure and (or) type of functioning of the system. To achieve this goal, it is necessary to develop, theoretically and methodically, a mechanism for managing the sustainable development of the region as a socio-economic system.

To understand and implement the goals of sustainable development, the concept of sustainable development is being developed. The concept of sustainable development emerged as a result of combining the three main points of view on sustainable development: economic, social and environmental, Accordingly, three objectives of sustainable development of the region can be formulated: ecological integrity, economic efficiency and social satisfaction and stability.

The concept of sustainable development is based on the following provisions (A. Ursul, 2001):

1. Sustainable development involves satisfying not only the real needs of society, but also the needs of future generations.
2. The basic needs of all citizens must be met and opportunities for the realization of their abilities provided. As one of the main reasons for the irrational and destructive exploitation of nature is poorness and poverty.
3. It is necessary to coordinate the economic activities of the region with the environmental capabilities of the territory, limiting the consumption of natural resources through the use of innovative technologies, alternative energy sources, etc.

The concept of sustainable development is becoming a new approach to the problems of regional development, there is a change in the economic paradigm and governance. Three hierarchically interrelated problems are identified in the literature, with the solution of which sustainable development is associated (T. Voronina, 2011, S. Melnikov, 2008). They boil down to keeping:

- 1) the sustainable scale of the economy, which would correspond to its ecological life support system;
- 2) optimal distribution of resources and opportunities not only within the current generation of people, but also between present and future generations, and also between humans and other biological species;

3) the effective allocation of resources in time, which would adequately take into account natural capital.

It is important to emphasize that the core of the concept of sustainable development is the economic approach. At the same time, the concept of sustainable development made it possible to take a fresh look at the very concept of "economic efficiency".

Moreover, it turned out that long-term economic projects, in which natural patterns are taken into account, are ultimately cost-effective, and those that are carried out without taking into account long-term environmental consequences are surplus.

The concept of sustainable development is socially oriented, since it is aimed at preserving social and cultural stability, including the reduction of the number of destructive conflicts. Based on the analysis of the concept of sustainable development, it is possible to formulate principles and factors for the sustainable development of the region.

Principles of sustainable social and economic development of the region:

- proportional development of the economy, ecology and society, which provides for economic efficiency only if the human and ecological potential of the region is preserved;
- optimal and efficient distribution of economic and environmental resources in time and space, consisting in the possibility of using the necessary resources by present and future generations of people to replicate the potential of the region;
- the formation and development of institutions of sustainable socio-economic development, culture, spiritual foundations, traditions of reasonable consumption, resource and energy conservation.

For the sustainable development of the region, it is necessary to create impulses for the development and modernization of leading industries, agriculture, increasing the investment activity of economic entities; improvement of forest legislation regarding the use and restoration of forest resources; measures are needed to prevent pollution and clean water bodies, especially in the city (M. Kenzhugin, 2013).

The capacity of the regional system for sustainable development is also conditioned by a number of factors of the internal environment of the region. The human factor presupposes the availability of the necessary human resources in qualitative and quantitative terms, the labor potential of the region; Investment factor is characterized by investment activity and attractiveness of the subject, investment risk in the region, etc. The innovation factor is due to the innovative activity in the region, the share of innovative products in the total GRP volume, the

localization of science, the number of people with higher education in the employed population, etc. The technological factor is closely related to innovation and is determined by the level of labor productivity, the degree of progressiveness of the applied technologies, etc.

## **2.2. Overview of literature**

The methodological foundations of the sustainability of social and economic development are examined and studied by many foreign and domestic researchers. The following foreign authors, V.G. Balashov, V.A. Irikov, A. Aubakirov, A.N. Alashabayeva, G. Brundtland, M.A. Bagomedov, O. Bogomolov, L.N. Chainikova, N.I. Dorogov, made a significant contribution to the study of sustainable development. Many important aspects of the theory of stability are reflected in the works of A. Armand, E.I. Dracheva, L.I. Yulikov, N.D. Guskova and others. The studies of A. Adamescu, Zh.M. Elubayeva, are devoted to the formation and development of the theory of regional management.

The study and systematization of theoretical material showed that, despite numerous studies in the field of sustainable development and regional governance, the development and implementation of the mechanism for sustainable development of the region were not fully reflected. Currently, the regional development mechanism is not considered as a system. Tools and controls are scattered and often contradict each other. In addition, the methodology for assessing the sustainability of the development of the region also requires refinement.

Various aspects of the problem under study have always been the focus of attention of scientists. A significant contribution to the study of these problems was made by such domestic researchers as N. Nazarbayev, M. Kenzheguzin, B. Zhunusova, K. Bilyalov, N.K. Nurlanova.

Some databases are available on the Internet in the public domain. On December 14, 2012 the First President of the Republic of Kazakhstan Nursultan Nazarbayev announced a new program for the development of Kazakhstan. The large-scale document is designed up to 2050 and is aimed at solving conceptual tasks designed to create prerequisites for the formation of a competitive economy, a reliable social policy, a high-technological industrial sector.

The strategy "Kazakhstan - 2050" offers a new paradigm for the development of the republic for the long term. Its core is the modernization of economic, social policy, strengthening of global and regional security, the formation of new Kazakhstan patriotism (N. Nazarbayev, 2015).

Fundamental studies of the problems of sustainable socio-economic development of the regions are reflected in the works of T.V. Voronina, A.D. Ursul, P.I. Shihatov, A.S. Sheulin, N.K. Nurlanova and others.

At the same time, despite the significance of the studies performed, it should be noted that the issues of the methodology and practice of formation, as well as the functioning of the mechanism of sustainable socio-economic development of the region, remain the subject of the need for scientific solutions because of their significance. The variety of methods, proposals and developments dictates the need for a systematic assessment of approaches to the composition and content of sustainable development of the region in order to create its efficient and effective mechanism.

The mechanism for implementing the strategy is proposed in the works of group of researchers (N. Vladymcev, A. Sheulin, 2002). They proposed the following mechanisms for the implementation of the region's development strategy:

".. The strategy for the development of the region is complemented by the preparation of proposals by:

- formation of the regional development management system;
- development of integrated programs and sectoral strategies for the development of the region;
- development of strategies and programs for the development of districts;
- development of interregional and international programs, as well as inter-municipal cooperation;
- coordination with ministries and departments of measures to implement sectoral strategies in the region;
- creation of conditions for participation of business and the public in the development and implementation of the Strategy ... "

The development of strategic planning in the management of the development of the region has been achieved within the framework of a program-targeted approach. In the work of Kalnikova I.O. (I. Kalnikova, 2009) the following definition of program-target management is given: "... This is a universal approach to the management of economic systems, used in various fields, the essence of which is to link development goals with resources through special programs ...". The author also defines the economic mechanism of governance: "The management mechanism, mediating the relationship between productive forces not only with

property relations, but with the whole array of socio-political factors, is a complex problem, therefore, within the framework of its real functioning, it must provide for economic, financial, innovative, structurally-organizational, social, marketing orientation. "

In economics, the concept of "mechanism" was first used by Leo Hurwitz (1895), whose main contribution to economic science is the very concept of an economic mechanism (T. Voronina, 2011).

Hurwitz offered a definition that can be applied to any interaction between economic actors. Hurwitz sees such interaction as a strategic game and calls the mechanism itself the form of the game. The game is a description of how players (economic actors) can act and what any set of actions will lead to.

The definitions of sustainable development of the region available in the literature are not clear enough and do not take into account the systematic approach to the implementation of sustainable development in a specific territory. In our opinion, the concept of "sustainable socio-economic development of the region" is the development of the territory as a system of equal elements (human, nature, economy), which, in response to the influence of environmental factors, helps to preserve the system, restore its balance, maintain state, structure, type of functioning, its qualitative improvement at a new stage of development.

The literature does not have an unambiguous interpretation of the concept of "the mechanism of sustainable socio-economic development of the region", moreover, the concepts "mechanism of sustainable socio-economic development of the region" and "mechanism for managing the sustainable socio-economic development of the region" are often identified.

The development of strategic planning in the management of the development of the region has been achieved within the framework of a program-targeted approach. In the work of Kalnikova I.O. (I. Kalnikova, 2009) the following definition of program-target management is given: "... This is a universal approach to the management of economic systems, used in various fields, the essence of which is to link development goals with resources through special programs ...". The author also defines the economic mechanism of governance: "The management mechanism, mediating the relationship between productive forces not only with property relations, but with the whole array of socio-political factors, is a complex problem, therefore, within the framework of its real functioning, it must provide for economic, financial, innovative, structurally-organizational, social, marketing orientation. "

Thus, the author does not give a specific formulation of the economic mechanism for managing the development of the region, but only emphasizes its complexity and multidimensionality.

In the literature, a comparison of the life cycle of a social and economic system with a person's life is found: childhood, early maturity, the flowering of strength, full maturity, aging (I. Mazur, 2008, B. Gerasimov, 2009, V. Lazhencev, 2006).

Kovalski S.L., Madanov H.M. stated that, during the so-called Virgin Lands Campaign (1953-1964, followed by the intensification of agriculture) the Soviets established large state farms on which immigrants from more than one hundred ethnic groups from all over the USSR produced wheat. The indigenous population was “resettled” into new state farms, which replaced the traditional expertise in breeding cattle with new, “scientific” agricultural methods. The campaign radically changed Kazakh agriculture and had dramatic effects on the lives of Kazakhs and new settlers, the ethnic set-up of the population, administrative and political structures, and on the environment. Kazakhstan’s authorities are interested in economically sustainable and secure development of both their own country as well as Central Asia as a whole.

According to Aubakirov A. (A. Aubakirov, 1994), development of new lands in Kazakhstan is the largest and cost-effective action. For 25 years, the state sold almost 270 million tons of grain, which is 16.5 million pounds! No less typical it is another example. During this time, all costs, "the state agriculture of the republic amounted to 21.1 million rubles, and the turnover tax from the sale of bread over the years received 27.2 million rubles, that is, the country received 6.1 million rubles of net profit.

### **2.3. Methodological approaches to determining the mechanism of development of the region and the place in it of the mechanism of public administration**

At present, the mechanism of development of the region as a territorial, economic and social unit of the state and society is of great interest in the scientific economic community.

Since the concept of a mechanism for the development of the region is an object of discussion and is currently only being formed, we will present several approaches to its definition.

The concept of "mechanism" in translation from Greek means "machine".

From the point of view of mechanics, the following definition can be given (V.Balashov, V. Irikov, 2008, N. Dorogov, 2009): "The mechanism is the aggregate of bodies performing the required motions (usually machine parts), movably connected and in contact. The mechanisms serve for the transmission and transformation of motion. The mechanism is characterized by the number of degrees of freedom - the minimum number of its points, the kinematic characteristics of which (trajectories and speed of motion) uniquely determine the trajectories and speeds of all other points of the mechanism. Thus, for a mechanism with one degree of freedom, one can find a single point, a given trajectory and the speed of which uniquely determine the trajectories and speeds of motion of all its other points. For a mechanism with two degrees of freedom, there should be two such points, etc. ... "

The mechanism of sustainable socio-economic regional development is that the regional system makes the transition to each subsequent stage of development as a result of the adaptation of the system to the growing instability of the external environment. The main factors of instability include changes in consumer demand, increased competition, changes in technology, changes in the political situation, economic crises, environmental factors, etc.

The goal of the mechanism of sustainable socio-economic development of the region is to achieve a qualitatively new state in the regional system, characterized by the preservation and enrichment of the economic, human and environmental potential of the region. The tasks of the mechanism of sustainable socio-economic development of the region can be classified by subject areas (public health, economic, food, public, information security, providing business entities and the population with electricity, rational use of natural resources, etc.) and levels of sustainable socio-economic development (person, enterprise, municipality, industry, region).

At the same time, at each stage of the socio-economic development of the region, strategic goals and development priorities, organizational development management mechanisms can change. Each new stage of socio-economic development of the region is accompanied by corresponding changes: structural reorganization of the economy or (and) structural reorganization in society or (and) changes in culture and ideology, which is a manifestation of an adaptive reaction (adaptation) in the development process (M. Kenzhugin, 2013).

In economics, the concept of "mechanism" was first used by Leo Hurwitz (1895), whose main contribution to economic science is the very concept of an economic mechanism (T. Voronina, 2011).

Hurwitz offered a definition that can be applied to any interaction between economic actors. Hurwitz sees such interaction as a strategic game and calls the mechanism itself the form



of the game. The game is a description of how players (economic actors) can act and what any set of actions will lead to.

The more rigorous formulation proposed by Hurwitz defines the mechanism as the interaction between subjects and the center, consisting of three stages: each subject privately sends a message to the center  $m_i$ ; The center, having received all the messages, calculates the expected result:

$Y = f(m_1, \dots, m_n)$ ; the center announces the result of  $Y$  and, if necessary, puts it into practice.

However, the described mechanism is valid at the micro level, at the macro level the relations become more complicated and go beyond the scope of this definition.

In order to more fully and accurately define the mechanism of social and economic development of the region, let us turn to the basics of economic theory.

The economic doctrine of Adam Smith is based on a system of principles that is closely related to the teachings of the physiocrats of "natural order" and "natural law". However, unlike the physiocrats, A. Smith believed that the "natural order" is determined not by the forces of nature, but by human nature. In accordance with the teachings of A. Smith, man is an egoist and always pursues his own personal goals and interests, his own benefit. The interests of the individual are limited only to the interests of other individuals, which is natural, and, therefore, legitimate.

Economic growth and development are achieved through the "natural efforts" of individuals to improve their position and realize their own benefits. These efforts, according to Smith's view, are the driving force of technological progress, economic development, a source of accumulation of public and private capital.

«...in an economic life, individuals are guided by the "invisible hand" of the market. According to Smith, the government does not always understand the interests of society, and individuals are always clear about their goals. Pursuing his own profit, a person "with an invisible hand" is directed to a goal that was not part of his intentions: serving the interests of society: he develops production and trade, increases the wealth of the country.»

The role of the state in the economy, according to A. Smith (as well as D. Ricardo, T. Malthus, J. St. Mill - representatives of the classical school) should be minimized. "Smith's views on the role of the state in the economy are determined by the principles of liberalism, i.e. the state should support the regime of natural freedom: to protect law and order, free competition

and private property. It should also perform such functions as the organization of public education, public works, communication systems, transport and utilities."

Representatives of the classical school believe that the economy is fundamentally equilibrium (aggregate demand is always equal to the aggregate supply - the identity of J.-B. Say), with insignificant temporal deviations from equilibrium (overproduction or deficit), the market always automatically returns to the equilibrium state due to the mechanism of interaction between demand and offers. The main tools of this mechanism are free competition and a free market price that performs a balancing function. With an excess of demand and the emergence of a shortage of goods, the price of the goods increases and, accordingly, the number of those who want to buy it decreases-the equilibrium on the market is restored at a higher price, less quantity of the sold goods. With excess supply and overproduction of goods, the price of the goods will decrease until there are enough people who want to buy it. Thus, the market has a mechanism of self-regulation and, therefore, government intervention in the economy is superfluous, it only has to act as a "night watchman".

However, practice has shown that classical political economy cannot explain a number of economic phenomena, first of all, the emergence of economic crises.

As a result of the global economic crisis and the great depression of 1920-1930 the origin of a new direction of economic thought, called "Keynesianism."

The founder of this trend, J.M. Keynes, considered the economy fundamentally disequilibrium - aggregate demand in the economy is always less than the aggregate supply, since not all income of the population is spent on consumption, some of the income goes to savings. The propensity to save reduces aggregate demand, accordingly, not all goods produced in this period will be realized, and entrepreneurs will be forced to cut production, reducing jobs and employment. In turn, the reduction in employment will lead to an even greater reduction in aggregate demand. Thus, the economic crisis unfolds, from which the economy cannot come out on its own, without the help of the state.

".. Keynes considered that the most important thing is a fiscal policy of the state during the crisis. It must take on the direct organization of investment. However, "if we completely exclude our ability to self-heal from our system, we can only hope for occasional improvements in the state of the health of the economy, but never wait for a full recovery." A competent economic policy of the state, although not able to eliminate the alternations of booms and recessions, but can weaken the recession or increase the recovery ...

As a means of regulating the magnitude of demand, he considers monetary and budget policies. Monetary policy influences the increase in demand through lowering the interest rate, thereby facilitating investment.

As an effective tool that increases effective demand for high unemployment, Keynes proposed using state-funded public works, which should compensate for the decline in employment in the private sector.

To stimulate, however, only those regions that actually have additional resources are needed; otherwise, stimulation will only increase inflation. In the period of recovery, economic policy should be the opposite of the one used in the recession. " (D. Sax, F. Larren, 1999).

Thus, Keynes was one of the first to substantiate the need for state management of the economy. Further development of the idea of classics, neoclassicists and Keynes was obtained in the works of the famous economist P. Samuelson, who combined them in his doctrine, called "neoclassical synthesis."

Proceeding from this theory, in conditions of economic recession, a return to equilibrium cannot be achieved automatically. However, after this will be provided with measures of state regulation, the postulates of the classical theory will come into force again. In other words, if the neoclassical concept claims that the market is fundamentally balanced, and only the effect of non-market factors contributes to its self-adjustment, and the Keynesian one makes a conclusion about the fundamental market disequilibrium stemming from its intrinsic properties, then neoclassical synthesis asserts the Keynesian model in the short-term and classical - in the long-term.

".. Under the influence of "neoclassical synthesis" serious changes have occurred in the theory of financial policy. The Keynesian ideas of fiscalism were combined with the concept of neoclassic, which provides for the regulation of the economy through monetary policy. P. Samuelson wrote in this regard that with the help of a corresponding monetary and fiscal policy, a mixed business system can not only avoid the excesses of the boom and a sharp decline, but also count on healthy progressive growth. In his opinion, demand regulation should be implemented not only by changes in the field of public expenditure or taxes, but also by measures providing for a change in the discount rate, interest, and the conduct of relevant operations in the open market "(P. Samuelson, V. Nordhouse, 2007).

Thus, based on research and achievements, leading world economic schools, we can assert that sustainable development of the economy and society is impossible without government intervention and management. This need is especially evident in crisis situations,

when the socio-economic system is under the influence of destructive factors, i.e. loses its stability of development.

Since there is no interpretation in the literature of the concept of "the mechanism of sustainable socio-economic development of the region," let us examine in more detail the existing approaches to the more common notion of "a mechanism for managing the socio-economic development of the region."

Regions (concerning Kazakhstan these are regions, large and small towns, rural areas) should be viewed from two perspectives. Firstly, this is the territory where economic activities are carried out in accordance with the established production specialization, on which the population, united by the common interests of regional reproduction, lives. Secondly, the region is part of the overall socio-economic system of the state, the development of which is influenced by the general patterns of the reproduction process (N. Brimbetova, 2011).

A sufficiently large number of powers (respectively, and responsibility for making managerial decisions) is transferred to the level of regions.

To regulate regional processes, the state needs to develop a system of state regional policy.

At the same time, the main tasks of the regional policy of the state in these conditions should be:

- alignment of the conditions of the regions and their results;
- effective use of regional resources;
- creating conditions for improving the efficiency of the regions.

Regional policy is understood as the purposeful activity of central government bodies of the country, focused on achieving positive changes in the territorial organization of society and economy.

Regional policy consists of several aspects (directions, levels), which include: in fact, political relations with the regions; interbudgetary relations; general socio-economic and sectoral economic actions directly related to the interests of the regions, etc. All this is a regional policy in a broad sense; its borders are difficult to define, because in fact all state actions in a country that has a clear territorial organization can acquire such an aspect.

The organizational structure of the regional policy at the republican level in Kazakhstan consists of two main elements: The Presidential Administration, which has units dealing with regional policy issues, which mainly solves internal political issues in the regional context. But it

often plays a leading role in the development of priority areas of social and economic policy (including in the regional aspect). Agencies acting as part of or under the leadership of the Government of the Republic of Kazakhstan mainly focus their activities on the social and economic aspects of regional policy.

Thus, on the one hand, there is a certain delimitation of spheres between the Administration of the President and the structures of the Government regarding the implementation of regional policy, but also interaction at certain stages, for example, in defining the main directions of socio-economic aspects of regional policy (A. Akishev, 2006).

In accordance with the Forecast Scheme of the territorial-spatial development of the country until 2020, it is supposed "to ensure the polarized development of the country by stimulating the territorial concentration of productive and labor resources in" points of growth ", economically promising and favorable for life activities" (Decree of the President of the Republic of Kazakhstan, 2011).

Based on the findings, it should be assumed that the objectives of state regulation of regional development should be: creating conditions for the emergence of state-significant "growth points"; stimulation of development of territories that are not able to develop independently.

With the development of market relations and economic reform, there is an evolution of views, points of view on the concept of "region", and, accordingly, the concept of "a mechanism for managing socio-economic regional development."

In the definition of the concept of the region, you can find the following approaches.

The region as a quasi-state is a relatively separate subsystem of the state and the national economy (R. Mayerson, 2010).

The region as a quasi-corporation is a large subject of ownership (regional and municipal) and economic activity. In this capacity, the regions become participants in the competitive struggle in the markets of goods, services, and capital (examples include the protection of the "trademark" of local products, competition for a higher regional investment rating, etc.) (S. Melnikov, 2008).

The approach to the region as a society (the community of people living in a certain territory) brings to the forefront the reproduction of social life (population and labor, education, health, culture, environment, etc.) and the development of the resettlement system. This approach is broader than the economic one (E. Rebiy, U. Filippov, 2008, S. Smirnov, 1999).

In the theory of regional economy, other specialized approaches are developing. For example, the region as a subsystem of the information society or region as a direct participant in the internationalization and globalization of the economy (V. Lazhencev, 2006, N. Guskova, 2011).

Regional development theories are based on the achievements of macroeconomics, microeconomics, institutional economics and other areas of modern economic science.

This is a model for the functioning of the regional economy, in which the region acts as a set of economic entities, between which there are certain relations. At the same time, the nucleus of the regional economy model is:

- production of goods and market services;
- production of non-market services;
- population;
- state revenues and expenditures (republican and regional budgets, extra-budgetary funds);
- the basic balance ratios;
- indicators of social and economic development of the region (E. Patric, V. Yashin, 2009, A. Ursul, 2000, G. Shmelev, 2005).

Based on this model, it is proposed to study the processes and mechanisms of functioning, development and regulation of the region's economy.

There are new approaches to the mechanism for managing the development of the region.

To ensure sustainable economic development of the region, it is necessary that the most important part of the regional management system is a forecast-analytical document - the Concept of the Economic and Social Development of the Region. This is a synthetic document that includes the results of analytical and forecast calculations. The concept has predictive-analytical functions: 1) contains information necessary for making strategically important decisions about rational directions of regional development;

2) include alternative options to achieve the goals. Within the framework of the concept, various mechanisms for regulating the development of the regions of the republic are proposed.

In order to continuously monitor the social and economic situation in the regions, a rating system for the development of regions based on key parameters will be used. The rating will allow to have constant information about the development of the situation in the regions. Such a

system will allow the Government to react promptly to certain cases of changing the situation. The concept should become such a document, on the basis of which it is possible, having analyzed the existing state of the regional economy, to formulate a forecasted version of its development in the future.

However, practice shows that for the sustainable development of the region it is not enough only to adopt the Concept of Development, it is also necessary to form a mechanism for its implementation. In addition, in the construction of the concept itself, errors in the planning and forecasting of development indicators are often allowed.

To implement the concept of development, it is necessary to develop a strategy for the development of the region. It is also possible to identify a group of authors engaged in research on the mechanism of strategy development (A. Adamescu, 2009).

Regional strategic planning is considered as a new method for improving the efficiency of state management of regional development in the Republic of Kazakhstan.

The key factor determining the need to improve and increasing the effectiveness of public administration in this area is the exhaustion of the previous state policy of regional development of the country based on the ideas of reducing differences and leveling the levels of social and economic development of the regions (R. Mayerson, 2010).

In December 2012, in the Address of the Head of the State to the people of Kazakhstan there was presented the Development Strategy of the Republic of Kazakhstan until 2050. Its main goal is to create a welfare society based on a strong state, developed economy and opportunities for universal labor, and Kazakhstan's entry into the thirty the most developed countries of the world.

When developing a strategy for social and economic development, the region's administration proceeds from the principle of the correspondence of the strategic goal and areas of development of the region to the goals and priorities of the Government of the Republic of Kazakhstan, defined in the long-term strategy "Kazakhstan-2050", in the Concept of Regional Policy of the Republic of Kazakhstan, messages of the President of the Republic of Kazakhstan.

The current state of affairs and trends in the development of the economic and social sectors of the region are assessed during the course of the diagnosis, in the process of which an analysis of the factors preventing the region from realizing its potential opportunities is carried out. The presence of important regional problems inherited from the previous stage of development and even more aggravated in the new economic and political conditions requires

the adjustment of the state's regional policy and the improvement of the mechanisms for its implementation (N. Yuvitsa, 2010).

The results of the analysis of the situation, trends, problems and constraints are presented in the SWOT analysis format (strengths, weaknesses, opportunities and threats). The conducted SWOT-analysis takes into account the mutual influence of the economic and social spheres, as well as the external conditions of the development of the region (municipal entity), which make it necessary to increase its contribution to the implementation of the objectives of the Government, to perform the functions. The grouping of key problems of social and economic development of the region is carried out, the solution of which is to concentrate efforts in the implementation of the Strategy.

The main tool for the implementation of strategic activities is the formation of comprehensive programs for socio-economic development of the region. The main principle of formulating integrated programs is to realize the effect of complementarity and mutual support of various strategic actions.

The first condition for the successful implementation of the strategy of social and economic development of the region is the formation of an effective mechanism for implementing the development strategy, which would ensure the most practical achievement of the set goals and objectives.

For the successful implementation of the strategic plan, the achievement of the set goals, the implementation of all the planned programs, first of all, a purposeful managing state impact on the social and economic development of the region is needed. Public administration should drive and coordinate all the stages of the strategic process.

The mechanism for implementing the region's development strategy is a set of principles, functions, methods and instruments of managerial influence on the process of social and economic development of the region, applied by regional authorities to achieve the strategic goals and priorities of the region's development. The purpose and main function of this mechanism is to ensure the transfer of the regional economy to a qualitatively new state characterized by the achievement of strategic goals and objectives for its development.

The mechanism for implementing the strategy is proposed in the works of group of researchers (N. Vladymcev, A. Sheulin, 2002). They proposed the following mechanisms for the implementation of the region's development strategy:



".. The strategy for the development of the region is complemented by the preparation of proposals by:

- formation of the regional development management system;
- development of integrated programs and sectoral strategies for the development of the region;
- development of strategies and programs for the development of districts;
- development of interregional and international programs, as well as inter-municipal cooperation;
- coordination with ministries and departments of measures to implement sectoral strategies in the region;
- creation of conditions for participation of business and the public in the development and implementation of the Strategy ... "

The development of strategic planning in the management of the development of the region has been achieved within the framework of a program-targeted approach. In the work of Kalnikova I.O. (I. Kalnikova, 2009) the following definition of program-target management is given: "... This is a universal approach to the management of economic systems, used in various fields, the essence of which is to link development goals with resources through special programs ...". The author also defines the economic mechanism of governance: "The management mechanism, mediating the relationship between productive forces not only with property relations, but with the whole array of socio-political factors, is a complex problem, therefore, within the framework of its real functioning, it must provide for economic, financial, innovative, structurally-organizational, social, marketing orientation. "

Thus, the author does not give a specific formulation of the economic mechanism for managing the development of the region, but only emphasizes its complexity and multidimensionality.

The general shortcoming of the above-mentioned theories is that they do not consider the mechanism for managing the development of the region as a system of interrelated elements, the influence of the management mechanisms used on the social and economic situation in the region is not traced, does not take into account the influence of the human factor, the subjective perception of the strategy economic actors, etc.

A relatively new approach to studying the mechanism of regional development is the institutional approach. It is formulated within the framework of the theory of a new institutional

economy and allows to take into account the motivation of economic subjects in interaction in politics, economy, social sphere. Representatives of schools of institutionalism believe that the need for state management of regional social and economic development is largely due to the imperfection of the market mechanism and its inability to address contemporary development problems, both at the national level and at the regional level. One of the main problems of governance at all levels in a market economy is the creation of a system of public control - on the intrafirm, municipal, regional and national (I. Marinec, 2014, O. Michalev, 2012).

The main requirement for institutes of the regional management mechanism in the conditions of its economic independence is that all the components of the mechanism in aggregate should contribute to the formation of a market system that ensures the growth of production efficiency, the balance of supply and demand, improving the quality of goods and services ... Institutional basics of management at the regional and municipal levels include legal, economic and organizational forms of impact on process of social and economic development of the region:

- direct participation in the development of the region's infrastructure through direct budgetary financing, education and use of extra budgetary funds and funds, issuance of loans, etc.;
- Establishment of benefits to producers working to saturate the domestic market;
- a variety of legal and financial support for entrepreneurs involved in the development of the agro-industrial complex and ensuring the filling of the consumer goods market, especially food.

One of the elements that increase the effectiveness of regional governance are structures that cover various institutions: laws, rules of the game, certain codes of conduct, types of relationships and ties. "

Based on the provisions of this approach, it can be said that the significance and role of the cultural factor in the mechanism of regional governance increases as a factor determining the motivation of the subjects, their value orientations, and activity.

Thus, all the theories discussed above describe the management of the development of the region as the use of the aggregate of any group of methods: administrative legal, economic, social, institutional, without uniting them into a holistic mechanism for managing the development of the region.

In addition, none of them implements the principle of sustainability of development.

Next, consider the interaction between the two categories of "the mechanism of sustainable socio-economic development" and "the mechanism for managing sustainable socio-economic development." Since the region is a system of interconnected elements, one can speak about the inherent properties of the system, including its stability, as the ability of the system to maintain equilibrium in response to environmental influences.

The ability of the system to persist, i.e. to be stable, is based on the mechanism of evolution - the adaptation of the system to the changing factors of the environment. However, if the evolution mechanism applied to natural systems and organisms is sufficiently illuminated in science, then it remains unexplored as applied to socio-economic systems.

Consider the evolutionary mechanism applied to the socio-economic system.

It is known that any system develops cyclically. The basis of the socio-economic system is an organization that also has its own life cycle. The conceptual model of the life cycle of an organization (firm) is usually represented in the following form of successive changeable stages: the generation and accumulation of potential; increasing development; stability; crisis and decline. In addition, as it is known, the development of the economy, including the regional one, is cyclical, i.e. alternating stages of growth and decline. Thus, the natural development of a regional socio-economic system can be represented as an 8-shaped curve (Figure 1).

In the literature, a comparison of the life cycle of a social and economic system with a person's life is found: childhood, early maturity, the flowering of strength, full maturity, aging (I. Mazur, 2008, B. Gerasimov, 2009, V. Lazhencev, 2006).

This is also true for the regional socio-economic system, then the process of sustainable development of the region can be represented as the transition of the socio-economic system from curve 1 to curve 2.

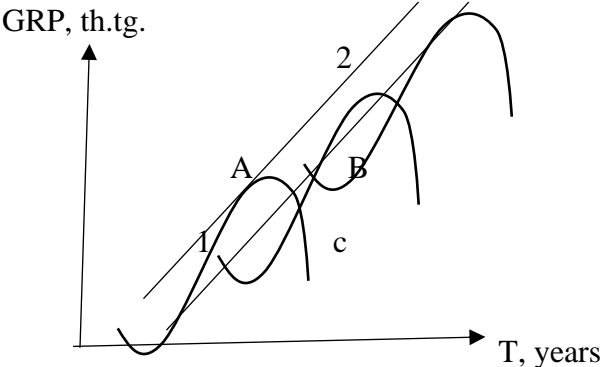
Warn the stage of decline in the life cycle of the socio-economic system, to achieve sustainable development allows the mechanism of the evolution of the system. It is necessary to pay attention to the fact that in social and economic systems evolution and sustainable development are impossible without management, i.e. purposeful influence on the system for its preservation and restoration of equilibrium.

To ensure the sustainability of the socio-economic development of the region, it is necessary to regularly monitor the impact on the socio-economic system of factors of the internal and external environment, which should be one of the main functions of the region's governance. The main task of managing sustainable development of the region should be timely structural

reorganization of the region's economy in accordance with changing demand, competition, economic situation. It is necessary to find in a timely manner a new specificity, a new economic niche in the region, a new S-shaped curve in accordance with changing environmental conditions (Figure 1).

In figure 1 depicts the process of sustainable socio-economic development of the region, where GRP is the gross regional product, thousand tenge, and T is the number of years. Point A in the figure is the point of transition to a new curve, to a new level of development. Point A denotes the time when an analysis of the strategic position of the region should be conducted and a new strategy for the development of the region should be developed. At point B, the beginning of the economic downturn, point C is the economic downturn. The dotted line in the figure indicates the zone of sustainable development of the regional system.

**Figure 1. The process of sustainable development of the system**



Source: M. Kenzheguzin (2013)

Thus, a two-part process involving the development of both improvements in economic activity on curve 1 and innovation in curve 2 will allow the socioeconomic system to prevent a crisis and adapt to environmental changes. The transition of the regional system to a new qualitative level of development should be based on an analysis of the internal and external consumer market of the region, the natural, human, innovative and investment potential of the territorial entity.

In our view, the concept of "a mechanism for sustainable socio-economic development of the region" is much broader than the concept of "governance mechanism for sustainable socio-economic development of the region." However, it should be noted that the mechanism of sustainable socio-economic development of the region cannot exist without a governance

mechanism (as discussed earlier in this section), the latter is a kind of support, the basis of the first, gives direction to the development process, ensures its sustainability.

The mechanism of sustainable socio-economic regional development lies in the fact that the regional system makes the transition to each subsequent stage of development as a result of the adaptation of the system to the growing instability of the external environment. As the main factors of instability can be noted the change in consumer demand, increased competition, technology change, political change, economic crises, environmental factors, etc.

The purpose of the mechanism of sustainable socio-economic development of the region is to achieve a qualitatively new state system in the regional system, characterized by the preservation and enrichment of the economic, human and ecological potential of the region. The objectives of the mechanism of sustainable socio-economic development of the region can be classified according to subject areas (public health, economic, food, public, information security, providing electricity and economic entities, rational use of natural resources, etc.) and levels of sustainable socio-economic development (people, enterprise, municipal entity, industry, region).

At the same time, at each stage of social and economic development of the region, the tasks and development priorities, organizational mechanisms for development management can change. Each new stage of social and economic development of the region is accompanied by appropriate changes: structural restructuring of the economy or (and) structural restructuring in society or (and) changes in culture and ideology, which is a manifestation of adaptive response (adaptation) in the development process.

The mechanism of management of sustainable socio-economic development of the region consists in the systematic use of administrative, legal, economic and social methods, levers and management tools, as well as a set of resources for the rapid qualitative adaptation of the regional system to an unstable environment, the implementation of the region's development strategy, region.

The significance and role of the mechanism for managing the sustainable development of the region is also determined by the fact that the goals of sustainable development cannot be achieved without state regulation of the economy. It is known that the existing "fiasco" of the market embodies the socio-economic problems that can be solved only with the participation of the state. For example, the problems of ecology, the problems of social protection of citizens in need, the problems of forming infrastructure, increasing the investment attractiveness of the regions, etc. The mechanism for managing social and economic development plays a system-forming role in the mechanism of regional development, uniting the elements of the regional

system into a single whole by creating common goals for sustainable development, developing a Strategy for the sustainable development of the region and ways to implement it.

Thus, if the mechanism of sustainable development consists in the transition of a regional system from one socio-economic state to a qualitatively new one under the influence of unstable environment factors, then the development management mechanism should give the process direction, ensure sustainability, contribute to the achievement of the objectives of the regional system. The socio-economic system cannot achieve sustainable development without proper management. In the next section, let us dwell in more detail on the interaction between the development mechanism and the mechanism for managing the socio-economic development of the region.

#### **2.4. Modeling of the mechanism of management of sustainable socio-economic development of the region on the basis of strategic analysis**

The process of social and economic development of the region will be sustainable if through strategic planning it will be oriented to:

- improving the quality of life of the population, improving the health of the population, increasing human capital;
- satisfaction of the material and spiritual needs of the population without causing unacceptable (according to sustainability criteria) environmental damage;
- observance and realization of the rights of present and future generations;
- development of the development through increasing the effectiveness of the use of intellectual potential.

As the long-term and short-term goals of management of sustainable socio-economic development, the following can be singled out. As long-term goals - creating conditions for the development of the information society, improving the quality of life, improving the skills of labor, preserving natural capital, etc. As short-term goals - reducing pressure on the environmental situation, increasing the share of manufactured innovative products, increasing costs for R & D, etc.

To achieve these goals, it is necessary to develop a regional social and economic policy, the main directions of which are reflected in the strategy of social and economic development.

The development and implementation of socio-economic policies and development strategies are implemented through a mechanism for managing sustainable socio-economic development.

The basis of the mechanism for managing the development of the region is the system of organization of economic relations, a mechanism for regulating and ensuring the social and economic development of the region.

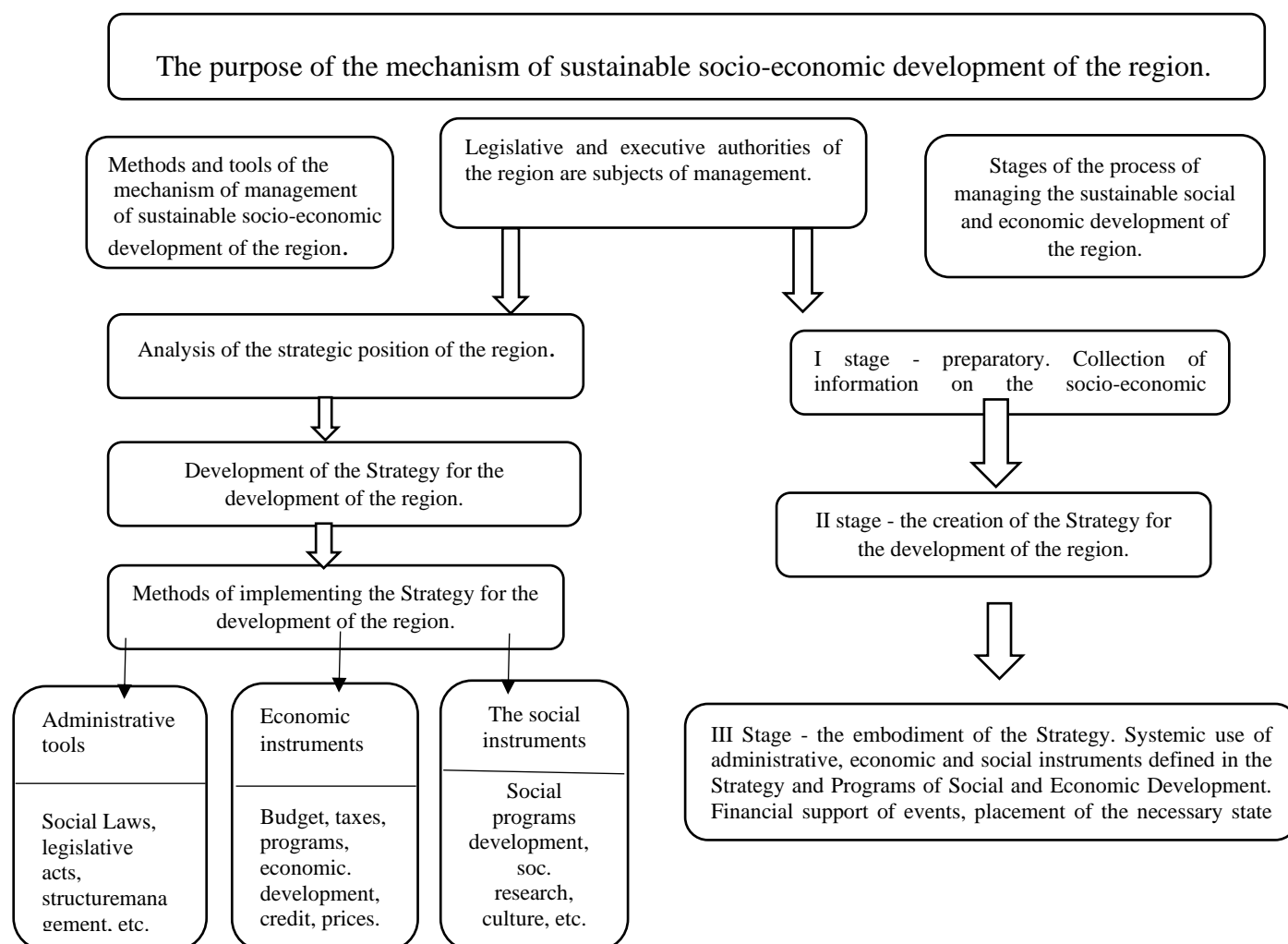
The mechanism for managing the development of a constituent entity of the Republic is an integral part of the mechanism for managing regions and represents a set of forms of organization of economic relations, levers and management instruments in order to achieve the necessary conditions for the economic and social development of the subject of the Republic in accordance with constantly changing needs.

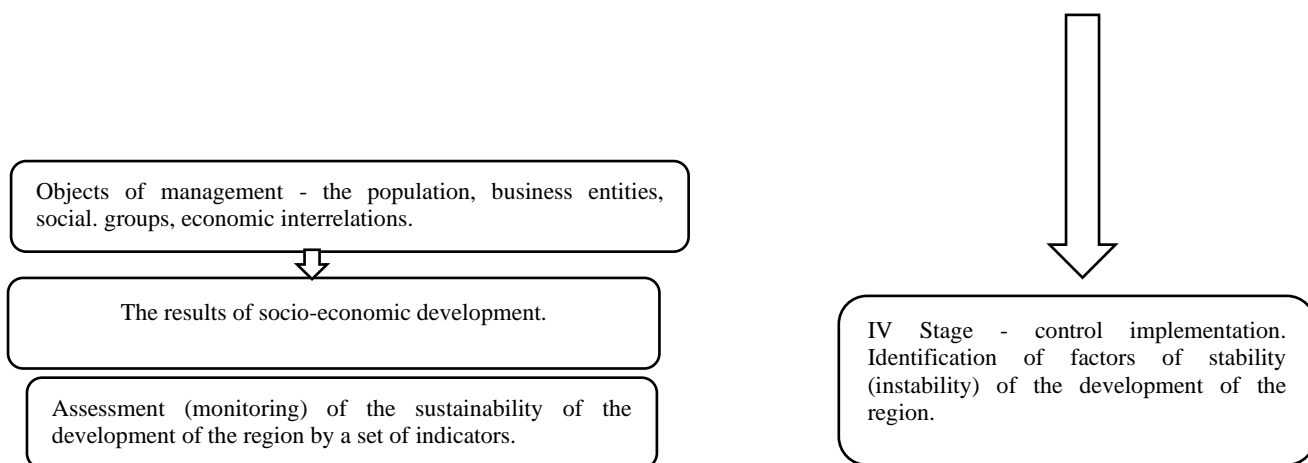
The mechanism for managing sustainable socioeconomic development on the one hand is developed and established by public authorities, and on the other hand is a reflection of objective economic principles and patterns. The combination and mix of these two principles make it possible to create the most effective mechanism for the management and development of the territory. Otherwise, the management mechanism will be a set, a chaotic heap of legal and legislative acts that do not meet the real economic needs of the subjects.

Within the framework of the mechanism for managing the development of the region can be identified: forecasting and strategic planning, budget mechanism, financial mechanism, tax mechanism, regulatory framework, investment and credit, etc. control mechanisms, each of which represents a certain set of levers and instruments. In addition, they can be streamlined by methods of influencing management objects - one can distinguish administrative levers, economic and social (Table 2).

We can propose the following scheme for managing the socio-economic development.

**Table 2. The mechanism of sustainable development of the region.**





Source: Balashov V.G., Irikov V.A. (2008).

The management mechanism for the sustainable socio-economic development of the region consists in the systematic use of administrative, legal, economic, social, institutional methods, management tools, as well as a set of resource facilities in order to quickly adapt the regional system to an unstable environment, implement the region's development strategy, and ensure sustainable development region.

At the same time, it is important to emphasize that the sustainability of the development of the region should be laid down in the Strategy of social and economic development of the region, reflected in the goals of social and economic development, and all available levers and management tools should be used to achieve them. In addition, the mechanism for managing sustainable socio-economic development must necessarily contain a feedback loop (see Figure 1.3), which consists in monitoring the achievement of set goals, monitoring the sustainability of the development of the subject. In modern management practice, the feedback loop is very weak.

Strategic analysis of the region is carried out using SWOT and PEST-analysis methods. The result of this analysis is the determination of the optimal ways of development for this particular region. Based on the analysis, the Strategy for the Development of the Region is developed, which details the activities, methods, and tools for the development of various spheres of economic and social life in the region.

Innovation is an important factor of sustainable and effective development of the region. Therefore, in the scheme of the mechanism for sustainable development of the region, the levers aimed at developing, disseminating and introducing innovations are of particular importance, primarily investments, lending, preferential taxation of subjects of innovative activity. The strategy of social and economic development must necessarily take into account the specifics of economic activity of the regions and contribute to the implementation of Kazakhstan's innovative policy in the entity.



The strategy for the development of the region is the main document that determines the development directions of the given territory; general plan of social and economic development of the region. The strategy specifies the goals and objectives of the development of the region in accordance with the requirements of the environment, determines the scenarios and specific directions for the development of the region. The presence of the Development Strategy is an important competitive advantage of the region.

The Regional Development Strategy is included in the strategic documents package of the region. Scheme of territorial planning and the Program of social and economic development for the short and medium term. To ensure sustainable development, the regions should have all three of these strategic documents.

The strategy of social and economic development of the region is the most complete document on the basis of which the programs for social and economic development are formed, and the Scheme of territorial planning. In addition, the Regional Development Strategy is a concrete expression of the Development Strategy of the Republic of Kazakhstan, i.e. is designed to ensure the implementation of the goals of sustainable development of Kazakhstan in a particular region.

The following stages of strategic management in the region stand out (M. Kenzheguzin, 2005):

1. Diagnostic analysis of the socio-economic situation of the region;
2. Business games, discussions, round tables, etc. for development of the Development Strategy;
3. Synthesis of innovative projects of social and economic development;
4. Strategic plan of the region in the context of segments of the economy;
5. Targeted integrated programs for the development of subsystems in the region;
6. Annual plans for social and economic development;
7. Management of the implementation of the strategic plan.

The strategic planning sections are made: the formation of objectives and management criteria; ranking of management problems; analysis of external and internal environment; development of strategic ideas for development; evaluation of competitive advantages; the forecast of social and economic development; the development of a competition strategy, the choice of alternative development options; calculation of resource and investment needs;

preparation of estimates of income and expenses; calculation of the quality of life of the population.

As the world practice shows, development strategies differ for regions of different types. Thus, for those in crisis after rapid economic growth (depressive regions), a set of problems is typical, the solution of which is "tied" to the model of socio-economic development that is unique to them. For backward regions for various reasons that have not received proper economic development, a different modification of the economy model, taking into account the depth and scale of deformations in its various elements. For regions with an agrarian or industrial orientation - their own development path and a set of levers to solve the main problems of economic development (M. Kenzhguzin, 2005).

In conditions of unstable development of the region, it is necessary to consider the foreign experience of state regulation of social and economic development in the regions of the country. In developed countries, the problems of regional development are always solved with the participation of the state to a greater or lesser extent.

In developed countries, through regional policy, the state impact is aimed at increasing the business activity of the population by creating an enabling environment for various types of entrepreneurial activity, improving the overall "image" of the region. The consequence of this is an increase in the incomes of the population and the general standard of living in problem regions. During periods of economic crisis, the state should pay more attention to regional policy, using various forms and methods of regulating regional development. This, in particular, is evidenced by the experience of European countries of the post-war period. The variety of methods for regulating regional development makes it possible to form sufficiently effective models for such development, depending on the specific goals and level of development of the national economy.

Historically, the world's first practices were methods of influencing the quality of the workforce (education, qualifications, etc.) and the spatial displacement of "labor," often accompanied by simultaneous effects on the viability of individual firms. Then came more sophisticated methods that required significantly higher costs - impact on external living conditions and entrepreneurship in the regions.

The methods of stimulating employment and attracting investments are aimed at attracting foreign investment and represent two target areas (A. Akishev, 2006).

Reorientation of labor. Of course, surplus labor created in the regions during periods of economic decline cannot by itself be reoriented to new jobs and requires state intervention. One

of the ways in which the state participates in solving employment problems is to influence the professional reorientation of work "on the spot" through changing the quality of the workforce (retraining, etc.) or through subsidies / tax incentives to entrepreneurs for saving / creating jobs. In the absence of the proper effect, spatial movement of labor through external influence is possible. For this purpose, tools are used such as improving the awareness of potential migrants about free workplaces in other regions, assistance in purchasing housing, subsidies for migrants to compensate for material and physical expenses, and so on.

At the same time, the impact on labor is necessary, but, as a rule, it is not enough to increase employment and economic efficiency. In this regard, as it follows from world practice, along with the mechanism of impact on labor, a mechanism of state influence on capital should be used-to stimulate entrepreneurship in a particular territory through the introduction of new technologies, increasing production efficiency, and so on.

The reorientation of capital is manifested as a result of influencing the internal and external conditions of the firms. Among the main ways to support firms "from within" such as:

- the impact on the cost structure of operating firms with a view to strengthening their financial position;
- Increase of competitiveness of production through granting to firms of target grants on improvement of the organization of manufacture, technology, etc.;
- assistance to firms in the development of a development strategy, its adjustment;
- complete physical reorganization of the enterprise "on the spot".

Regulation of external conditions of firms' activities is realized in to help new firms so that they can avoid large initial costs and work efficiently. The tools that implement this type of support include [33]:

- Administrative control over the placement of private firms and state enterprises, mitigation of customs legislation, removal of administrative barriers in the organization of various types of business (allows to regulate the investment activity of economic entities - to attract investors to certain regions, types of business or vice versa, to reduce investment activity);
- tax credits from budgets of various levels, are of a targeted nature and are aimed at addressing employment and economic development issues;
- accelerated depreciation of equipment.

Grants and subsidies - are used to support, stimulate the development of new firms through the impact of both costs and results. They can be single, temporary and permanent. They are widespread in many countries.

It is also necessary to pay attention to the fact that the majority of developed countries adhere to the model of endogenous regional development, i.e. development of regions due to their internal resources. The methods of influencing endogenous regional development are based on the activation of the internal potential of the regions, and their choice in each specific situation occurs by analyzing the potential of the region, determining its strengths and weaknesses. Endogenous development of the region assumes the strengthening of its competitiveness through the production of new goods and services for the region and extends to any sectors of the economy.

In the world practice, the following methods of stimulating the endogenous development of the regions were widely disseminated.

Direct government regulation. In countries with developed market economies, it is realized through the creation of state investment companies to attract new investors to problem regions, as well as for the stimulating influence of the public sector on regional development. For example, through the implementation of new government projects that can activate the economic development of the regions.

Stimulation of small and medium-sized businesses. It is about stimulating the development of those small firms that contribute to economic recovery through the spread of innovation, the restructuring of the region's economy and create new jobs.

In many countries, small firms are supported both at the national and regional levels due to the flexibility of such structures and their ability to adapt structurally. The forms of impact can be used differently: loans and concessional lending, consultations, entrepreneurship training, management assistance, promotion of investment in small firms, tax incentives, technology provision, etc.

Due to the fact that different types of small firms, depending on the stage of their life cycle, need different kinds of support, these features can really be taken into account only at the regional level [34].

Zones of entrepreneurship. This is the most specific means of endogenous regional development. The most common form is the export-production zones (EFZ), which combine two means of economic development: the status of duty-free trade and the idea of an industrial zone.

The world practice of creating an FTE knows cases when they were originally planned as a means of regional development and were intended to support economically undeveloped or decaying regions. At the same time, world experience shows that until the state takes steps to invest heavily in the development of infrastructure and public utilities in the zone, the project of creating an FTE will not be successful.

New technologies as a basis for endogenous development of the region. In essence, all regions should be interested in spreading new technologies on their territory. For these purposes, methods such as the establishment of innovation centers and technology promotion agencies are widely used; the creation of research parks at universities; stimulating the activities of small, high-tech firms that are both highly risky; improvement of infrastructure support for the regions to encourage the placement of high-tech enterprises; creation of special funds to encourage innovation, etc. (M. Kenzheguzin, 2005).

A flexible combination of various instruments of stimulating (direct and indirect) impact on the solution of the problems facing the region, as a rule, acts as an active factor in the development of the region, resolving the emerging crisis phenomena in its economy. The main thing here, in our opinion, is the correct and competent choice of the necessary methods and instruments of influence, which should directly depend on the results of assessing the sustainability of the development of the region and the results of strategic analysis.

### **III. Materials and methods**

#### **3.1. The methodology of questionnaire**

I will present the methodology used at the stage of the questionnaire in this part. According to Earl Babbie (2011), quantitative researchers need to present clear ideas about how at least you will begin to measure what you want to.

#### **3.2. The process of sample choice**

I used the questionnaire to collect the quantitative data. I did 325 questionnaires and each questionnaire lasted about 35-40 minutes.

I chose 3 districts to do the questionnaire. I surveyed 3 districts: Akkol district, Burabay district, Zerendi district. The sample total was 325 respondents. I chose 3 districts to do the questionnaire, in which there is a district with a large area of wheat production, the next one with medium area of wheat production and the third one is rich in natural resources.

A random sample of 325 participants from small and medium size enterprises registered in this district industries center. 325 questionnaires with farms workers have been conducted altogether. I randomly chose 60 farmers per district to do this questionnaire. The sample total was 325 respondents.

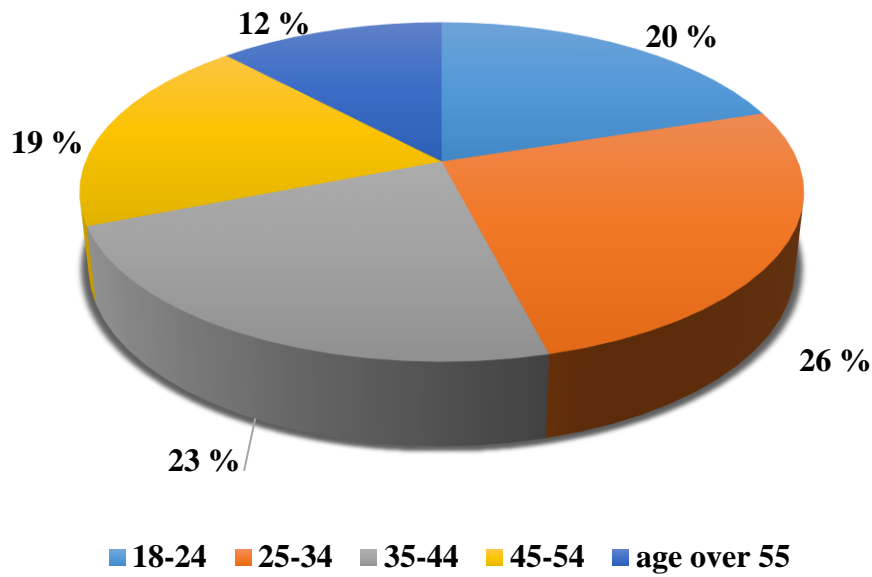
#### **3.3. Data analysis**

This part will present the output of the data analysis and interpretation. The research results will be presented by figures, tables and verbal description.

#### **3.4. Socio-economic characteristics of respondents**

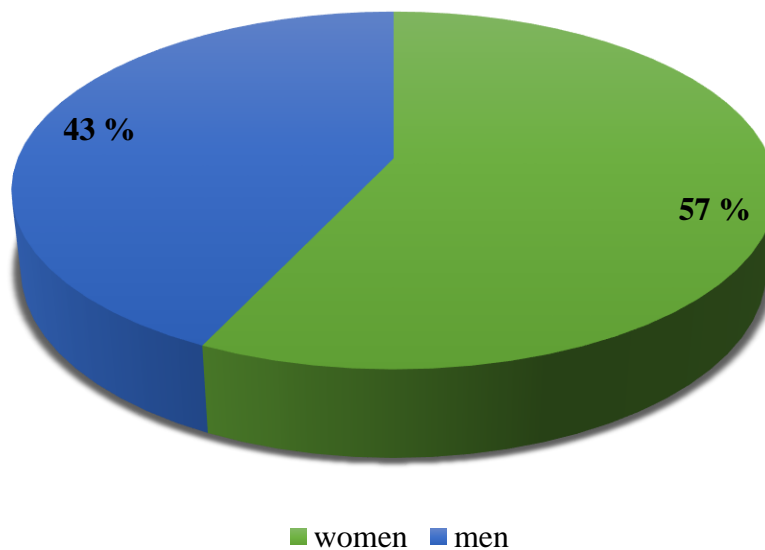
**Age:** As a result of the analysis of the questionnaire data of respondents over the age of 18, the following portrait was determined. From figure 2 we see that the respondents are mostly aged 25-34 years (26%) and 35-44 years (23%). The age categories of 18-24 years (20%) and 45-54 years (19%) slightly lag behind. Only the category 55+ (12% of the total number of respondents) is distinguished by its small number. This indicates that interest in this subject of the survey is shown mainly by economically and socially active groups. The majority of respondents refer to the so-called "most socially active age": 25-34 years. Among active respondents, females predominate: 57%, males: 43%. (figure 3)

**Figure 2. Percentage by age of respondents, %**



Source: Own survey

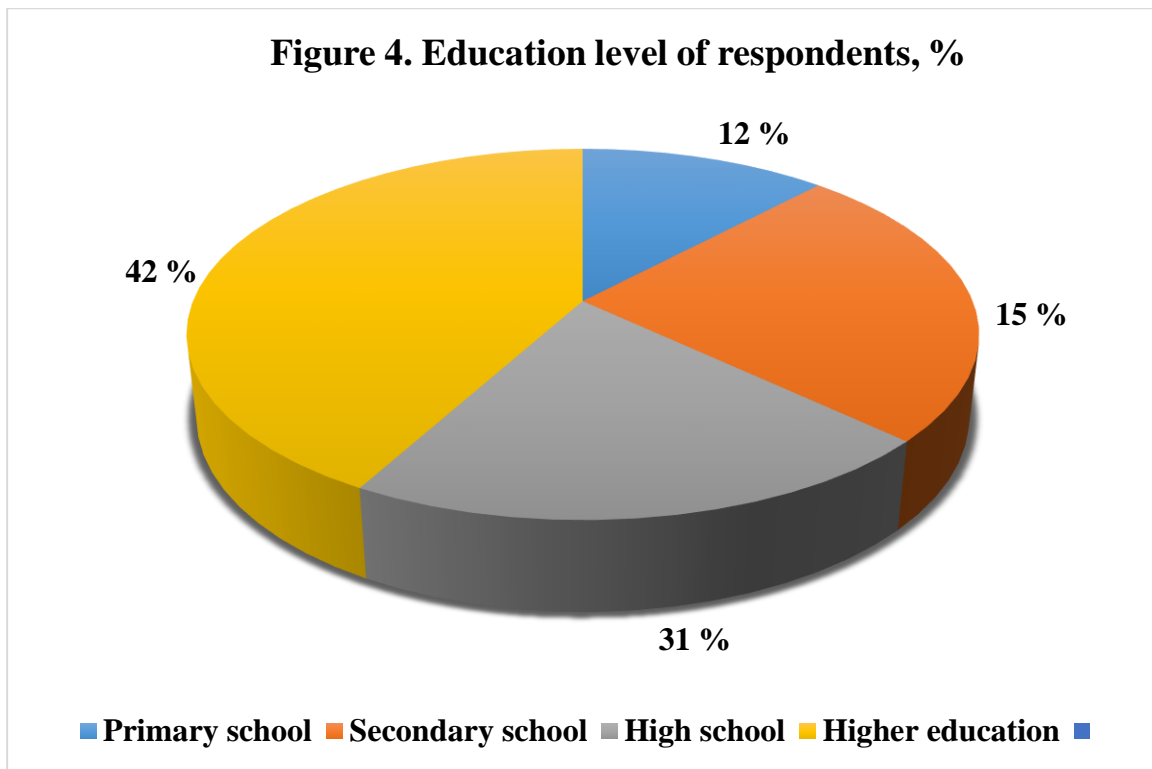
**Figure 3. Percentage by gender of respondents, %**



Source: Own survey

**Education level:** Education level of respondents will influence on their analysis and usage. The findings of this research show that 42% of the respondents had higher education, 31% of the respondents attended high school, 15% of the respondents was at secondary schools and 12% had attended the primary education. This shows that respondents had a basic education and consequently, they have an ability to understand and define socio-economic problems of the Akmola region.

**Figure 4. Education level of respondents, %**



Source: Own survey

On the basis of this, it can be assumed that the results of the survey reliably represent attitudes towards socio-economic problems at the professional level.

### **3.5. Data collection**

The main tool of my quantitative study was the questionnaire for collecting the data of meeting the research purposes and objectives. Using the questionnaire was useful for me to gain the data and information in an effective and significant manner. My questionnaire was designed with 2 main parts and 20 questions to collect required basic information.

A comprehensive questionnaire was designed to evaluate the survey. Questionnaires were personally circulated by me to respondents. The result was presented in the form of tables, bar charts in chapter 4 which is the result of discussion. In the Akmola region a total of 325 questionnaires that were distributed to the participants of the study, was evaluated and used for this study.

In this research the questionnaire was used for all respondents. The main aim of the questionnaire was to find out the challenges and socio-economic problems of the Akmola region. The instructions provided in the questionnaire were very simple, clear and briefly written.

This part will present the comprehensive output of the data analysis and interpretation. For a more detailed description of the identified problems of socio-economic development of the



Akmola region, we used the results of a public opinion poll conducted by the questionnaire method. The research results will be presented by figures, maps, tables and verbal description.

The survey was conducted of the population's views on the socio-economic problems of the Akmola region. We diagnosed the key problems of socio-economic development of the Akmola region. To solve this problem, the methods of questioning, economic-statistical and comparative analysis were used. The survey covered various groups of the region's population. The composition of the key problems of socio-economic development of the Akmola region established by the professional-logical method was recorded in the questionnaire, which was offered to the respondents.

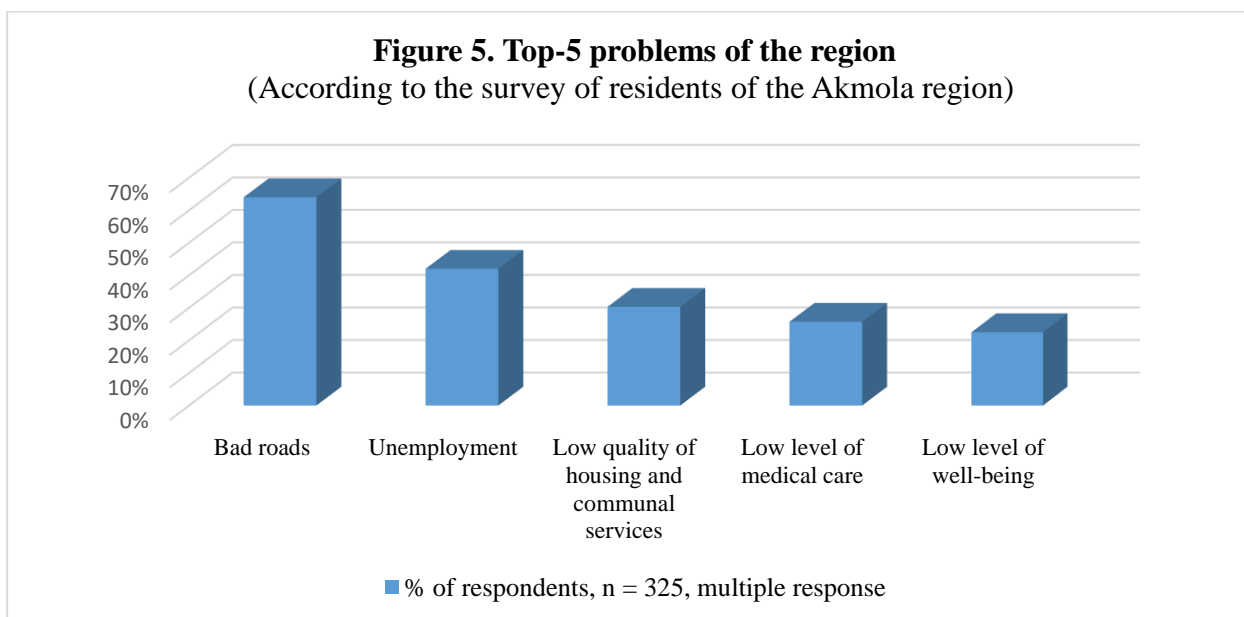
Regarding the answers to the question "Please write the top problems of the region", the questionnaires allowed to rank the significance of social and economic problems in the minds of the respondents. Since many pointed out several problems at once for them, a large number of detailed answers were received.

The study showed that the population of Akmola region is not satisfied with the socio-economic situation in the region. The main reasons for this are low incomes and lack of prospects for personal growth and development, which is especially important for young people. The main problems in the economic sphere are identified: a decline in production in industry, a timber processing complex, the use of obsolete technologies and equipment by enterprises, lack of innovative projects, high unemployment, especially among young people, low level of investment, poor quality of transport infrastructure.

In the social sphere - low living standards (low wages, incomes, pensions), high tariffs for housing and communal services and their poor quality, high cost and inaccessibility of housing, low level of health care. Many respondents also noted the lack of an idea uniting the population, which could become the core for the development of the region.

Many people associate the existing problems with the shortcomings in the management of the region - the lack of unity and coherence of the actions of the executive authorities.

The five main problems identified by the residents of the region and presented in this figure:



Source: Own survey

The problems are ranked as follows:

- Bad roads: 64%;
- Unemployment: 42%;
- Low quality of housing and communal services: 30.3%;
- Low level of medical care: 25.7%;
- Low level of well-being: 22.5 %.

In our opinion, the main reason for this situation is the lack of competent and effective management in the region for many years. Thus, with proper management and use of human resources, there is a chance to get the region out of crisis.

The answers to the question "How much are you satisfied with the quality of housing and communal services" allowed to reveal the general situation in this area.

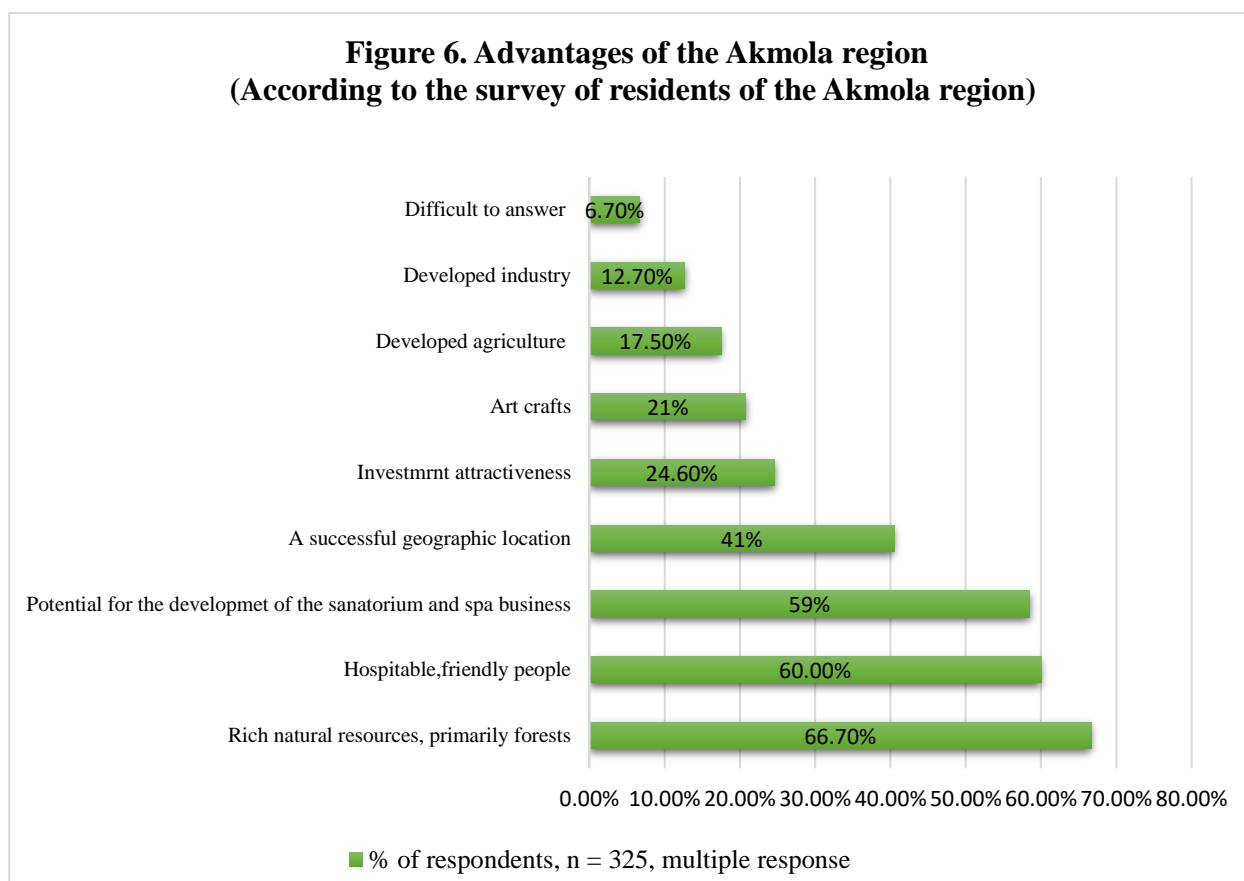
This information may impact on the effect of diagnostics of key problems of socio-economic development of the Akmola region.

The answers to the question "Which of the following do you consider the strength of the Akmola region?" gave the following result:

- rich natural resources, primarily forests: 66,7%;
- hospitable, friendly people: 60%;
- potential for the development of the sanatorium and spa business: 58,5%;

- a successful geographic location: 40,5%;
- investment attractiveness: 24,6%;
- art crafts: 20,8%;
- developed agriculture: 17,5%;
- difficult to answer: 6,7%.

The population also highlighted the advantages and disadvantages of the Akmola region. The main advantages were the rich natural resources, primarily forests, good geographic location, art crafts, as well as hospitable, benevolent, industrious and patient population.



Source: Own survey

Agriculture is an important sector of Kazakhstan's economy. In terms of grain production, the Republic of Kazakhstan ranks third in the CIS after Russia and Ukraine. There is a further development of vegetable growing, melon growing, cotton growing, poultry and livestock. Kazakhstan exports raw materials produced by mining, fuel, metallurgy, chemical industry and agriculture. Kazakhstan has rich natural resources, while our country - Kazakhstan has the ninth largest territory in the world. Namely, we have huge agricultural areas with a full range of agricultural areas. The Akmola region in the current borders was formed in 1999, when the city of Kokshetau and the three southern districts of the abolished Kokshetau region were transferred

to the Akmola region. At the same time, the administrative center of the Akmola region was moved from the capital of the country of Nur-Sultan to the city of Kokshetau. From that moment a new stage of development of the region began.

Akmola region is rich in natural resources. In the region there are deposits of ore minerals. The territory of the region contains explored unique in its composition and scale reserves of gold, silver, uranium, molybdenum, technical diamonds, kaolin and muscovite, as well as iron ore, coal, dolomite, common minerals, mineral waters and therapeutic mud.

In addition, within the region there are a number of poorly studied ore occurrences and ore fields that are promising to identify new gold deposits.

In Akmola region, a reliable raw material base for the production of basic types of building materials has been created. Explored deposits of kaolin, limestone flux, brick clay, sand and gravel mixture, granite, diorite and marble limestone for the production of facing materials and construction rubble, dozens of deposits of natural soils.

Vegetation is represented by steppe species of herbage and, correspondingly, to landscapes, especially in the northern part of the region, pine-birch forests, herbage and grass vegetation, which covers the slopes of the mountains. Mountain pine forests are the wealth of the region.

Akmola region has significant natural resources, occupying the territory extremely favorable for the development of tourism business. Recreation zones have a convenient geographical location. Associated with the proximity of industrial densely populated regions.

Having unique natural and climatic conditions - the beauty of the landscape with a magnificent combination of Rocky Mountains, coniferous forests, lakes with comfortable beaches, recreational zones of the lakes of the resort area "Burabai", lakes Jockey, Kotyrkol, Maybalik can compete with the most famous resorts of the CIS. On the territory of the region there are the State National Natural Park "Kokshetau", as well as the Korgalzhyn Reserve of international importance, which is one of the most unique places on the whole Euro-Asian continent. Many areas of the region have great opportunities for the development of domestic tourism. There is a developed network of holiday homes, sanatoriums, tourist bases, dispensaries, boarding houses, etc.

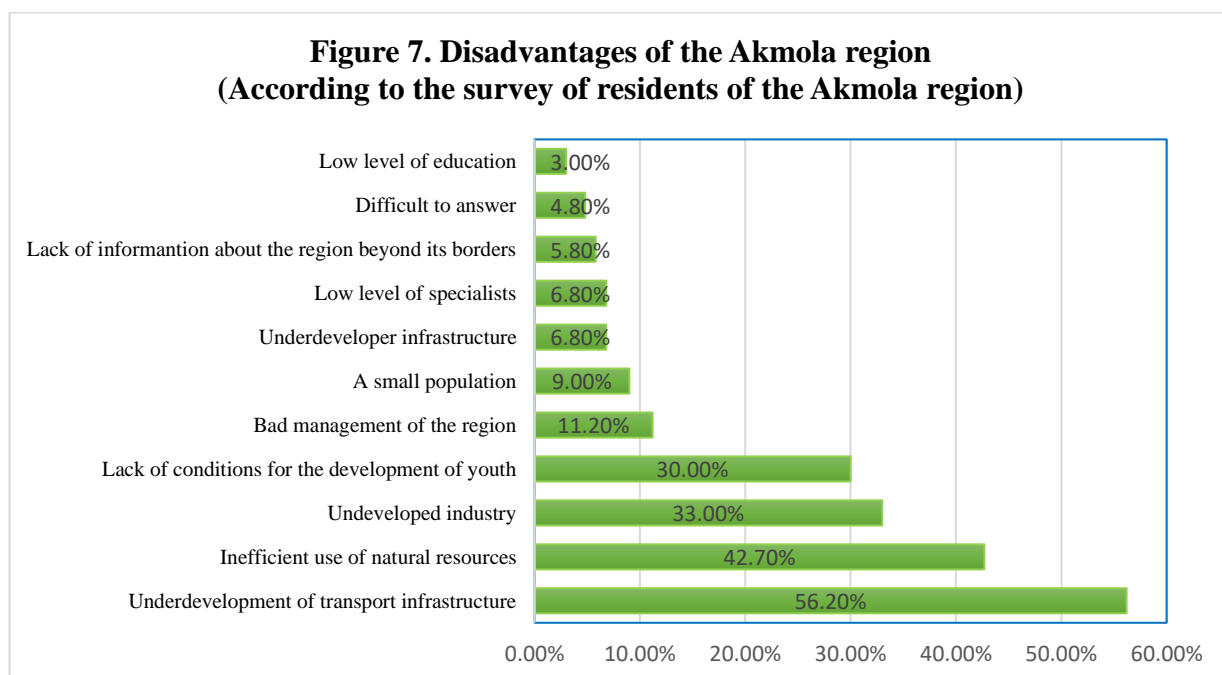
The Akmola region is a large agro-industrial region of Kazakhstan, producing a quarter of wheat grown in Kazakhstan, highly valued in the world market.

Akmola region is one of the main agricultural regions of the Republic of Kazakhstan. The main direction in the agriculture of the region is grain production.

The region, being one of the leading regions of the republic for the production and processing of agricultural products, also has a significant industrial potential, which is represented mainly by enterprises of the mining industry, machine building, non-ferrous metallurgy, and processing of agricultural products.

Answers to the question of the questionnaire "Which of the following do you consider to be the weak sides of the Akmola region?" gave the following result:

- underdevelopment of transport infrastructure: 56,2 %;
- inefficient use of natural resources: 42,7%;
- undeveloped industry: 33%;
- lack of conditions for the development of youth: 30%;
- bad management of the region: 11,2%;
- a small population: 9%;
- underdeveloped infrastructure: 6,8%;
- low level of specialists: 6,8%;
- lack of information about the region beyond its borders: 5,8%,
- low level of education: 3%;
- difficult to answer: 4,8%.



Source: Own survey

Deficiencies were attributed to underdevelopment and inefficiency of industry, lack of development prospects for young people, undeveloped transport infrastructure, ineffective management of the region, inefficient use of available resources.

Thus, it is obvious that the economy of the region requires competent management of state bodies. As follows from the above information, the greatest number of answers was received to the question concerning the socio-economic problems of the Akmola region. At the same time, it should be remembered that people know about socio-economic problems of the region, mainly from the mass media, and from their own experience. Acquaintance with the socio-economic problems of your locality is based primarily on your own experience.

Analysis of the table allows us to draw a number of conclusions. The most significant problem, according to the consolidated opinion of all groups of respondents, is the underdevelopment of the transport infrastructure.

The prevailing part of the problems presented in the questionnaire received ratings above the "average importance" for all groups of respondents. For a number of problems, a significant discrepancy between the estimates of different groups of respondents is noticeable. The presence of a budget deficit, of course, has a destructive effect on the socio-economic development of the region, as the need to reduce budgetary expenditures, the opening of renewable and non-renewable credit lines to cover the deficit is steadily being reproduced.

According to the results of a public opinion poll, 64% of local residents were dissatisfied with the quality of roads in the Akmola region. The main reasons for the dissatisfaction of citizens are: poor condition of the road - 93.8% of respondents; absence of road signs, marking, traffic lights - 25.3% of respondents; absence of asphalt covering - 15.2% of respondents. The next group of problems concerns the sphere of housing and communal services and includes: growth of tariffs for services, high wear of engineering networks, monopolization of the industry, untimely capital repairs, poor quality of improvement. As can be seen, for city residents the main problem in the sphere of housing and communal services is the high cost of services, which has a significant impact on the level of citizens' well-being.

Along with the sphere of housing and communal services, an important group is the problems associated with the development of the social infrastructure of the city, including inadequate provision of social facilities (kindergartens, schools, cultural and sports facilities) and high depreciation of the material base and low infrastructure provision of institutions providing social services.

It should be noted that the statistics do not provide detailed information in the territorial context about the insufficient provision of social institutions, which does not allow to diagnose the nature of the problem: it is a citywide one, requiring operational intervention by the authorities, or local, requiring adjustments in the rules for building residential areas, because the rapid development of new neighborhoods, social infrastructure often does not have time. A significant problem is the state of social institutions: based on official reports of local authorities, it can be concluded that more than 30% of kindergartens and schools are in emergency condition or require major repairs.

Despite the significant improvement in this indicator compared to the previous year, this problem still requires a priority decision, since the emergency situation of educational institutions influences not only the quality of the services provided, but also the safety of children, which results in low population satisfaction, which results in to the need to search for other educational institutions - as a result, the above-mentioned problem of providing places in institutions with an additional guides educational services.

Another important group of problems associated with unemployment. Another important group of problems associated with the development of the regional center includes low investment attractiveness, the presence of administrative barriers, the level of corruption, weak interaction between local government and business.

Thus, the main factors contributing to a sharp decline in the positions in the rating were the low level of infrastructure security, the characteristics of which are the period of obtaining the site for construction, the cost of connecting to electric networks, tariffs, etc.; The presence of administrative barriers that hamper the development of small and medium-sized businesses.

Based on the above, we can draw a number of conclusions that characterize the socio-economic development of the Akmola region:

- For the Akmola region, as well as other regions of Kazakhstan, there are problems of transport congestion in the central part of the city and in the areas of intersection of large transport highways with the adjacent roads, which requires the search for new approaches to the organization of traffic;
- In the sphere of housing and communal services, the Akmola region is much inferior to the positions of many regions. Most of its residents are not satisfied with the condition of residential buildings, the quality of public services provided and the efficiency of public services, which primarily requires the formation and development of a competitive environment in this area, the

effective development of public-private partnership tools that not only attract additional financial resources, but and provide a different level of management in organizations providing utilities;

- In the Akmola region, as in many other regions of Kazakhstan, there is a problem of insufficient provision of social facilities with their material and technical equipment, which, with the current state of the local budget, virtually excludes a qualitative change in the situation. Its overcoming is connected, first, with the activities of public authorities of regional and local levels designed to ensure the inclusion of the city in the territories of the implementation of federal and regional government programs for the development of the social sphere; secondly, stimulating the development of social responsibility of business, expanding its participation in social investment;

- Socio-economic development of the region can be substantially achieved by removing administrative barriers for business, building a dialogue between the authorities and commercial structures, ensuring active participation of the population in the development of policy documents that determine the goals, directions and mechanisms of the social and economic development of the district.

Answers to the question "How does the state support regions? What do you think of this support? "Show that the majority of the respondents, and in this case, most often give recommendations to the authorities of different levels and do not well imagine their role in solving these problems.

Under the conditions of the command and administrative control system, the economy of any territory was managed by union, republican, branch bodies, and there was no complete management of the economy. With the transformational processes and new conditions of management, additional problems arose associated with the territorial features of the formation of market relations. This raises the need to develop and implement a sound regional policy of the state at a new stage in its development.

The formation of such a regional policy should proceed from the following fundamental requirements:

1. Ensuring a single nationwide market, as an integrated system of regional markets in Kazakhstan.
2. Substantiation of the most important territorial priorities, optimization of the location of productive forces, based on general strategic provisions of the state's macroeconomic policy.



3. Ensuring the priority of all-republican interests in the formation of interstate and interregional relations
4. Rational use of diverse economic opportunities of regions, objective advantages of territorial division of labor and economic cooperation of regions.
5. Orientation to own resources and reserves of regional development, supplemented by a system of state support for priority, lagging and disadvantaged regions.
6. Overcoming of excessive regional contrasts in social conditions due to support of backward and depressed areas. Providing a decent level of welfare in each region, creating approximately equal chances for all citizens regardless of place of residence.
7. Necessity of the state decision of the major regional problems having republican value.
8. Providing, by measures of state influence, the implementation of the territorial principle of social justice in the conduct of market transformations in regions that objectively differ in their parameters, regional policy is an integral part of the general policy of the state aimed at the effective use of territorial factors of life and business, to achieve strategic goals and objectives sustainable socio-economic development of the country.

The goal of the regional policy of the Republic of Kazakhstan is to create relatively equal opportunities for the life of the population and to effectively use the resource and production potential of each region on the basis of rational territorial division of labor and the formation of principles for the development of territorial self-government. Tasks of state regional policy.

Achieving the goal of regional policy requires a phased solution of the following tasks:

- Development of a set of political, economic, environmental and legal measures that ensure the economic independence of the regions;
- Determination of territorial priorities in accordance with the general strategic provisions of the state's macroeconomic policy;
- Combination of selective state support of certain regions with state stimulation of economic activity;
- Formation and development of regional and all-republican markets for goods, labor and capital, institutional and market infrastructure;
- Maintenance and restructuring of small and medium-sized farms in order to bring their economy out of the crisis and accelerate social and economic development;
- Creation of a material basis for the revival of backward villages and villages;

-Forming a rational spatial structure of the economy, improving the territorial organization of production;

-Provision of resource-target balance of the production complex, restoration of ecological-economic, scientific-technical, natural resources of the territories;

-Alignment is different in the level and quality of life of the population by region, overcoming the depressed state of the economy and the social sphere in the regions, especially in the underdeveloped. Principles of implementing the policy of regional development.

Practical implementation of regional policy is based on the following principles:

- rational combination of interests of the state as a whole and its separate regions;

- coherence of actions of regions with the basic principles of foreign policy and foreign economic activity of the state;

- interaction of economic entities on the basis of an effective interregional division of labor and the integration of production;

- economic independence of the regions in solving the problems of social and economic development of the territories, mitigation of social consequences

reforming the economy and mobilizing the necessary financial and production resources for these purposes;

- ensuring social norms and guarantees for the population of the regions;

- responsibility of regional bodies for the level and quality of life of the population, rational use of mineral and raw materials, land, water and other resources, reproduction of flora and fauna.

In accordance with the goals and objectives of regional policy, the following are its main areas:

- maintenance of production and increase in output of products that are in demand on the external and internal markets, increasing the export potential of the regions;

- gradual curtailment of economically unpromising industries with increased environmental control;

- formation of new (interregional) organizational structures, technologically interconnected productions for the purpose of concentration

- capital and the revitalization of productive activities in large enterprises of basic industries;

- Supporting the development of local entrepreneurship, especially small and medium-sized businesses in order to preserve employment and create new jobs, increase the supply of goods and services in the local market;
- creation of favorable conditions for attracting investments, including foreign direct investment, primarily in the sphere of material production and regional infrastructure;
- Formation of financial resources of the region, a system of institutional investors capable of accumulating savings and effectively turning them into investments.

In the conditions of a market economy, the function of developing the national economy becomes particularly important. Its importance is due to the need to overcome such shortcomings of the market system, as: first, the lack of incentives for the production of goods and services of collective and public use; second, the lack of interest of economic entities to react to the results of their production activities; third, the lack of a guarantee for labor to those who want and can work; Fourthly, there is no guarantee of the citizens' right to standard welfare; Fifthly, the inability, on a stable basis, to promote the development of fundamental research in science; sixthly, instability of development, susceptibility to inflationary processes. These problems are to be solved by the state through the use of various forms of interference in the socio-economic processes taking place in society. State regulation is one of the subsystems operating in a market economy, a regulatory mechanism, which also includes a market-specific sub-system (a mechanism for market self-regulation), a subsystem of monopoly regulation (antimonopoly regulation), and a subsystem of supranational regulation.

The state regulation of the socio-economic development of the region is understood as the specific planned impact of the state (through the system of republican and regional economic bodies) on the process of spatial distribution and development of productive forces, on the socio-economic development of territorial (municipal) entities, which finds expression in various types of programs, forecasts, plans and is realized through both direct and indirect regulation.

The state regulation of regional development is the economy of the republic, as a certain territorially structured system of the economy of its individual regions (districts). The subject of regulatory influence on the part of the state is the processes of spatial distribution and development of productive forces within the territory of the republic, regional aspects of the formation of market relations, as well as economic, social and other aspects of its individual regions. The subject of state regulation of regional development are republican and territorial economic bodies. The main forms of state regulation of the economy are the rules of law, fiscal levers, monetary instruments and strategic planning. Administrative and legal regulation has as

its goal the organization, with the help of the norms of law, of various types of activities of people, their social communities; definition of competence, scope of powers and responsibilities of state and regional government bodies, commercial organizations. The mechanism of legal regulation consists of various sources of law - regulatory acts, laws, decrees, by-laws. There are two groups of methods:

- a) a change in the tax system and the level of tax rates;
- b) provision of direct and indirect benefits to entrepreneurs and individuals with a view to influencing the size of their investment activities.

With the help of the state budget can be carried out:

- financing of public investments directed to financing of priority scientific researches, programs of preparation of highly skilled manpower, formation and realization of programs of modernization of an infrastructure, programs in the field of maintenance of defensibility of the country;
- financial encouragement of modernization of fixed capital and growth of its productivity;
- financing activities for nature protection and rational use of natural resources;
- financing of social infrastructure and ensuring the functioning of the social security system;
- The state purchases the resources needed to replenish state material reserves, other national needs.

The most important mechanisms of state regulation of the region's economy are:

- a comprehensive forecast of the socio-economic development of the regions and the location of the productive forces of the Republic of Kazakhstan for a long-term perspective, ensuring interconnection and harmonization of national and regional interests, strengthening and rational use of the region's industrial, economic, intellectual and export potentials;
- a system of strategic plans at the national, regional and sectoral levels aimed at implementing the stages and priorities of the country's social and economic development identified in the integrated forecast;
- development and implementation of national programs to address large-scale interregional problems; the implementation of targeted programs to address the most acute problems of the development of specific regions, including special programs for the state support of environmentally impoverished regions, depressed small and

medium-sized cities, the development of remote rural areas; Creation of the SEZ with the appropriate legislative, institutional and methodological support to accelerate the development of the region concerned, to make fuller use of its potential, attract foreign investment, modern technologies, etc. financial and credit and tax levers.

Methods of regions are divided into two groups:

- direct (administrative)
- indirect (economic).

Direct methods for regulating the economy are targeted and aimed at intervening in the economic activity of a particular regulated entity. These include: the establishment of a state order for the production of a certain volume of a particular product (service), etc.

Indirect methods are not specifically addressed but are mandatory for all economic subjects of the market. These include tax regulations, financial and credit, monetary, etc. To regulate the regional economy, the state uses a system of methods. It must be flexible, differentiated and comprehensive, taking into account the specifics of the regions, the nature of the strategic and tactical tasks that they resolve. For regions that have strategically important types of mineral resources, specializing in the processing of products of basic industries, as well as for regions with high scientific and production potential, where the enterprises of the military-industrial complex have developed, the methods of state regulation should be oriented, first of all, to assistance and creation of conditions for structural reorganization of the region's economy, including the technical re-equipment of enterprises, with the aim of increasing the output of export rationed products and consumer goods in the converted industries. For these regions, issues of state regulation in the sphere of foreign trade and attraction of foreign investments, determination of the conditions for privatization of large enterprises, are of great importance; State assistance in attracting domestic and foreign investment. The factor that stimulates structural reorganization in these regions can be the creation of depreciation incentives in priority sectors, a differentiated investment and tax credit.

An important role can be played by attracting foreign investments to these regions, with the help of a system of tax incentives, especially in those industries that can reach the world level in a short time and actively participate in the technical re-equipment of the whole economy, including. region-wide infrastructure For the group of regions forming the country's food fund, economic levers and incentives should promote the development of small and medium-sized businesses, increase employment, expand the types and methods of processing agricultural products, establish maintenance centers, wholesale production markets, trading houses and

exchanges, marketing services, leasing companies, the formation of new effective forms of agro-industrial integration of enterprises and organizations of various ORM property. The methods of state regulation for ecologically destitute and backward regions, as well as depressed small and medium-sized cities, remote areas should be directed, first of all, to rendering them the necessary assistance for activating the economy and social support of the population, implementing certain projects and targeted comprehensive programs for improving ecology and socio-economic development, as well as assistance in attracting foreign technical and humanitarian assistance.

In the Republic of Kazakhstan, new economic and administrative entities are formed - special economic zones (SEZ), whose main goal is to accelerate the development of the regions of the republic - to activate Kazakhstan's investments in the system of world economic ties in order to:

- create cutting-edge advanced technologies;
- development of new types of products;
- attraction of foreign investments;
- mastering of modern management methods.

Special economic zones - one of the types of organizational and economic territorial entities that differ:

- Directions; regional policy economic zone
- level of specialization;
- degree of freedom, i.e. the breadth of rights and powers in solving the tasks facing them.

Creation of SEZ is one of the most widespread forms of business development and international relations. SEZ, as an organizational and legal form, are separate territories of the country with a certain target orientation and specialization of entrepreneurial activity, a wide attraction of foreign capital, the internationalization of production and a specific economic mechanism of functioning, enshrined in special regulatory enactments.

The SEZ is a form of development of productive forces and production relations adequate to a market economy based on a combination of state, cooperative, joint-stock and joint forms of ownership of residents who participate equally in all spheres of activity and foreign economic relations. A significant specific regulatory and legal framework for the implementation of economic activity in the territory of the SEZ is determined by the implementation of a special policy for regulating economic processes for the activation of entrepreneurial activities. The introduction into force of the Decrees of the President of the Republic of Kazakhstan, having the

force of the law "On SEZ in the RK", "On Foreign Investments" allows foreign investors to enjoy preferential tax and customs regime, simplified procedure for the implementation of export-import legal protection operations. It is not allowed to discriminate enterprises with foreign investment and not based on the law, measures for the forced withdrawal of foreign investment, as well as nationalization, confiscation and other measures similar in its consequences. The SEZ will create the most favored nation regime for attracting and operating foreign and domestic investors. Local self-government presupposes the existence of management bodies that together constitute an integral system capable of functioning purposefully on the basis of independence, independence, responsibility for solving all issues of local importance, protecting the interests of the population. The Constitution of the Republic of Kazakhstan fixes the basic principles of organization and activity of local self-government. At the same time, in the subjects of the Republic - cities, districts, auls - the system of local self-government is different.

Local self-government is a special power that does not belong to any of the three branches of state power - legislative, executive, judicial. The main forms of direct state participation in regulating regional and intra-regional development should be: state regional programs financed by the republican budget; especially important structuring investment projects; placing orders for the supply of products or national needs through a contract system.

State regulation of regional development should be carried out at all levels of government: republican, regional, regional and local. A local economy is a set of enterprises and institutions that carry out economic activity on the territory of municipal (local) education aimed at meeting the collective (public) needs of the population.

The Akmola region is one of the largest regions of Kazakhstan. The region surrounds the capital of Kazakhstan Nur-Sultan. Located between the major industrial regions of the country. This area should be one of the main flagships of Kazakhstan, providing development of the whole region.

In conclusion, it should be noted that the survey provided extensive material. In this paper, an analysis is given, which gives a lot of food for thought. It seems to us that the information provided can be very useful for the administrations of the region and the city (both executive and representative) in order to adjust their activities in the light of public opinion.

## **IV. GRAIN INDUSTRY OF KAZAKHSTAN: HISTORY, CURRENT STATE AND DEVELOPMENT PROSPECTS**

### **4.1. Wheat production in Kazakhstan: sources of growth and production volatility**

After Kazakhstan gained its state independence of the republic there raised a task to make a transition to a market, to socio-economic oriented economy. However, in the early 90s "policy was ahead of the economy", and this contributed to the disruption of economic ties, largely artificial, which resulted in the first years of sovereignty to a negative chain reaction: there had stopped working entire plants and factories, tens of thousands of workers and employees had lost their means of livelihood. Ravaged the subjects of agriculture, because they no longer received grants and subsidies, as a result of collective and state farms were bankrupt. Therefore, by 1991, the economic situation in Kazakhstan, as in other republics of the former USSR, was seriously weakened. GDP fell by 12%, grew commodity hunger, suddenly emptied the shelves of stores, there was not enough money for salaries and pensions. Consumer goods production was minimal, reflecting the mismatch of supply and demand. Then there began a general race for profit only due to price increases. Since the economy of the republic was in terms of trade deficit, the growing hyperinflation, the republic's leadership made the only right decision, declaring the liberalization of prices. The classical scheme was launched: demand creates supply.

Back in 1997, there approved a list of priority sectors for investment. They were a mining, manufacturing, new capital facilities, social services and tourism, and agriculture. Kazakhstan had amounted to 8.5% in 2008, economic growth, and the overall economy grew at an average of 10% from 2001 year. As a result, there formed the country's reserves, which amount to about 40 billion US dollars, including the National Fund. Economic reforms had seriously affected the agriculture of the republic. Privatization of all state farms was carried out, which led to the creation of a system of market relations in the countryside. As a result, there formed a class of farmers, market-oriented confident. In order to solve the problems of the village and the villagers, the years 2003-2005 had been declared as the village years, but in order to fulfill the State agro-food program, all the mechanisms underpinning the effective functioning of agriculture were involved (L. Musina, 2005).

It should be noted that the land issue has always been and remains one of the most important themes in the area of economic life, as the land, together with the natural resources and real estate, is one of the pillars on which the economy rests. This realization led to the adoption of the Land Code, which is an important factor in the development of agriculture. The basis of education of working class is the private ownership of land. There should be the master,



who can effectively, based on new technologies and investments transform the village. Currently in rural areas there lived 43% of Kazakhstan, and the development of legal and regulatory framework for land ownership stimulates their contribution to the economy.

This issue is currently poorly studied and has not found adequate solutions adopted normative and legal documents. There are not enough studies about the impact of the agricultural sector on socio-economic development of the Republic of Kazakhstan. So, this paper will analyze and disseminate evidences of the agricultural sector on socio-economic development of the Republic of Kazakhstan. This topic is timely because a justification is needed for further development of agricultural sector of the country as the most important and integral component of the national economy of the Republic of Kazakhstan.

### **Kazakhstan - the largest country in the world grain.**

The USSR centrally planned model collectivized and specialized agriculture, transforming the CARs into monoculture economies based primarily on cotton. (The exception was Kazakhstan, where cereal farming was greatly expanded under the Virgin Lands Programme.) From 1960 until the early 1980s, planners expanded the total irrigated area of the five republics by 60 percent or some 3 million hectares, dedicated mostly to cotton. The CARs produced 80 percent of the USSR's cotton output, with production concentrated in Uzbekistan, Turkmenistan.

Kovalski S.L., Madanov H.M. [48] stated that, during the so-called Virgin Lands Campaign (1953-1964, followed by the intensification of agriculture) the Soviets established large state farms on which immigrants from more than one hundred ethnic groups from all over the USSR produced wheat. The indigenous population was “resettled” into new state farms, which replaced the traditional expertise in breeding cattle with new, “scientific” agricultural methods. The campaign radically changed Kazakh agriculture and had dramatic effects on the lives of Kazakhs and new settlers, the ethnic set-up of the population, administrative and political structures, and on the environment. Kazakhstan’s authorities are interested in economically sustainable and secure development of both their own country as well as Central Asia as a whole.

The heroic massive development of virgin and fallow lands, begun in 1954, was a milestone in the implementation of the agrarian policy of the Communist Party of the Soviet Union, this grand saga has left an indelible mark on the entire socio-political and socio-economic life of Soviet society, in the minds of millions of people.

A new round in the history of the virgin lands gave the September (1953) and February-

March (1954) Plenum of the CPSU Central Committee, made the greater bias on the development of virgin and fallow lands in Kazakhstan, Siberia, the Caucasus and the Urals. In 1954 to 1955 in Kazakhstan it was raised to 18 million hectares of land. In large quantities to the republic it had been driving an agricultural equipment, machinery and equipment; it had been risen and the local enterprises for the production of spare parts. And also, there had been improved the communication network in Kazakhstan; housing construction had progressed rapidly, there had been built new buildings, almost in bare steppe there were appeared entire cities. Agriculture in 1953 - 1958 years had grown to gigantic speed: acreage expanded from 9.7 to 28.7 million hectares, the gross grain harvest to 332 million to 1343 million poods. Rows of virgin soil were filled with new and new settlers in March 1954 to Kazakhstan there came 250 thousand young Komsomol members, as well as 23 thousand people from the ranks of ex-soldiers of the Soviet Army (A. Tonkobayeva, 2001).

The fact that Kazakhstan was in the vanguard of the nationwide struggle for the massive development of virgin and fallow lands, was quite natural and historically conditioned phenomenon: Republic have large reserves of fertile land suitable for the production of many kinds of agricultural products with relatively small capital investment.

In broad Kazakh steppes stretching from west to east for 1300 and from north to south for 500 kilometers, it is on the territory of more than 600 thousand square kilometers, where the main virgin area (Kustanai, Tselinograd, North Kazakhstan, Kokshetau, Turgai and Pavlodar), began the great battle for bread. For the purposes of virgin lands, the Soviet state generously allotted huge material and financial resources, first-class tractors, harvesters, trucks and another farm machinery. In the first three years, lifting the virgin lands (1954-1956), Kazakhstan has received more than 170 thousand tractors (15-year-strong), 1600 plants with a total capacity of more than 50 million kilowatts, and so on. During the same time the state has been invested in the mechanization of agriculture in the construction of industrial buildings and facilities of almost 10 billion rubles, which is 2.5 times more than in the previous eight years after the war.

The process of development of virgin and fallow lands in Kazakhstan as well as in the country as a whole, continued at an accelerated pace and in the future up to the early 60s, from year to year, increased the amount of cultivated land. As before, one after the other they created new farms, step by step they strengthened their material and technical base, improved the material and living conditions of virgin soil, and so on. This has led to an increase in both production and procurement of all major types of agricultural products, primarily grain (V. Dobrynin, 1991).

According to Aubakirov A. (A. Aubakirov, 1994), development of new lands in Kazakhstan is the largest and cost-effective action. For 25 years, the state sold almost 270 million tons of grain, which is 16.5 million pounds! No less typical it is another example. During this time, all costs, "the state agriculture of the republic amounted to 21.1 million rubles, and the turnover tax from the sale of bread over the years received 27.2 million rubles, that is, the country received 6.1 million rubles of net profit.

**Map 1. Administrative and political map of the Kazakh SSR.**

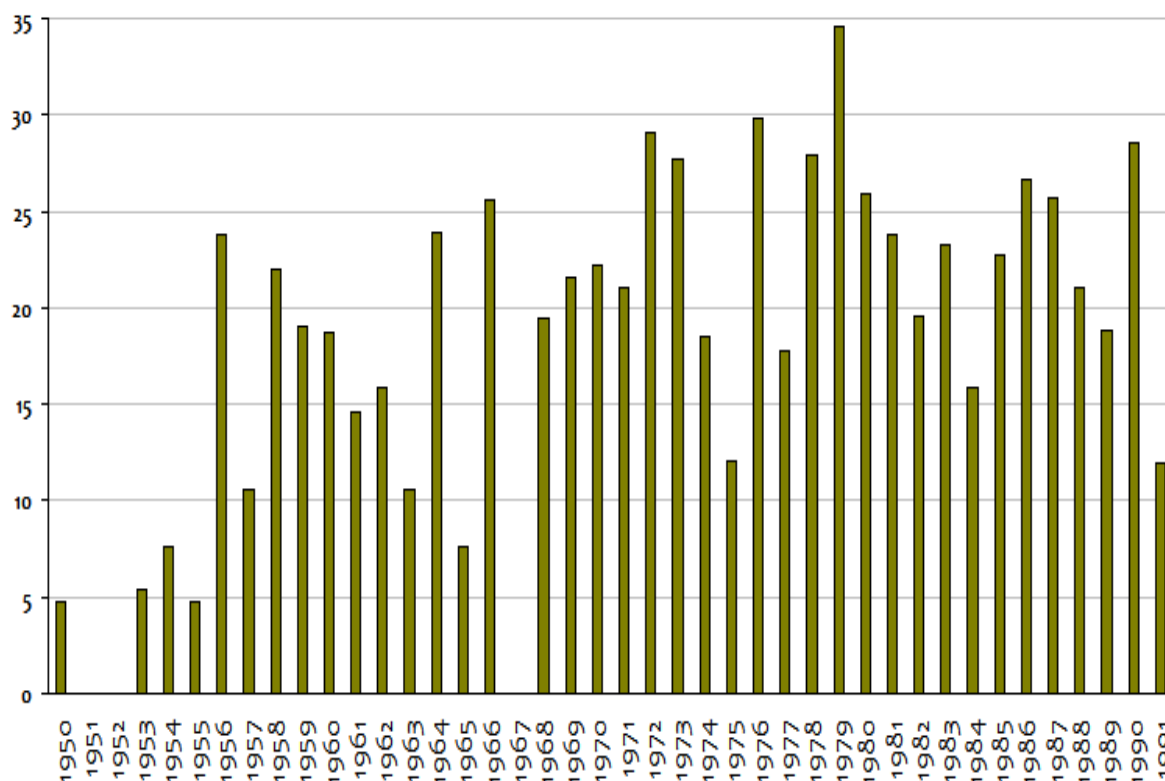


Source: Maps Kazakhstan

Another important result of the development of virgin and fallow lands it is a major growth sector in the state-farm rural economy of the republic. If, as mentioned above, in the first year of the virgin lands there was organized 90 state farms, in 1956 they became 337, then over the years rise of virgin and fallow lands there were created 593 new farms. Significantly it was increased their share in the manufacture and procurement of main agricultural products and it was made for certain types to 75-80 percent.

The rapid development of state farms during the development of virgin lands has led to significant shifts in the ratio of state farm and collective farm production in Kazakhstan. State farms in agricultural economics have taken a leading role.

**Figure 8: Gross grain harvest, Kazakh SSR, mln tons (1950-1991)**

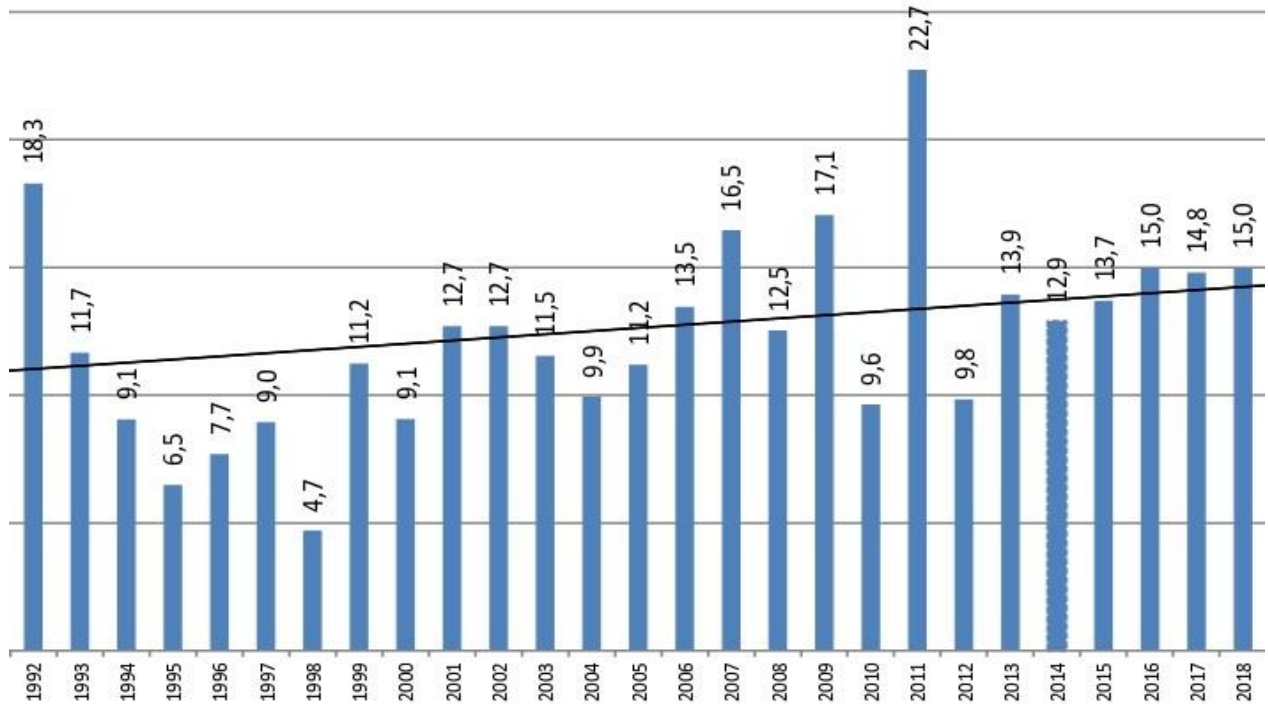


Source: The national economy of the USSR

It should be noted that in the neighboring years - 1964 and 1966 - yields were 2.3 and 3.4 times higher, respectively, than the previous ones - 1963 and 1965 (Figure 2). Large scale and high rates of commercialization of the huge amounts of new land, nature and direction of public investment in agriculture, the need to improve the marketability of agricultural products and more strongly all these demanded the organization of large state farms of the socialist type. Accordingly, in the years 1954-1958 there was an intensive process of mass creation of new state farms in the virgin lands in 1959-1965 - the further development of state farms with the spread of this process to other areas of the country. Since 1966 the state farms established themselves as the dominant form of organization of agricultural production (A. Aubakirov, 1994).

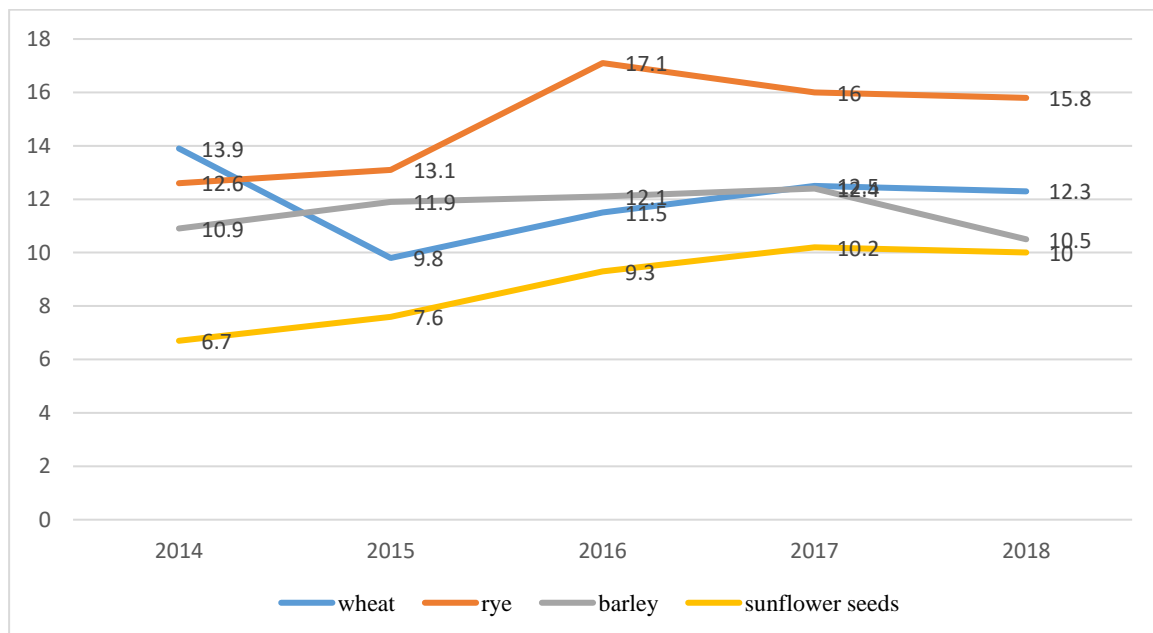
Figure 9 shows dynamics of wheat production in Kazakhstan from 1992 to 2018 and figure 10 shows crop yields in Kazakhstan from 2014 to 2018.

**Figure 9. Dynamics of wheat production in Kazakhstan (million tons)**



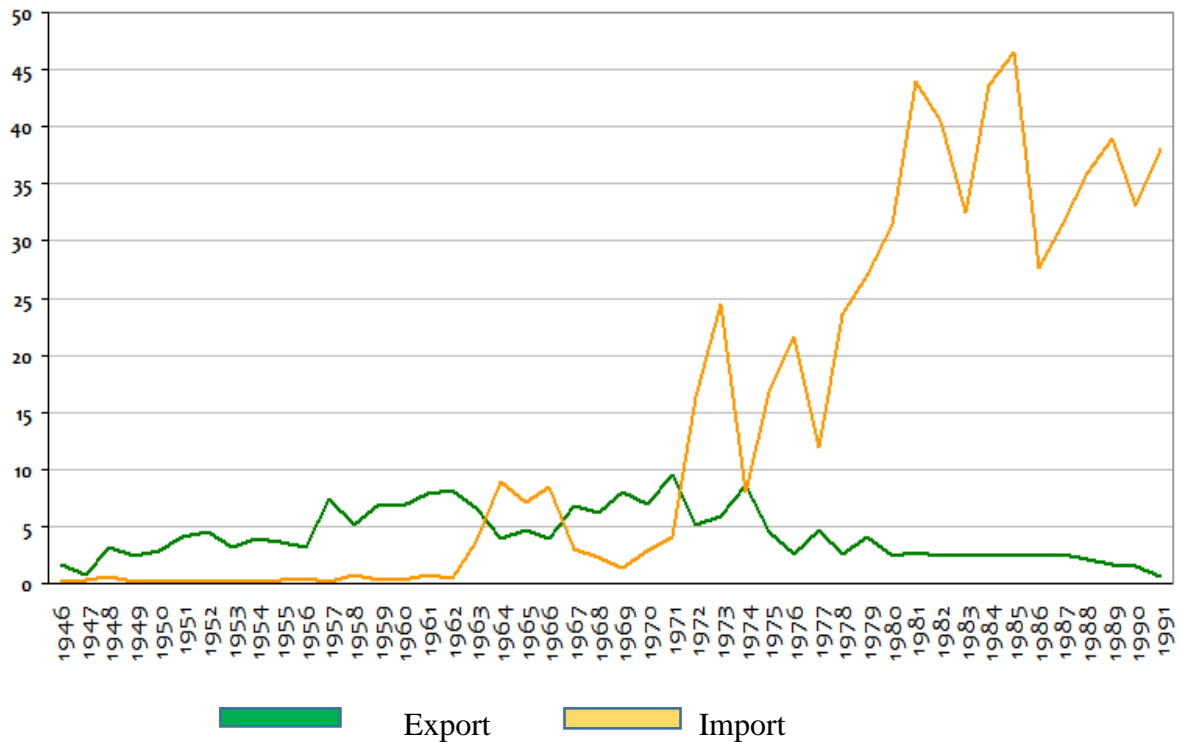
Source: Committee on statistics of the Republic of Kazakhstan

**Figure 10. Crop yields (centners from 1 ha)**



Source: Committee on statistics of the Republic of Kazakhstan

**Figure 11: Foreign trade in grain of the USSR, mln tons (1946-1991)**



Source: The national economy of the USSR

As can be seen from Figure 11, purchases of grain abroad, which were started after the drought in 1963 and continued after the drought in 1965 did not lead to fundamental changes in the foreign trade of grain to the Soviet Union. The negative balance of trade in grains was maintained only in the 1964-1966, the net grain imports over the three years amounted to 11.8 million tons, and export - 12.7 million tons, at the total elimination of export to import was not necessary. Over the next five years (1966-1971), the country was a net exporter of grain, over the years by exporting 37.5 million tons of grain.

The massive development of virgin and fallow lands has been a powerful stimulus for the development of the productive forces throughout the country. It contributed to the widespread use of many mineral resources, the creation of hundreds of industrial and transport enterprises in the Kazakh steppe, directly related to the needs of agriculture (agricultural machinery, particularly tractors, fertilizers, and so on.). It was in the period of mass recovery of virgin land when there were appeared such industrial giants as the Ekibastuz coal basin, Sokolov-Sarbaisky Mining Plant, Arkalyk bauxite mine, the Karatau phosphorite deposits, and many others, giving the country every year millions of tons of coal, iron ore, bauxite, phosphate rock. During virgin epic built as Karaganda Metallurgical, Ust-Kamenogorsk Titanium Magnesium and Dzhetygarinsky asbestos mills, the Pavlodar tractor and aluminum plants, Aktyubinsk plant of

chromium compounds, the company great chemistry in Dzhambul and Chimkent regions (F. Mikhailov, I. Shamshatov, 1964).

Noticeable progress has been in all kinds of highly mechanized transport. Significantly expanded the network of railways and roads, air transport lines connecting the city with the collective and state farms. The success of the republic in the development of the national economy clearly say some general data on the country. Thus, in the years 1960-1975 - the period of the seventh, eighth and ninth five-year plan - the total social product grew 2.7 times national income - by 2.6 times, capital investments for the development of the national economy - almost 1.5 times t. e. So harmonious development and sustainable growth of all social production indicate that the economic progress of the country. Moreover, it should be noted that the content percentage growth of social production is now much richer than at the beginning of the 60s, not to mention the pre-war period. One percent of the gross national product currently stands at about 400 million rubles, the national income - 200 million of fixed assets - 700 million, industrial production - 200 million rubles (R. Zelenin, 2001).

No less significant, and the average annual growth rate of labor productivity in key sectors of the economy: industry, they accounted for more than 5 percent, construction - 5.5, in agriculture - 4.6 percent. As a result, a significant part of the national economic growth in the volume of production - 80 per cent in industry, 90 in construction, agriculture, almost 95 percent –was received by productivity of labor. Unrecognizable increased the economic strength and technical equipment of agriculture. Currently, before it has over 35 million hectares of cultivated area, 235 thousand tractors, combine harvesters, 115 thousand, 125 thousand trucks and many other complex agricultural machineries. Here's a typical example. The total power of the engines of tractors in the early 50s was about a million horsepower, and now – it is almost 20 million. As a result, the average annual production of grain - the main type of agricultural products - now it is 27-28 million tons, which makes it possible to fill the coffers of the state up to a billion tons of grain annually (B. Kuzhyak, 1995).

During the years of the virgin lands there further developed the livestock, especially sheep. Currently it solves big economic problems - bringing the number of sheep in the country to 50 million. The successful solution of this problem will raise to new heights the overall level of agricultural production and it will be another the quality shift in the economy of Kazakhstan.

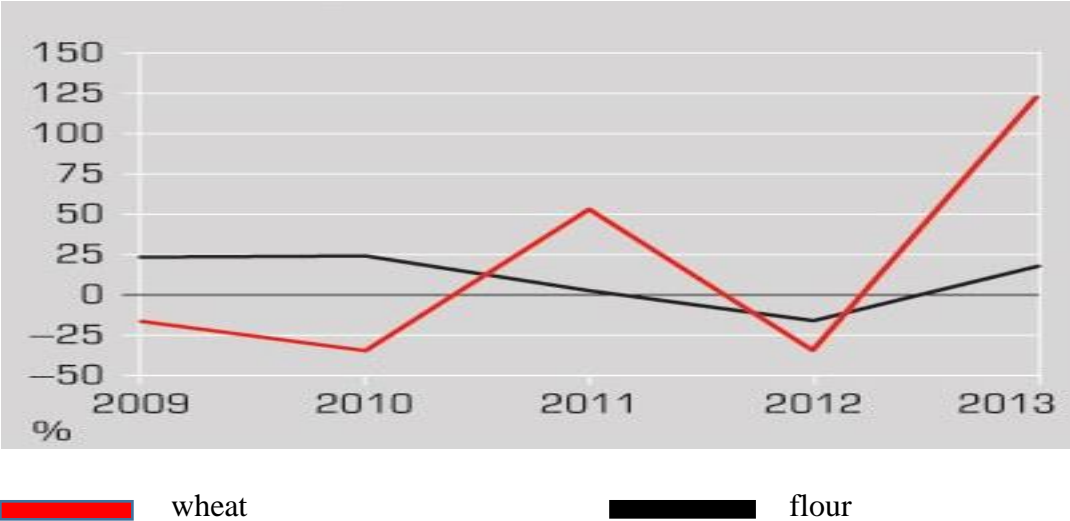
All this, taken together, had radically changed the economic face of the whole Soviet Kazakhstan, and it raised its role in the economic complex of the USSR. In the development of agriculture and industry, in general, the economy and culture made a qualitative leap, which was

a vivid expression of the consistently pursued the Leninist national policy and unbreakable friendship of the Soviet peoples (T. Sultanov, S. Klyashtorny, 1992).

On virgin there grew huge army of top-notch mechanics (tractor, combine drivers), qualified agricultural specialists (agronomists, livestock specialists, mechanical engineers), skillful organizers of production (state farm directors, chairmen of collective farms), experienced Party and Soviet workers. From their ranks there came spiritually hardened, morally matured and acquired great experienced people, they had earned the love and respect of the people.

Virgin soil has historical significance, grand socio-economic project of the twentieth century, there was no analogues in the world history. Due to the virgin in a short historical period in many regions of Kazakhstan to transform the economy, education, health, culture, human resources and powerful scientific potential was created. Its main result was that "thanks to the work of the first virgin soil once the problem has been solved for good bread, which after the World War II was quite sharp." These days every year with virgin field our farmers harvested at 12-15 million tons of grain. Billion pounds becoming traditional, with no jobs involving all hands. The volume of exports has stabilized at 4-5 million tons per year. The potential grain production allows now to sow 16-17 million hectares.

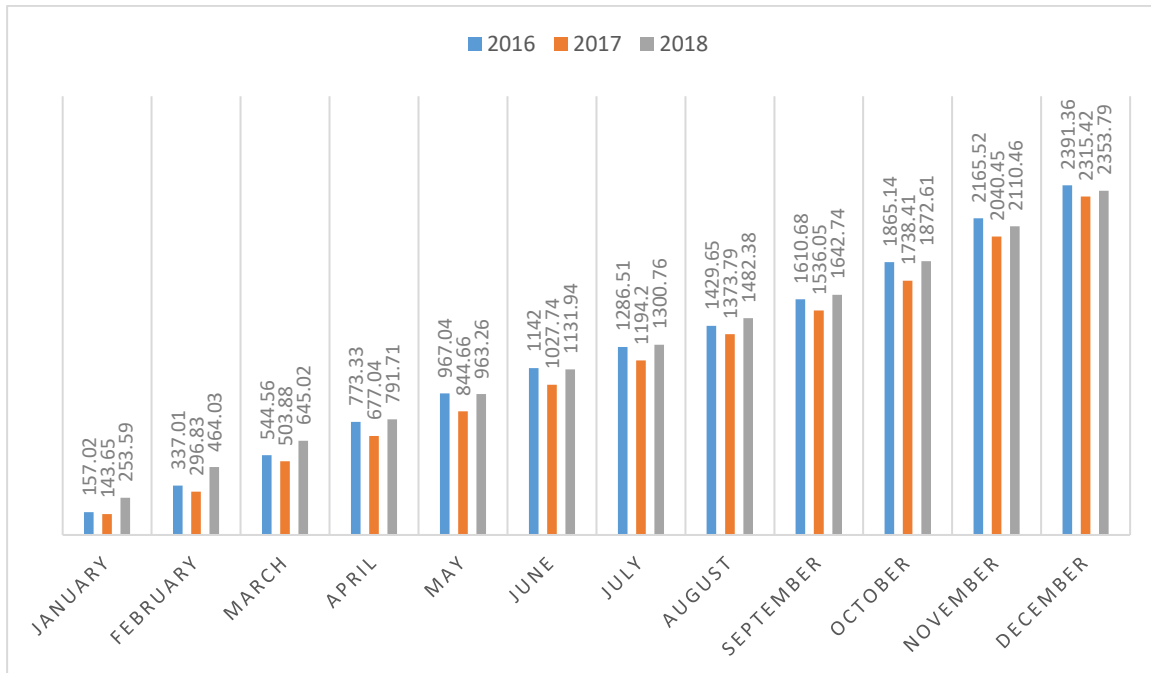
**Figure 12. Dynamics of export of grain and flour from Kazakhstan.**



Source: Statistics Committee of the Republic of Kazakhstan.



**Figure 13. Flour export, thousand tons**

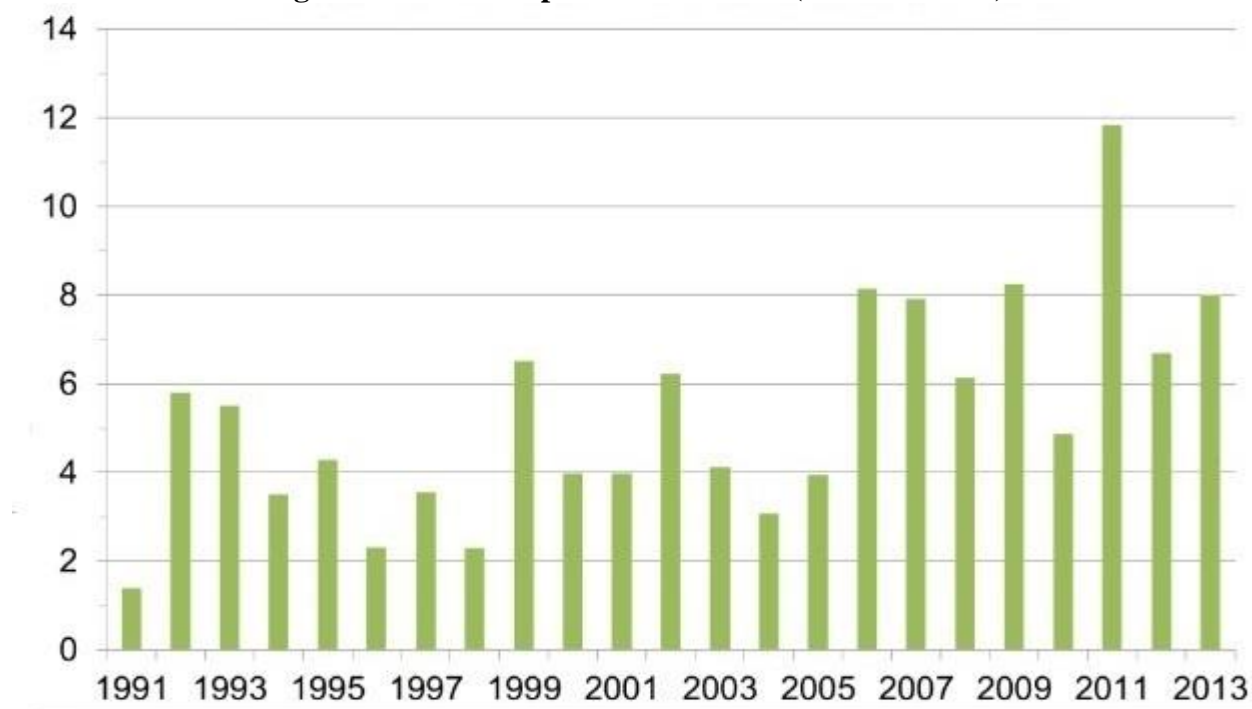


Source: Statistics Committee of the Republic of Kazakhstan.

As can be seen from Figure 12, Kazakh grain is rightly in worldwide demand due to the quality. Kazakhstan is among of the ten leading suppliers of wheat and flour. Nevertheless, export growth is relatively in low rates. According to the holding "KazAgro", for the period 2007-2013 the average annual export of grain including flour in grain equivalent amounted to 8.2 million tonnes and increased in comparison with the previous period to 2.5 million tons, or 42.6%. Flour sales in 2018 were at the level of 2017. In general, the industry continued to work as usual. Millers noted low export prices and high prices for raw materials. Moreover, with the beginning of the increase in the price tag for grain, mills again entered the list of export duties on wheat (Figure 13).

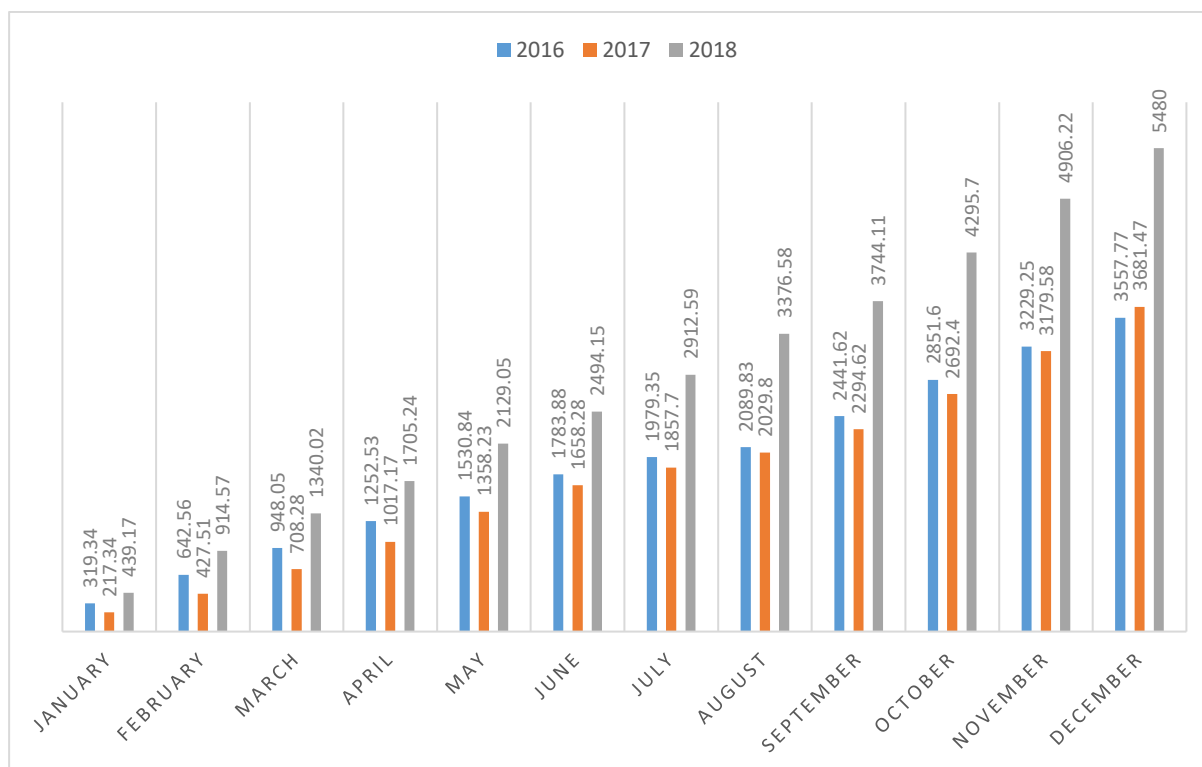
In addition, the conducted research has shown that wheat exports of Kazakhstan have not become less resource oriented (Figure 14,15).

**Figure 14. Wheat exports Kazakhstan (million tonnes)**



Source: Statistics Committee of the Republic of Kazakhstan.

**Figure 15. Wheat export (thousand tons)**



Source: Statistics Committee of the Republic of Kazakhstan.

## **The development of agriculture in Kazakhstan.**

Agriculture is one of the key sectors of the economy of Kazakhstan. The level of development of the agricultural sector has always supported and continues to be a determining factor in the economic and socio-political stability of Kazakhstan society. Being one of the priority directions of development of the republic's economy, agriculture has a huge potential and large reserves, a variety of climatic conditions of Kazakhstan allow to grow almost all crops of temperate thermal zone and to develop animal husbandry. Agriculture of Kazakhstan is characterized by such features as a large area of the territory and a small population, geographical remoteness from markets and lack of access to sea routes.

In the light of Kazakhstan's accession to the WTO action by the State must be operational and systemic. All of this requires a great support of the state and its specialized agencies that are engaged in the development of agriculture in Kazakhstan. Taking into account all the existing imperatives of food security, export diversification and economic conditions, the First President of Kazakhstan, Nursultan Nazarbayev noted that the republic in the sphere of agriculture faces a number of important tasks: "We need to fix the financial condition of agricultural enterprises. They must demonstrate the results of the allocated public funds for this purpose. Another priority issue - import substitution, while ensuring basic food. It is necessary to establish its own production of such types of products that are currently imported as poultry, sausages, apples. In general, it is necessary to increase recycling and improve the value-added agricultural products."

According to this message, Kazakhstan has already approved the status of the ambitious producer of grain, which is listed on the markets of Central Asia, Russia, Middle East, Europe and the Caucasus. Recent years have been marked by good harvests and that helped Kazakhstan to strengthen its global capabilities in the field of stabilization of prices in these regions and to improve their prospects for food security in adjacent areas (I. Ushachev, 2010).

State support for agriculture in Kazakhstan currently operates through several channels of financial assistance, where the leading role is played by the state holding "KazAgro". It acts as an infrastructure investor and source of funding for agricultural producers, which need long-term liabilities and loans on the basis of strong political support needed for the development of the agricultural sector of the country. Such support is necessary because of the fact that private banks in Kazakhstan are not willing to provide loans to agricultural sector at the appropriate level with low rates. Therefore, "KazAgro" has been assigned the role of system players, which is designed to provide the necessary support to farmers in their attempt to improve their material and technical basis, the level of use of modern technology, resource base, human capital and productivity to guarantee the sustainable development of the economic life of our farmers.

By participating in this process, the political elite of Kazakhstan hopes to reach the minimum threshold of food security through the achievement of the required level of production of milk, meat and other agricultural products. The main problem of agriculture of Kazakhstan is the low level of productivity. According to independent sources, the productivity of agricultural workers in Kazakhstan is less than their colleagues in Eastern Europe. Solving this problem is possible by improving production of technology and progressive management.

From the point of view of Kazakhstan's agricultural management class, the rise of productivity can also be achieved through more efficient use of modern equipment and of tractor and harvester park which needs in a large renewal in Kazakhstan. The country is in need of updating agricultural machinery. National holding "KazAgro" has taken decisive steps to help farmers in purchasing tractors and combines on credit and leasing, so the solution of problem has become a positive trend.

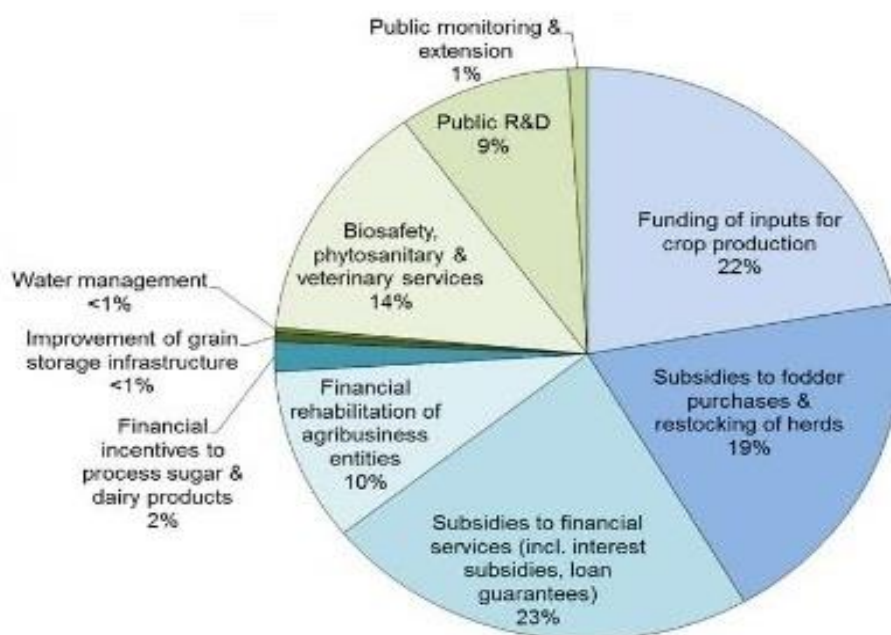
In addition, the increase in agricultural production can be achieved by updating and improving the quality of the seed and breeding stock for the selection of reproductions of agricultural resources and water saving technologies that can further improve the quality of insertion of agricultural components, thus encouraging technological know-how and holding research works in the field of breeding and seed breeding of the existing building. In the modern period, the agricultural sector of the country is forced to operate in conditions of severe degradation of agricultural land, on-crease environmental and water issues, the use of outdated equipment and backward technology.

The development of agriculture in the region will not only ensure food security of the region and the country as a whole, but also to contribute to the economic development of the region. Thus, due to the implementation of investment projects will continue to expand the existing and creation of new industries in the agricultural sector. These projects are breakthrough and are aimed primarily at solving the existing problems to fully ensure the needs of the domestic market for certain types of food products and to increase the export potential of the industry, the employment of the rural population and the expansion of the tax base.

The formation of an agrarian policy of Kazakhstan is a part of the national strategic planning. Comprehensive national policy document is the president's "Strategy 2050", which was adopted in December, 2012. For each decade, strategic plans were developed to find their concretization in the successive five-year and five-year development programs as well as sectoral programs (N. Nazarbayev, 2012).

Since 2013 the program "Agribusiness 2020" has been realizing, which contains a whole range of financial and non-financial mechanisms to support the agricultural sector (Figure 16).

**Figure 16. Budget priorities of «Agribusiness 2020»**



Source: Budget table «Agribusiness 2020»

The "Agribusiness-2020" Program aims at the development of four dimensions: financial recovery, increase of affordability of products, work and services for the agro-industrial sector entities, development of the state system of agricultural producer's support, improvement of efficiency of the state management system of the agro-industrial complex (Agribusiness-2020). Financial recovery will be conducted through restructuring, refinancing, financing of credits and projects as well as financing of agricultural manufacturers having debts. Thereby the government can ease debt and avoid bankruptcy of agricultural manufacturers. The "Agribusiness 2020" was formulated as the sole purpose of agricultural policy - to create conditions for improving the competitiveness of agribusiness. The new program continues the orientation of the policies adopted since the early 2000s to stimulate the growth of agricultural production in the framework of a strategy to diversify the national economy. It also focuses on supporting domestic producers to increase competition in terms of integration into international trade (N. Nazarbayev, 2012).

Kazakhstan has a special tax regime for agricultural enterprises and farms. Agricultural enterprises receive 70% discount on the 6 key taxes on businesses, including:

- Land tax (or fee for the land to tenants of land)
- Property tax,

- Unified social tax,
- Value Added Tax (VAT)
- Income tax,
- The tax on vehicles.

For farmers, these six taxes are replaced by a single land tax, which is set as a percentage of the cadastral value of land owned and / or used (F. Hett, S. Szkola, 2015).

In addition to the special tax regime in Kazakhstan for the peasant or farm operating mode, exempted from all taxes, they replaced them with a single land tax based on the calculation of the area of land multiplied by the estimated cost. Tax rates on the regime do not exceed 0.5%. A similar tax treatment is available in Russia (the so-called simplified taxation system). It enables organizations not to pay three kinds of taxes: income tax, property tax and VAT (for individual entrepreneurs instead of income tax the tax on personal income is applied). The tax rate in this mode does not exceed 15%, depending on the subject of taxation (gross margin - 6%, net revenues - 15%) (T. Mansurov, 2010).

### **Prospects for the development of agriculture sector.**

Kazakhstan - a country with historically strong agricultural tradition, which has great potential to become the world's leading manufacturer in the era of global economic instability, climate change and unsustainable pricing. The third largest producer of agricultural products in the CIS, Kazakhstan retains its dynamism to solve existing structural problems that have arisen in the process of transition to a market economy, when agriculture was on the wayside of reforms and began to receive strong support only at the beginning of the new century.

Nowadays when oil prices decline and the problems of the financial sector gaining momentum, agriculture of Kazakhstan, is considered one of the most promising sectors of the economy that can really become a driving force in the way of economic development and give new impetus to the export diversification strategy of the country.

In general, Kazakhstan's grain has high quality gluten, however, judging by the statements of experts, the global climate change puts its emphasis in its content, where changing weather conditions are a major factor that affects the volatility of the grain composition. Now, there is an urgent need to improve the quality of Kazakh grain through the use of new and innovative technologies for stabilizing the gluten content, which could help to keep Kazakh grain

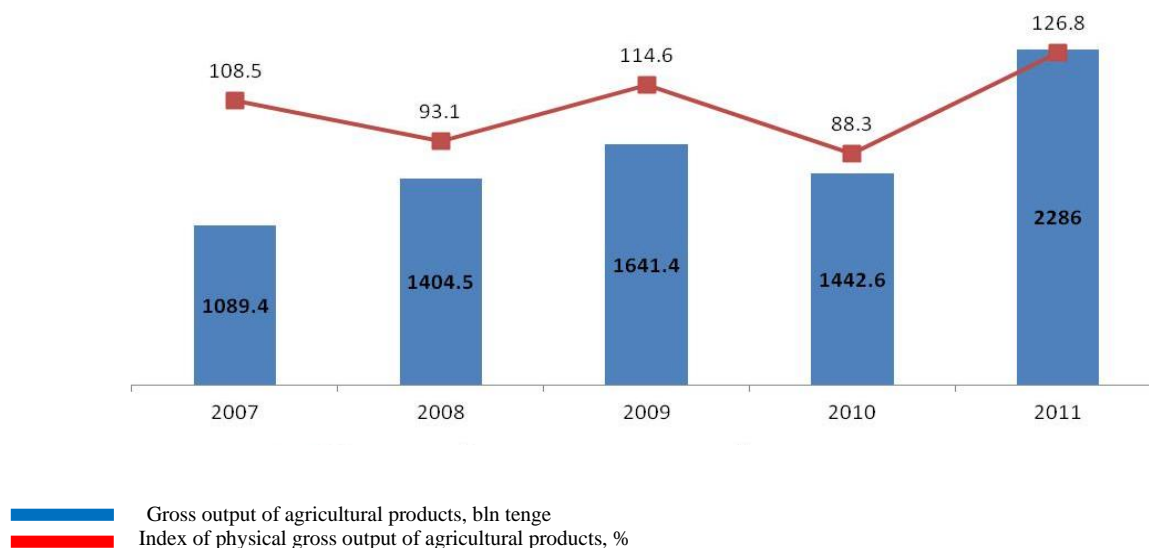
on world markets in the future. Kazakhstan's agriculture needs to be updated in material and technical base, in more advanced technologies. Support from the state and consolidation of the agricultural sector contributes to the favorable forecasts of development of the agricultural sector of the country.

Since independence, Kazakhstan, like other post-Soviet states, has started modernization of the economy and reform of all sectors of the economy. In a market economy, agrarian sphere requires an optimum combination of government regulation and market forces that created the need for stabilization of the theory and practice of perfection of state influence on the macro- and micro-economic processes in agriculture and related industries. Measures to stabilize agricultural production require different methods of state regulation of agro-industrial complex.

Agro-industrial complex of Kazakhstan is one of the main reproductive sectors of the economy. It produces about 1/3 of the national income (N. Mamyrov, Zh. Ihdanov, 1998). Support for the agricultural sector, and in particular the food market, is one of the most important tasks of the state. In all developed countries, agriculture is largely supported by the state. This sector of the economy is the least suited to the market and competition. The need for state regulation of agro-industrial complex due to several circumstances, among which usually allocate such as the impact of agribusiness and commodity markets on the macroeconomic situation; market failures in the area of economically equitable distribution of income; the impact of environmental factors on the efficiency of agricultural production; demographic role of rural areas. At the same time as the main tasks of state agribusiness regulation there highlighted the development of agricultural production, food security, regulation of markets and maintaining economic parity between agriculture and other sectors of the economy, the creation of an efficient agrarian sector of the economy management system and implementation of a unified scientific-technical policy in the sector, the protection of domestic producers and others.

The agricultural sector in the process of market transformation of the economy of the Republic of Kazakhstan implies a wide sphere of influence of its functioning. The conducted research has shown that the agricultural sector has had huge effect on the social and economic progress of the country. For this analysis the following parameters have been used which are shown in Figure 7.

**Figure 17. Gross output of agricultural products**



Source: Committee on statistics of the Republic of Kazakhstan

As can be seen from Figure 17, the volumes of gross products in the Republic of Kazakhstan agribusiness demonstrate a sustainable trend to growth: agricultural products from 1,089.4 bln tenge in 2007 to 2,286 bln tenge in 2011 and processed products from 490,8 bln tenge in 2007 to 828 bln tenge in 2011. Analysis shows that the average growth rate of gross output of agricultural products made up 20% and food products – 12.2%.

On average, 2/3 of gross agricultural output is crop production. The total area of the land fund of the Akmola region is 14613.2 thousand hectares. In the general structure of the land fund of the region, agricultural lands occupy 74%, or 10,817.7 thousand ha.

Gross agricultural output in 2018 amounted to 406.7 billion tenge, including crop production 268.8 billion tenge, livestock - 136.9 billion. tenge.

**Table 3. The structure of gross agricultural output of Akmola region**

	2015	2016	2017	2018
Gross agricultural output, billion tenge	290,9	348,2	383,0	406,7
crop production, billion tenge	200,3	239,9	258,5	268,8
livestock, billion tenge	89,29	106,5	123,0	136,9

Source: Statistics Committee of the Republic of Kazakhstan.



**Table 4. The dynamics of sown areas of crops**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
The whole cultivated area, thousand ha	4906,2	4844,2	4745,9	4987,2
Cereal crops	4198,6	4353,4	4303,5	4320,7
Wheat	3666,4	3855,9	3719,7	3594,5
Potatoes	18,8	18,0	18,1	15,1
Oilseeds	245,8	219,7	272,7	279,3
Sunflower	29,0	30,0	56,1	29,4
Vegetables	4,4	4,3	4,2	17,9
Forage crops	193,9	248,8	147,4	369,3

Source: Statistics Committee of the Republic of Kazakhstan.

Turning to the conclusion it should be summarized that agriculture - is the exclusive sector of the economy that was, is and will remain as the main type of human activities, irrespective of the rapid development of urbanization, industries and innovative technologies. Today, agriculture is becoming a promising and rapidly growing sector of the economy. One of the fundamental conditions for the viability of any country is agriculture, the successful implementation and management of which affect the stable operation of socio-economic development of society as a whole. The specificity of the position occupied by the agricultural sector, is due, firstly, the production of food for the population and reproduction of labor power, and secondly, the production of raw materials for other industries. Hence the conclusion that the high level of agricultural production certainly delivers economic and food security of the country.

In general, the agricultural sector in Kazakhstan is a harbinger of economic growth. It becomes obvious that with an increasing of the number of people in the world, the state with the ability to export food will become the most successful and influential in the world market. Agriculture - is the main and the most promising sector of Kazakhstan's economy. According to the First President of the Republic of Kazakhstan N.A. Nazarbayev - "The agricultural sector of Kazakhstan has great expertise and high potential for the introduction of investment. The need for food in the world with each year will grow. This opportunity we cannot miss "(Nazarbayev N.A., 2012). Few countries have the potential for development of agriculture, which is comparable with the potential and significant reserves in Kazakhstan. Different climatic conditions favor the cultivation of the republic of many cultures moderate thermal zone and the development of animal husbandry. Of course, for timely solving all problems in agricultural sector, the state has undertaken a series of measures aimed at improving its - increased funding, new programs are being developed, new state support mechanisms are formed. Year after year,

statistics show a positive trend in this area, including: an increase in gross output, an increase in foreign investment in domestic production, the formation of new agricultural projects. However, the current measures are not enough, if the agenda is still faced with problems of increasing imports of economic production, of the growth of food prices, tenure arrangements and structures of agricultural exports, etc.

As a result of all the changes, agriculture must become the industry with a dominant number of medium and large farmers, who in future will be able to more efficiently and better manage production, to introduce the necessary agro-technology and to use them wisely. To united farmers, it is also beneficial and available to borrow a credit than for one separate agricultural producer. The state, in turn, must take care of the system of granting loans even if they are not interest free (the best option), then, at least, an interest rate of 1-5% in the long term up to 25-30 years.

#### **4.2. The main indicators of wheat cultivation and processing in the economy of Kazakhstan**

Wheat is one of the main riches of the country and the main product of mankind. Today grain farming is a priority area of agriculture in Kazakhstan. In the list of the world's leading grain producers, Kazakhstan occupies one of the leading positions, being also a major exporter of wheat and other cereals. Grain production according to the latest statistical data reaches 13.5-20.1 million tons with an average yield of 10-13 centners per hectare, which is a worthy indicator, indicating a stable growth of the industry and steady advancement up the rating ladder, catching up with its CIS counterparts: Russia and Ukraine. Further development of the grain economy is a good investment in the future of the country.

According to the forecasts of the Food and Agriculture Organization of the United Nations (FAO), the growth of global wheat production until 2020, expected at 11%. Kazakhstan will increase grain production by 40% mainly due to the increase in yields. The growth of global production of fodder cereals will go at an accelerating rate in relation to food crops, by about 20%.

The production of grain is the most priority sector in the development of agriculture in Kazakhstan. It occupies one of the leading places in the agro-industrial complex and in the whole in the economy of Kazakhstan. In Kazakhstan, about 80% of all acreage is accounted for by grain crops. The main grain production base is located in the northern region. Favorable natural conditions in this region make it possible to obtain high and stable grain yields, first of all, high-gluten food wheat, which is in high demand on world markets as an improver for the baking properties of flour.

The decisive factors influencing the efficiency of the functioning of the Kazakhstan grain market are: the availability of modern production and resource potential, the level and opportunities for rational use of this potential for the development of interregional relations; modern level and structure of grain and grain products produced in the region; The structure of consumption of bread products formed under the influence of natural and economic and market factors; ensuring the solvent demand of the population of regions in food and expanding the capacity of the grain market; consideration of regional peculiarities of the agro-industrial complex development; established interregional relations for the export of certain types of grain; priority development of industries and activities that are the most favored in the given commodity zone, subzone, region; economic feasibility of production of certain types of products with the transition to their in-depth specialization and concentration of production in certain regions; state participation in coordination on regulation of the domestic market through various economic levers of influence (subsidizing, quoting, long-term forecasting and planning, etc.) (A. Ondasynova, 2001, B.Zhunusova, K.Bilyalov, 2000).

The main branch of agriculture in Kazakhstan is the grain economy. In recent years, general crops of cereals occupy over 80% of the crop area of agricultural crops. In this regard, grain production is one of the strategic branches of the republic, on the condition of which the country's food security depends, income and employment of the population, development of related industries (livestock, poultry, food and processing industries).

For today, grain production in the Republic of Kazakhstan is the basis of the food complex and the largest branch of agriculture.

At the same time, at the moment grain becomes a strategic export product. Export of grain becomes a vital component of the development of grain production in the Republic of Kazakhstan, the key to increasing the country's economic and political positions in the world.

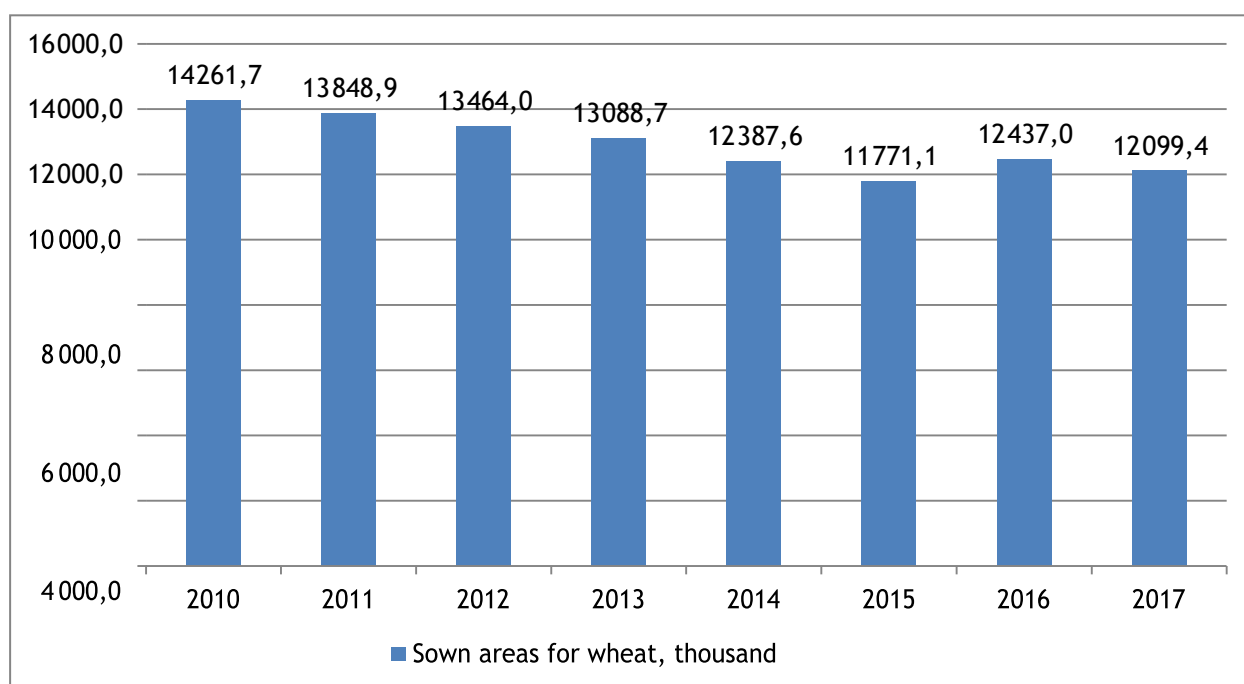
The country's grain market is the core of the development of the agrarian economy. Its condition is an important indicator of the quality of social and economic reforms carried out in the country, the implementation of agricultural-food policy, and ensuring food security. It includes almost all elements of market relations. Given the scale and completeness of the elements of economic relations, the grain market can serve as a kind of development model for other markets for agricultural products, raw materials and food.

**Table 5. The dynamics of sown areas of crops**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
The whole cultivated area, thousand ha	4906,2	4844,2	4745,9	4987,2
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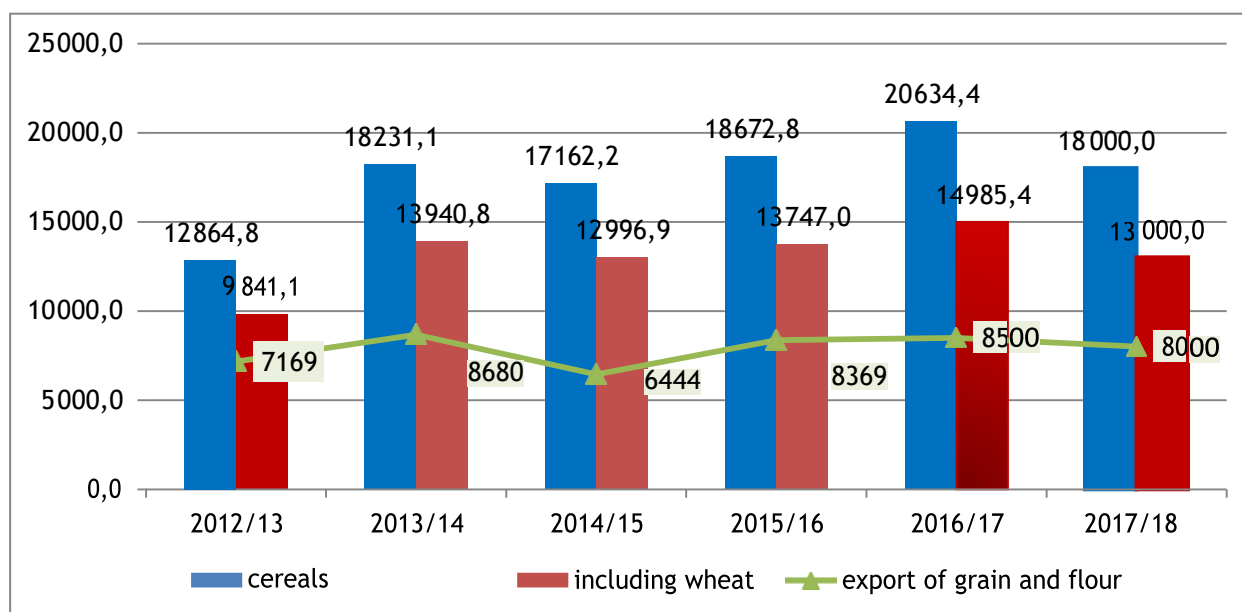
Source: The Report of Akim of Akmola region "On the results of social and economic development of Akmola region for 2018 and main tasks for 2019".

**Figure 18. Crop area under wheat in the Republic of Kazakhstan, thousand hectares.**



Source: Data of the Ministry of Agriculture of the Republic of Kazakhstan.

**Figure 19. Production of grain, wheat in the RK, export of grain and flour in grain equivalent, thousand. tons.**



Source: Data of the Ministry of Agriculture of the Republic of Kazakhstan.

At the same time, the export potential of the Republic of Kazakhstan has remained at a rather high level of 8.3-8.5 million tons in recent years.

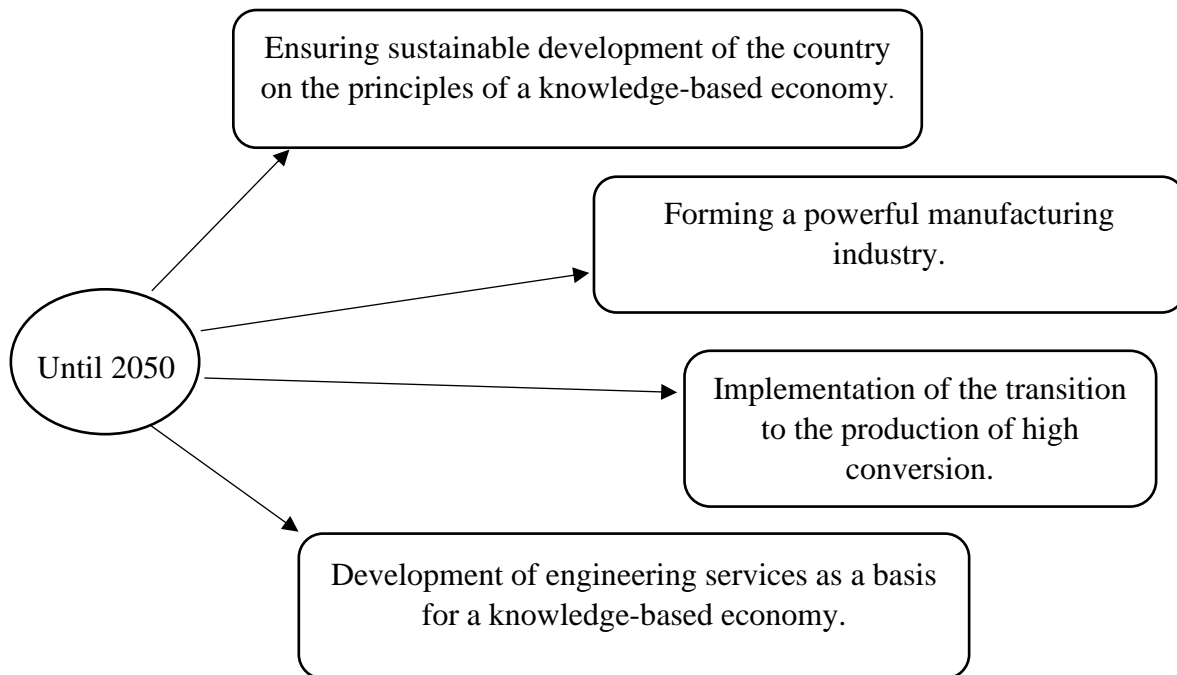
The main export of Kazakhstan wheat is currently concentrated in the markets of Central Asia, Afghanistan. At the same time, Kazakhstan has focused on the supply of grain on promising routes to China, Iran.

### **Integration of Kazakhstan into the world economy as a condition for the implementation of the strategy "Kazakhstan - 2050".**

In the Address “Strategy Kazakhstan -2050: the new political course of the established state” of Nursultan Nazarbayev the First President of Kazakhstan to the people of the country stated that, Kazakhstan became the first country in the Commonwealth of Independent States, which formed a modern model of a market economy based on private property, free competition and principles of openness. This model is based on the active role of the state in attracting foreign investment. In Kazakhstan, basic conditions for entrepreneurial activity and a modern tax system have been formed. The First President notes that the year 2050 is not just a symbolic date, it is a realistic term, for which the world community is oriented now. Thus, the UN has developed a global forecast for the development of civilizations until 2050. The World Food Organization released the Forecast report until 2050 (N. Nazarbayev, 2012).

Implementation of Kazakhstan - 2050 Strategy is shown in Table 6.

**Table 6. Implementation of Kazakhstan - 2050 Strategy**



Source: Nazarbayev N. (2015).

So, the economic policy of the new course should be:

Comprehensive economic pragmatism

1. Adoption of all economic and management decisions in terms of economic feasibility and long-term interests.
2. Definition of new market niches.
3. Creating a favorable investment climate.
4. Creation of an effective private sector of the economy and development of public-private partnership. State stimulation of exports.

Modernization of macroeconomic policy:

Budget policy

- To spend only to the extent possible.
- The attitude to the budgetary and financial process should become as careful and thoughtful as private investments.
- To select strictly objects for investment in terms of their appropriateness and impact.

Money-credit policy:

Protection of incomes of every Kazakhstani citizen and retention of an inflation rate acceptable for economic growth; Development of a conceptually new system of monetary policy aimed at providing the economy with the necessary monetary resources.

It is important to note that domestic entrepreneurship is the driving force behind the new economic course. The share of small and medium-sized businesses in the economy should grow at least twice by 2050:

1. Development of small and medium-sized businesses. It is necessary to create conditions so that a person can try himself in business and become a full-fledged participant in economic transformations in the country.

2. Strong business is a strong state. Building a reliable dialogue on the principles of public-private partnership should continue to consolidate business.

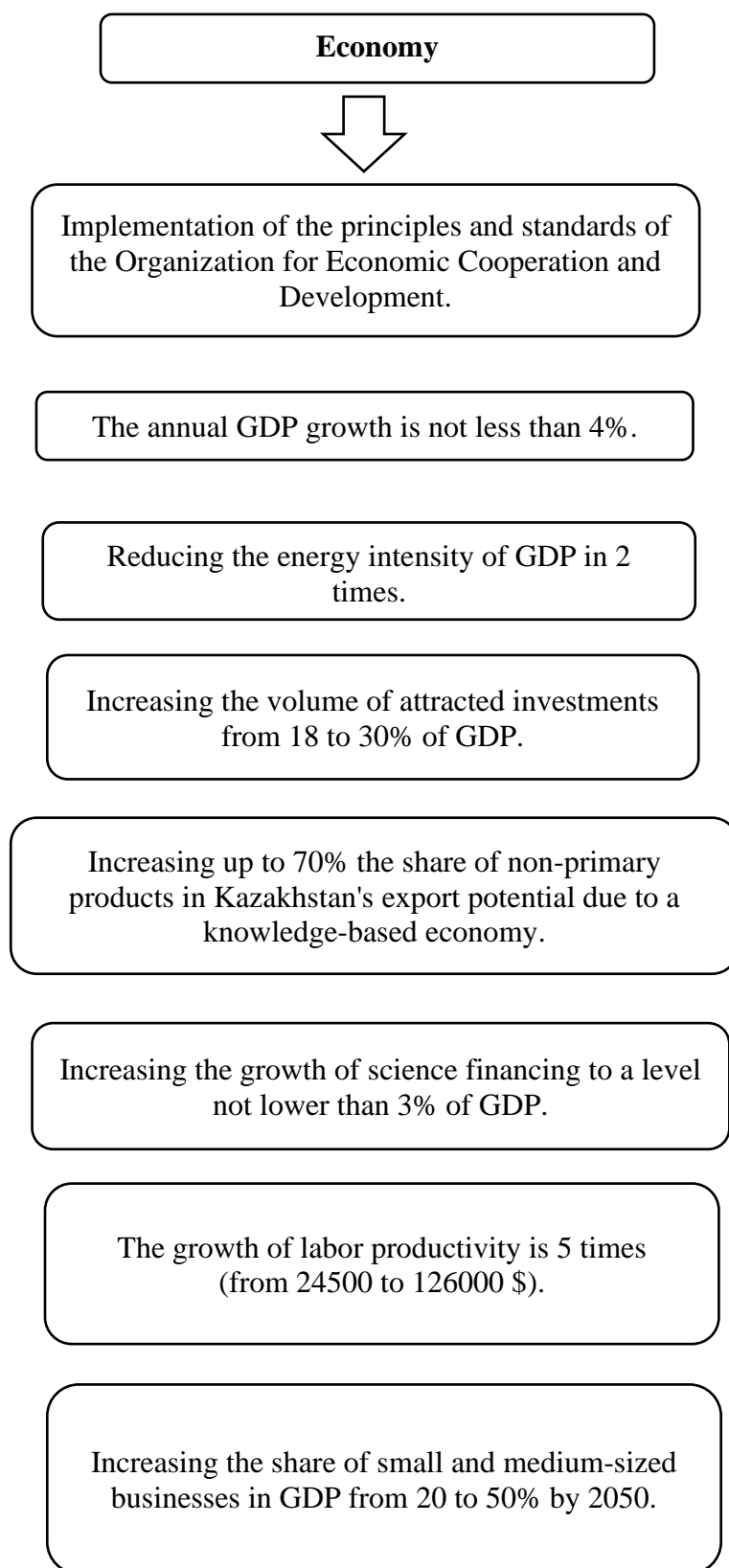
3. A new stage of privatization. A second wave of large-scale privatization is needed. This means redistribution of responsibility between the state and the market.

A whole set of tasks has been set that correspond to the modernization stage of Kazakhstan's development. The most important of them is entering the thirty most developed countries of the world. And this is a difficult task, taking into account the current trends of global development and the growing competition for world commodity markets. In this connection, the main components of the new economic course are: comprehensive economic pragmatism and the modernization of macroeconomic policy, which involves reforming the budget, tax, monetary policy and management of external debt (Social-economic development of the Republic of Kazakhstan, 2014).

### **New guidelines for the economic policy of the state.**

To improve the quality of life of every Kazakhstan man in the sphere of the economy, it is necessary to continue diversification in the direction of the development of high-technological industries both in industry and in the agro-industrial complex. In the social sphere there remain topical issues of increasing the life expectancy of Kazakhstan people to the level of developed countries and developing a new system of social standards for supporting the population (M. Kenzheguzin, 2013). Key indicators of long-term development of Kazakhstan are presented in the Table 7.

**Table 7. Key indicators of long-term development of Kazakhstan**



Source: N. Nazarbayev (2015)



The economic component of the model should be aimed at: - making decisions that are appropriate and able to solve problems, and minimize risks in order to obtain long-term benefits; - identification of market segments where Kazakhstan could participate as an equal business partner; - creation of new points of development; - creation of a favorable investment climate. This will lead to an increase in the country's economic potential; - creation of a strong, competitive private sector and the development of a partnership between the private sector and the state; - to export promotion. The economic policy of the new course is economic pragmatism on the principles of profitability, return from investment and competitiveness. All decisions must be made in terms of economic feasibility and long-term interests. To do this, it is necessary to identify new points of economic growth and new market niches, where the republic can manifest itself as an equal business partner.

Modernization of macroeconomic policy provides for new principles of budgetary policy - spending only within its capabilities, reducing the budget deficit; careful and thoughtful budget and financial process; investment of the state budget into productive national projects with a long-term perspective.

The Head of State noted in his message that the successful implementation of the long-term tasks set will result the creation of an appropriate regulatory legal and institutional framework, which in turn would require the "reset" of many country strategic documents (Kazakhstan: Reform and development, Information-analytical collection, 2015).

The innovative directions of the strategy, first presented in country documents, can be noted: the development and implementation of the concept of state audit, the decentralization of public administration and the election of akims, the reform of the environmental system and the creation of a strategic reserve of hydrocarbon raw materials.

At present, the Kazakh government has begun to implement specific tasks to accelerate economic and social reforms, the formation of a scientific and educational system, strengthening statehood and developing democracy, modernizing foreign policy and strengthening regional and global security. In recent years, a course towards system industrialization and the introduction of innovative technologies has been taken, which will make it possible to increase the competitiveness of the Kazakh economy and its attractiveness for foreign investments. The role and responsibility of Kazakhstan in international affairs has significantly increased.

At the same time, today the development of any state depends on the ability to respond adequately and in a timely manner to the new challenges of a globalized world.

Thus, the successful implementation of the Kazakhstan-2050 Strategy should contribute to the implementation of qualitative changes in the structure of Kazakhstan's economy that will lead to its sustainable growth based on effective use of human, produced and natural capital, Kazakhstan's access to a new level of social development and social structure. It is obvious that the goal set by the leadership of the Republic of Kazakhstan can be achieved only on the basis of deep diversification of the country's economy, by stimulating innovation, introducing and developing competitive industries integrated into regional and global markets. The head of the state in his speech noted that the main goal to be achieved by the republic by 2050 is the creation of a welfare society based on a strong state, developed economy and opportunities for universal labor. The country will work as a single corporation, where decisions will be made only in terms of economic feasibility and development of Kazakhstan's global competitiveness. The economic system of Kazakhstan will be radically liberalized through a reduction to a minimum of state participation in the regulation of entrepreneurship, large-scale privatization and an increase in the share of the private sector in virtually all spheres of activity.

Monetary policy will be rethought in order to support projects, as a matter of priority, allowing the next phase of industrialization to be implemented already in view of the third industrial revolution. The best conditions for foreign investment in the whole Eurasian space will be created. The development of mineral resources and their export to world markets will be accelerated, in exchange for access to advanced technologies and the creation of new production facilities on the territory of our country. Kazakhstan will accelerate the transition to the green path of development.

Kazakhstan, as before, will be an active participant in regional economic integration, which should be based on the principles of mutual benefit and joint solution of pressing social and economic problems.

The ongoing social and economic reforms in Kazakhstan are aimed at creating a market economy with a high standard of living for the population. In solving this problem, an important place is given to the agro-industrial complex, which provides the needs of the food market.

The regional grain market is characterized by features related to the specific functioning of the regional economy, the level of development of grain production, the geographical location of the region, natural and climatic and socio-economic factors, the structure of effective demand, depending on the tradition in the population's food and income levels. Its formation is influenced by competition, the only way to reduce its level are economic agreements between rural commodity producers, and the creation of various kinds of associations of horizontal or vertical

types; demand and supply of grain; state regulation that meets national needs both in terms of grain production and efficiency.

The improvement of the economic mechanism for regulating the commodity resources and the purchase of grain should be directed, on the one hand, to the creation of regional grain resources that meet the needs of the population in it and the ability to supply products for export, and on the other hand - to harmonize the economic interests of all its subjects.

#### 4.3. Prospects of the development of grain market in the Akmola region

The Akmola region is one of the main grain-growing regions of Kazakhstan. Grain as a component of the food market and the economy of the republic as a whole, and its functioning mechanism to some extent depend on the overall economic situation in the country, the situation on the world grain market. Meanwhile, the granting of great rights to the regions in the regulation of agro-industrial production, the growing activity of the grain market participants themselves in the creation of various organizational structures introduce a number of new moments into it.

Akmola region, having the largest grain wedge in the republic, annually produces about 25% of the total amount of grain produced in the country. At the same time, providing a completely internal need for food grain, seeds, feed.

Annually about 1.8 million tons of grain are exported to 26 countries of near and far abroad and more than 800 thousand tons are realized in 7 regions of our republic. Also, the Akmola region is a major producer of livestock products.

An analysis of the development of agriculture in the Akmola region shows the steady state of this sector (Table 8).

**Table 8. Information on the shipment of grain and flour from the Akmola region for export and other regions of the Republic for 2017 thousand tons**

Name of product	2017												
	January	February	March	April	May	June	July	August	September	October	November	December	From the beginning of the year
Export													
cereals	146,2	166,1	112,7	149,4	134,1	97,1	61,7	67,1	138,9	160,2	222,9	216,4	1672,7

flour	9,6	17,9	20,2	16,4	12,9	6,2	3,3	11,1	10,1	9,2	10,2	43,4	170,5
within the Republic													
cereals	88,6	99,5	89,5	90,1	71,1	73,4	47,1	45,8	48,8	61,0	142,1	71,3	928,4
flour	7,2	11,2	15,5	6,9	6,1	0,6	1,0	7,2	8,2	7,8	9,4	11,0	92,1
Total													
cereals	234,8	265,6	202,2	239,5	205,2	170,5	108,8	112,9	187,7	221,2	365,0	287,7	2601,1
flour	16,8	29,1	35,7	23,3	19,0	6,8	4,3	18,3	18,3	17,0	19,6	54,4	262,6

Source: Report on the development program for the Akmola region in 2016-2020.

The modernization of agriculture of the traditional driver of the region's economy, is under the way. Despite the status of the grain area, other areas of the agro-industrial complex are actively developing, and, fundamentally important, the processing sector, also identified as one of the priorities of the State Program for Industrial and Innovative Development.

It is important to develop the agro-industrial complex by creating agricultural cooperatives, increasing productivity through the use of scientific potential, micro-credit of agriculture and the activation of small and medium-sized businesses.

In the development of effective grain production, foreign trade activities of commodity producers are of great importance, which is reflected in an increase in the growth and volume of foreign trade turnover, in the expansion and improvement of the structure of exports and imports, and in the development of new forms of international cooperation. In market conditions, fundamentally different approaches are needed to address the issues of improving management and marketing, investment, price and financial and credit policies for the development of product exchange relations, implementing effective measures of state support and regulation, implementing sound marketing measures on forecasting and modeling the situation in the grain market, especially on the external grain market (G.Kaliev, A. Kovalev, P.Shevchik, 1994, G.Madiev, 2002).

Agricultural production is one of the priority directions of the development of the region. Akmola region is one of the largest grain-growing regions and is currently one of the main grain exporters in the country, including strong and hard wheat. Every year, a stable increase in the number of livestock and livestock production is ensured.

If you look at the results of the socio-economic development of Akmola region in the last months of this year, then there is a clear positive dynamic in all key areas.

In the Address of the First President of the country N. Nazarbayev, to the people of Kazakhstan there is a strategic task - the agrarian sector should become the new driver of the economy. Akmola region will make every effort to fulfill this task of the Head of State through the successful implementation of the State Program for the Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2017-2021.

State regulation, which is a complex system of measures of the influence of legislative and executive authorities of regional level on the main elements of the grain market, is an indispensable condition for its sustainable functioning in all major grain-producing countries of the world. In order for the grain economy to have an opportunity for expanded reproduction, and the grain market developed steadily, reliable grain supply was provided, the export resources of quality grain increased, national interests of the country were strengthened in the world, it is necessary to develop a state grain strategy in which all economic entities of the grain market are economically interested.

The level of development of grain production is one of the most important characteristics of the economic independence and well-being of the country, regions. It is this that determines the strategic importance and role of grain as a valuable food product, raw material for the grain processing industry and the main component of fodder for livestock. The volume of grain production exceeds the domestic needs of the country, and its exports are regarded as one of the priority areas of foreign economic activity.

To develop diversification in the grain industry and increase its efficiency, it is necessary to take the following measures:

- increase in the yield of grain crops on the basis of compliance with a set of agro technical measures (development of crop rotations, introduction of mineral and organic fertilizers, control of pests and insects on grain crops, application of new high-yield varieties of grain crops, etc.);
- transition to industrial-innovative technologies in growing grain crops;
- equipping with new equipment, as all available equipment is morally and physically obsolete, which does not allow to produce products qualitatively, meeting international standards, as well as to reduce production costs;
- increase in production and processing of grain cereals;
- development of production of pasta from hard wheat;

- ensuring the stability of foreign trade and applying effective mechanisms for state regulation of grain exports;
- the organization of effective channels for the sale of grain "from the producer to the buyer", without intermediaries, which will allow commodity producers to obtain additional profits with added value of products, which will stimulate an increase in the competitiveness of grain;
- an increase in the volume of processed grain products will allow the republic to switch from raw materials to exports and sales of finished products, which will increase the added value of this product.

The functioning of the regional grain market is impossible without an efficient infrastructure. It should be created on the basis of cooperation and integration of economic entities of all branches of the agro industrial complex and with direct support and participation of the state regulating the production and collection of grain through its purchase in the regional food fund, the creation of a regional reserve grain fund, the implementation of collateral operations, crop insurance, programs, promoting the creation of financial-agro-industrial groups, stimulating the supply of grain and demand for it, the formation of missing elements production, and especially - the market infrastructure.

The production of grain is economically multifunctional, affecting the entire agro-industrial complex. Being its integral part, the grain economy largely determines the living standard of the population and the reliability of the country's bread supply, its food security. At the same time, the country's grain economy is a replenished and developed resource, due to the rational management of which it is possible to ensure a high return on the invested funds.

Currently, without state support to rural producers it is difficult to achieve high indicators in the grain industry. Therefore, within the framework of the State Program for the Development of Agriculture in the Republic of Kazakhstan for the period 2013-2020, large-scale investments are planned for the development of the industry, as well as substantial improvement of the technological base of rural commodity producers, which should contribute to the increase by 2020 of grain production in Kazakhstan.

It is determined that the development of the grain market is largely related to the state's participation in its regulation. The principles of such participation include: - State responsibility for the formation and development of the grain market, expressed in its regulation; - the protectionist nature of grain market regulation is government measures of an organizational and economic nature associated with the formation of reserve, grain insurance funds and the system of quoting purchased grain in state food and fodder funds; - Tracking the development trends of

the grain market and the program-targeted approach to its development, which allows to prevent the development of negative processes and their negative consequences; - the formation of a unified system for regulating the grain market, based on an effective correlation and validity of the choice of directions and methods of influence; - development of a system for stimulating the growth of grain production and final output of grain production. An effective grain market in modern conditions requires the presence of a developed infrastructure, a system of interrelated economic levers and incentives that ensure a balance of demand for grain and its supply on the market, economic parity for all market participants, food, primarily grain independence of the country.

Therefore, it is necessary to improve the infrastructure of the grain market, namely: - development of exchange trade in grain, licensing of market operators; - improvement of the accounting system for production, turnover of grain and products of its processing; - information support for participants in the grain market; - Development of a system of grain standards and methods for determining its quality and regulatory framework for the regulation of the grain market; - professional development of personnel at all levels, creation of technological service centers. The conducted researches in this direction allow to draw a conclusion that its current state is determined by a whole complex of institutional, socio-economic, ecological, organizational and technological problems. The solution of which requires an objective need to influence the grain market on the part of the state. In the future, the grain market from a self-regulating spontaneously developing system should turn into a system that optimally combines the mechanisms of market self-regulation and state influence.

Further development of the grain industry is possible only on the basis of its technological and technical re-equipment. For this, it is necessary to accelerate the transition to low-cost, energy-saving technologies for cultivating and harvesting grain, and post-harvest processing, which will ensure the production of the maximum production with minimal material costs, technical and manpower resources. At the present time, various types of technologies for cultivating and harvesting grain crops at different intensity levels have been developed and recommended for implementation. For their development, many types and brands of agricultural machinery are produced. The grain market, covering all stages of the expanded grain economy, is a complex structural formation that must be viewed from the standpoint of sectoral, territorial and other, closely interrelated and interacting among themselves.

## V. STATE AND ASSESSMENT OF THE MECHANISM OF SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT OF THE AKMOLA REGION

### 5.1. Diagnosis of the socio-economic status of the Akmola region

Akmola region is an area in Northern Kazakhstan. The enclave, surrounded by the territory of the region, is the capital of Kazakhstan Nur-Sultan, which is not administratively included in the region. The administrative center since 1999 is the city of Kokshetau. It borders on the west with Kostanay, in the north - with North Kazakhstan, in the east - with Pavlodar and in the south - with Karaganda regions.

The region is located in close proximity to such developed regions of Russia as the Urals, Tyumen, Tomsk, Omsk and Novosibirsk regions, with which there are established long-term economic ties, new ones are being built. Economic ties with neighboring regions of Kazakhstan are further developed. The trend continues to expand the market for products manufactured in the region.

**Map 2: Geographical position of the Republic of Kazakhstan.**



Source: Maps Kazakhstan

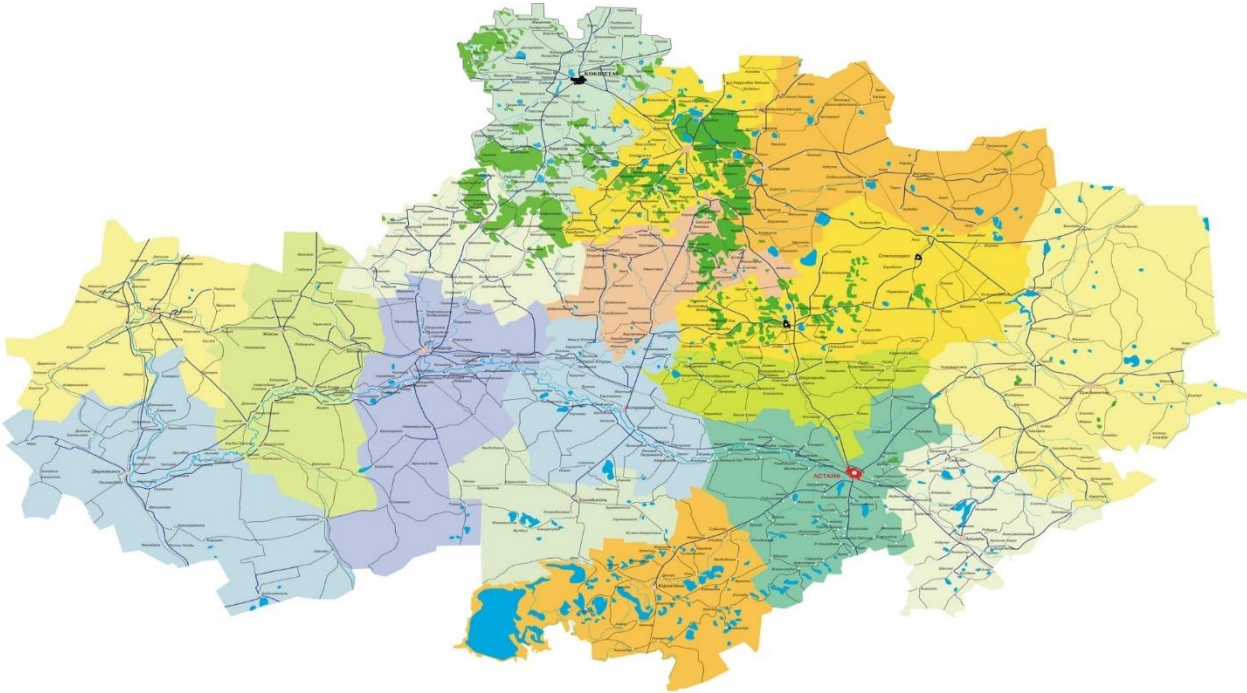


**Map 3: Map of Kazakhstan, location of the Akmola Region.**



Source: Maps Kazakhstan

**Map 4: Geographical position of the Akmola region.**



Source: Official internet resource of Akmola region

Akmola region is an agricultural and industrial region. Akmola region occupies the western outskirts of the Kazakh folded country between the Ulytau mountains in the south-west and the Kokshetau heights in the north. The general slope of the terrain is from east to west. In the same direction the middle part of the Akmola region crosses the valley of the Ishim River, turning steeply to the north not far from the western border of the region. According to the nature of the relief, Akmola region can be divided into 3 parts: north-west - flat, south-western - flat with separate hills and eastern - elevated part of Kazakh folded country. The northwestern part (adjacent to the Ishim valley, in the area of its turn to the north) represents a flat plateau, dissected by dry ravines and beams. To the Ishim valley, the plateau is cut off by a ledge. In the southwestern part of the Akmola region (south of the Ishim River) there is an elevated plain. On it are numerous hills with flat peaks, and in the depressions between the hills - shallow salt and freshwater lakes of various sizes. In the east of the Akmola region - that part of the Kazakh folded, once mountainous country, aligned with the processes of destruction (denudation), which preserved a complex of hills, ridges and ridges with soft outlines of slopes, called hills here. The relative height of the hills ranges from 5-10 m to 50-60 m and less often up to 80-100 m. The shape and size of the hills vary depending on the composition of the constituent rocks. The highest hills with rounded peaks are usually composed of granites, hills with even more gentle slopes and soft-topped peaks - porphyries and, conversely, peaked hills, usually - quartzite. Closed basins between hills, ranging in size from several tens of meters to several tens of kilometers in diameter, are often occupied by lakes. The extreme north-eastern part of the Akmola region lies within the West Siberian lowland.

In the Akmola region, the climate is sharply continental, arid, with hot summers and cold winters. Daily and annual temperature amplitudes are very high. Spring and autumn are weak. There are many sunny days, the amount of solar heat received in summer is almost as great as in the tropics. Cloudiness is insignificant. Annual precipitation decreases from north to south, with a maximum in June and a minimum in February. The snow cover is maintained for an average of 150 days. Winds in the Akmola region are quite strong.

The Akmola region is poor in water. The rivers are shallow, non-navigable, fed by thawed waters and, to a lesser extent, by groundwater sources. In summer, the rivers often dry up, the water in them becomes salty. The main rivers of the Akmola region are Ishim (tributary of the Irtysh) and its tributaries: Ters-Akkan - on the left, Zhabai, Koluton and others - on the right. Many rivers end in the drain less lakes (Nura, Selenta, Ulenta rivers). Dozens of lakes occupy the basins of the small cluster and the elevated plain of the Akmola region. The largest of these is the salt lakes of Tengiz (near the border with the Karaganda region), about 40 km wide,

Kalmyk-Kol and others, smaller in size - freshwater Ala-Kohl, Shoindy-Kol and many others. Due to low shores, many lakes change their outlines in strong winds.

The soil-vegetation cover of the Akmola region is represented by steppes and partly semi-deserts. Depending on the relief and underlying rocks, soil complexes and plant associations are extremely diverse and diverse. Vegetation is drought resistant, represented by feather grasses, fescue, and along the hills there are often pine forests. The entire western third of the Akmola region (penetrating along the Ishim River valley to the east to Nur-Sultan) is occupied by cereal steppes on dark chestnut soils. The soil saturation here is only 30-40%.

October 14, 1939 by decree of the Presidium of the Supreme Soviet of the USSR from the part of the North-Kazakhstan region was formed Akmola region. December 26, 1960 Akmola region was abolished, the territory of the region became part of the virgin land. On March 20, 1961 the city of Akmolinsk was renamed Tselinograd. April 24, 1961, the Tselinograd region was formed from 14 districts with a center in Tselinograd. October 19, 1965 The virgin land was abolished, the region again directly became part of the Kazakh SSR. By decree of the Presidium of the Supreme Council of the Kazakh SSR on July 18, 1985, the Tengiz region (formed as part of the Tselinograd region with a center in the village of Barshino by the Decree of the Presidium of the Supreme Council of the Kazakh SSR of February 15, 1977) was transferred to the Karaganda region (now part of the Nurinsk district Karaganda region). In 1992, Tselinograd was renamed to Akmola (from 1998 to Nur-Sultan), and the region to Akmola. On April 10, 1999, three southern districts of the North-Kazakhstan region (Zerendinsky, Shchuchin, Enbekshilder, until 1997 included in the abolished Kokchetav region) with the cities of Kokshetau, Shchuchinsk and Stepnyak (also until 1997, part of the abolished Kokchetav region) were transferred to Akmola region. At the same time, the administrative center of the Akmola region was moved from the capital of the country of Nur-Sultan to the city of Kokshetau (Kokchetav).

The region is administratively divided into 17 districts and 2 cities of regional significance: Kokshetau and Stepnogorsk, 8 cities of regional subordination: Akkol, Atbasar, Derzhavinsk, Yesil, Erejmentau, Makinsk, Stepnyak, Shchuchinsk.

**Table 9. Macro indicators of the Akmola region for 2016-2018**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume index GRP, %	102,9	102,4	103,8
GRP, billion tenge	1344,3	1552,7	1699,9
GRP per capita, thousand tenge	1818,2	2107,8	2301,0

Source: The Report of Akim of Akmola region "On the results of social and economic development of Akmola region for 2018 and main tasks for 2019".

In the Address of the First President to the people of Kazakhstan dated January 17, 2014, "Kazakhstan way-2050: common goal, common interests, common future", priorities and tasks are set, the fulfillment of which is aimed at achieving an ambitious goal - Kazakhstan's entry into the number of 30 developed countries by 2050 states of the world. The main landmarks until 2050, allowing to occupy a worthy place in our country among the most developed countries, are concluded in specific indicative figures. To achieve them, the Leader of the Nation has determined the need to implement seven priority areas oriented to sustainable economic growth through innovative industrialization, modernization of the agro-industrial complex, development of small and medium-sized businesses, which will improve the quality of life and create new opportunities for opening the potential of Kazakhstanis (N. Nazarbayev, 2014). The progressive development of Akmola region allows us to say with certainty that the region has created a sufficient reserve for solving the problems set in the Address.

Sustainability implies the continuously supported development of social, economic and environmental spheres in their rational interaction that can meet the needs of the present and does not compromise the ability of future generations to meet their needs. This approach to the problem of sustainable economic development reflects not only economic, but also social and environmental aspects. This position prevails in the economic literature on the problem of sustainable development of the region. Therefore, sustainable development involves the transition to the management of economic, social and environmental processes in the territory, an agreed solution to the issues of location of production and resettlement.

Stability is the ability of a system to return to its original state after exiting from it as a result of some impact, the ability to function under conditions of external and internal influences. The main condition for the stability of the system is its ability to self-regulation, adaptability to the changed conditions of the external and internal environment.

There are a large number of factors affecting the stability of the region's economic development. They can be grouped into two groups:

1) internal factors:

- socio-economic policy of regional authorities;
- the economic potential of the region and the degree of its use;
- level of social and economic development of the region;
- specialization of the region and sectoral structure of the economy;
- demographic situation, the state of labor resources;

2) external factors:

- natural climatic conditions;
- patterns of development of scientific and technological progress;
- socio-economic policy of the government of the country;
- the impact of globalization (The program of development of the Akmola region for 2011-2015).

Based on the factors that determine the sustainable development of the region, it is necessary to develop a system of indicators. Indicators of sustainable socio-economic development of the region are necessary for determining the development goals of the region; management of the development of the region; assessment of the situation in the region in the country and the world.

There are two approaches to assessing the region's sustainable economic development. The first is characterized by the construction of a system of indicators that reflect various aspects of sustainable development. Allocate economic, social and environmental subsystems of indicators. The second approach is characterized by the construction of an aggregated indicator. When developing an aggregate indicator of sustainable development, the following requirements must be taken into account:

- coverage of all subsystems in the region that have an impact on sustainable development;
- a limited number of indicators;
- comparability of indicators;
- availability of indicators to enable evaluation;
- the possibility of reducing the system of indicators to an integral one;
- the ability to interpret the aggregated indicator (The official website of Akmola region, 2018).

In our opinion, the system of indicators should include system-wide indicators and indicators that reflect the laws and processes of sustainable development of social, economic and environmental spheres. System-wide indicators characterize the processes of sustainable development of all spheres of the region as a whole, in their interdependence. They should be quantitatively measurable and comparable in dynamics, provide the possibility of comparison with similar processes in other regions. As a system-wide indicator, the human development index recommended by international organizations should be used; production of gross regional product per capita; the level of anthropogenic pressure on the environment.

As indicators, determining economic sustainability, we will distinguish:

- average annual growth rates of the gross regional product, %;
- share of investments in fixed assets in GRP, %;
- rates of growth in the volume of foreign trade, %;
- Foreign direct investment (FDI), percentage of GRP;
- increase in productivity of social labor, %;
- reduction in the material consumption of the gross output, %;
- reduction of GRP energy intensity, %;
- specific weight of non-state (private) property, %;
- the number of Internet users (per 100 population);
- communication infrastructure, the number of telephones, including cellular, per 100 families;

Social sustainability can be assessed by the following indicators:

- education level index;
- the share of expenditures of the consolidated budget for education, the percentage of GRP;
- Life expectancy at birth, years;
- the share of budget expenditures on health, the percentage of GRP;
- average annual rate of population growth, %;
- distribution of the population by age groups, %;
- average provision of the population with the total area of residential houses, m<sup>2</sup> / person;
- increase in real monetary incomes of the population, a percentage of the previous year;

- coefficient of differentiation of incomes of the population;
- The share of the population below the poverty line, %;
- unemployment rate;
- registered crimes per 100 000 populations, thousand;

Environmental indicators:

- increase in volume and emissions of harmful substances into the atmosphere, percentage of stationary mobile sources;
- increase in water abstraction from natural water bodies, %;
- consumption of fresh water for domestic and drinking needs per capita, l / day;
- Increase in discharge of sewage into surface water bodies, %, including polluted;
- index of water pollution in the main river basins;
- specific gravity of eroded and erosion hazardous lands, %;
- the share of cultivated lands, in the total area of disturbed lands, %;
- specific weight of forest area, %;
- use of the estimated cutting area, %;
- area of specially protected natural areas, percentage of the total area;
- specific weight of costs for nature protection in GRP, % (Socio-economic development of Akmola region, 2018).

If we analyze the dynamics of the socio-economic development of the region over the past four years, we can see that the majority of indicators characterizing the sustainable development of the region, there is a positive trend (Table 10).

**Table 10. The main indicators of development of Akmola region in 2015 - 2018.**

<b>№</b>	<b>Indicators</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1.	Population, thousand people	740,5	744,4	734,4	738,8
2.	GRP, billion tenge	1 121,0	1344,3	1518,7	1699,9
3.	GRP per capita, thousand tenge	1 513,9	1818,2	2107,8	2301,0
4.	Labor productivity, thousand tenge	2258,4	2701,4	3196,7	3497,7
	- manufacturing industry	5609,4	8343,7	9380,4	10883,9
	- agriculture	1216,0	1365,9	1657,0	1921,8
5.	Labor productivity index, %	102,3	101,7	105,9	103,0
	- manufacturing industry	107,8	98,4	102,0	105,7
	- Agriculture	103,3	109,2	106,6	109,7
6.	Estimation of the share of unobserved economy in GDP, %	-	28,65	27,77	29,09
	- <i>proportion of rural population, %</i>	52,8	52,7	52,7	52,8
7.	Labor force (EAN), thousand people	429,9	438,0	428,9	429,2
8.	Employed population, thousand people	408,1	416,4	408,3	408,7
	- manufacturing industry	29,6	31,0	31,3	31,9
	- agriculture (forestry, fisheries)	133,5	135,5	129,0	122,4
9.	Employees, thousand people	266,7	269,5	268,7	274,1
10.	Industrial production, %	100	100	100	100
11.	Manufacturing industry, %	68,9	72,7	79,5	80,8
12.	Mining industry, %	16,0	15,2	9,7	9,0
13.	Electricity, gas, steam and air conditioning, %	13,4	11,6	9,2	8,8
14.	Water supply; sewer system, control over the collection and distribution of waste, %	1,7	1,5	1,6	1,4
15.	Gross agricultural output, billion tenge / IFO, %	290,9 (102,0%)	348,2 (108,9%)	383,0 (100,1%)	406,7 (101,9%)
	plant growing, billion tenge / IFO, %	200,3 (99,6%)	239,9 (111,8%)	258,5 (98,6%)	268,8 (101,1%)
	livestock, billion tenge / IFO, %	89,29 (106,9%)	106,5 (102,1%)	123,0 (103,3%)	136,9 (103,5%)
16.	The whole cultivated area, thousand ha	4906,2	4844,2	4745,9	4987,2
17.	Cereal crops	4198,6	4353,4	4303,5	4320,7
	wheat	3666,4	3855,9	3719,7	3594,5
18.	Potatoes	18,8	18,0	18,1	15,1
19.	Oilseeds	245,8	219,7	272,7	279,3
	sunflower	29,0	30,0	56,1	29,4
20.	Vegetables	4,4	4,3	4,2	17,9
21.	Forage crops	193,9	248,8	147,4	369,3

Source: Main indicators of socio-economic development of Akmola region



**Table 11. Information on the production of grain for 2012-2016  
(thousand ha, ts / ha, kt)**

Years	Harvesting area	Yield in the original weight	Gross harvest in initial weight	Gross collection after work	Yield in weight after workmans hip	Refaction, quantity	%
<b>2012</b>	4 040,3	7,6	3 074,7	2 822,0	7,0	292,1	9,5
<b>2013</b>	4 225,9	11,3	4 770,7	4 411,6	10,4	357,8	7,5
<b>2014</b>	4 079,0	11,9	4 846,2	4 502,6	11,0	344,1	7,1
<b>2015</b>	4 089,3	11,6	4 738,8	4 434,7	10,8	303,3	6,4
<b>2016</b>	4 323,4	12,5	5 414,4	5 023,8	11,6	292,4	5,4

Source: Committee on Statistics of the Republic of Kazakhstan

**Table 12. Gross harvest of major crops (cereals)  
(thousand tons)**

2014	2015	2016	2017	2018
4502,6	4434,7	5023,8	4822,3	5037,4
Crop yields (cereals) (centners from 1 hectare)				
11,0	10,8	11,6	11,2	11,7

Source: Committee on Statistics of the Republic of Kazakhstan

### **Modernizing the agricultural sector**

We need a large-scale modernization of the agricultural sector, especially as we face growing global demand for agricultural products.

For us to become a leader in the global agriculture market and build up our agricultural production, we need to:

- Increase the sowing area in the country. Not all countries are able to do this, but we can.
- Ensure a significant rise in the crop yield, primarily by introducing new technologies.
- Creating a world class livestock forage base.
- Create nationally competitive brands with an eco-friendly focus.

Our agricultural industry must become a global player in eco-friendly production (N. Nazarbayev, 2012).

Akmola region is a grain growing region of Kazakhstan with a great potential for the development of agriculture, therefore the most significant branch is precisely the agriculture sector. The success of the industry depends on the work of many enterprises engaged in processing raw materials, transporting, storing and selling agricultural products.

An analysis of the development of agriculture in the Akmola region shows the steady state of this sector (Table 13).

**Table 13. Export structure of Akmola region**

Name of product	2015	2018
Flour	5,1%	10,9%
Wheat	32,2%	37,1%
Sunflower seeds	2%	2%
Coal	0,9%	0,1%

Source: The Report of Akim of Akmola region "On the results of social and economic development of Akmola region for 2018 and main tasks for 2019".

**Table 14. Information on the shipment of grain and flour from the Akmola region for export and other regions of the Republic for 2016 thousand tons**

Name of product	2016												
	January	February	March	April	May	June	July	August	September	October	November	December	From the beginning of the year
Export													
cereals	166,0	179,3	142,9	163,0	116,4	133,0	100,0	34,7	112,3	145,5	240,5	199,4	1 732,9
flour	4,0	14,3	1,3	8,29	2,5	1,2	2,2	1,1	0,9	2,5	24,5	14,7	77,4
within the Republic													
cereals	77,1	108,4	62,7	66,4	80,3	84,7	23,4	27,8	47,8	77,7	140,5	98,7	895,5
flour	8,0	0,55	7,09	7,34	10,2	0,134	0,9	0,1	1,0	1,9	12,6	8,2	58,0
Total													
cereals	243,1	287,7	205,6	229,3	196,7	217,7	123,4	62,5	160,1	223,2	381,0	298,1	2 628,4
flour	12,0	14,8	8,4	15,6	12,7	1,3	3,1	1,2	1,9	4,4	37,1	22,9	135,5

Source: Report on the development program for the Akmola region in 2016-2020

SWOT analysis of the socio-economic development of the region makes it possible to identify the strong and weak aspects of the development of the region that affect stability (Table 15).

**Table 15. SWOT-matrix of sustainable development of the Akmola region**

<b>Strengths and Competitive Advantages</b>	<b>Problems and weaknesses</b>
<p>Resources of the region</p> <ol style="list-style-type: none"> <li>1. Favorable geographical position of the region.</li> <li>2. High level and quality of human potential.</li> </ol> <p>Infrastructure of the region</p> <ol style="list-style-type: none"> <li>1. Developed transport communications and infrastructure, telecommunications infrastructure.</li> <li>2. Presence of subjects of innovation infrastructure.</li> <li>3. An effective system of training, retraining and upgrading of the qualifications of personnel for work in areas of economic activity important for the region.</li> <li>4. Modern and effective health care system.</li> </ol> <p>Economic activity</p> <ol style="list-style-type: none"> <li>1. Presence of developed export-oriented industries.</li> <li>2. Developed transport industry.</li> <li>3. Modern building complex and production of building materials.</li> </ol>	<p>Economic</p> <ol style="list-style-type: none"> <li>1. Partial dependence on imported energy resources.</li> <li>2. Low efficiency and deterioration of the financial condition of enterprises, primarily city-forming.</li> <li>3. Low innovation activity of business entities.</li> <li>4. Insufficiently developed transport and logistics infrastructure.</li> <li>5. Insufficient level of development of private small and medium-sized businesses.</li> <li>6. Irrational structure of industry in the region.</li> <li>7. Significant differentiation of industrial development of districts of the region.</li> </ol> <p>Social and Environmental</p> <ol style="list-style-type: none"> <li>1. Migration of population with high human potential, reduction of demographic and labor potential in small urban settlements and rural areas.</li> </ol>
<b>Opportunities for sustainable development</b>	<b>Threats to sustainable development</b>
<p>Economic</p> <ol style="list-style-type: none"> <li>1. Accelerate the processes of regional and global integration.</li> <li>2. Enhancing the role of human potential as the main factor of economic growth.</li> <li>3. Enhancing the role of services in the economy.</li> <li>4. Creation of conditions for effective agro-industrial production.</li> <li>5. Expansion of export supplies.</li> </ol> <p>The social</p> <ol style="list-style-type: none"> <li>1. Enhancing the role of health and education systems as a factor in the attractiveness of territories to attract a highly skilled workforce.</li> </ol> <p>Environmental</p> <ol style="list-style-type: none"> <li>1. Strengthening the role of the environmental factor in the development of society.</li> <li>2. Growth of intensity of use of "green technologies" in all spheres of economy.</li> </ol>	<p>Economic</p> <ol style="list-style-type: none"> <li>1. Rising prices for imported energy resources.</li> <li>2. Openness of the Kazakhstan market for the import of foreign goods, tightening requirements and worsening terms of trade in exported products.</li> <li>3. Lack of sources of financing for the construction of social infrastructure facilities.</li> <li>4. Deficiency of skilled workers.</li> <li>5. Unfavorable conjuncture of world commodity markets, produced by enterprises of the region.</li> </ol> <p>The social</p> <ol style="list-style-type: none"> <li>1. The problems of ensuring demographic security, the growth of the demographic burden.</li> <li>2. The appearance of territories that are not capable of sustainable development.</li> </ol> <p>Ecological</p>

	1. The risk of increasing the techno genic load and the violation of the ability of nature to self-repair.
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Source: Own survey

SWOT-analysis allows to formulate the main directions of the regional policy necessary to ensure sustainable development of the region:

- Conducting institutional reforms to create favorable conditions for the development of entrepreneurship in the region;
- formation of a favorable investment climate capable of ensuring the inflow of foreign direct investment into the region;
- carrying out the structural reorganization of the region's economy, which ensures the increase of the competitiveness of products in the internal and external markets;
- active assistance in promotion of regional products to foreign markets, stimulation of foreign economic activity of regional enterprises;
- ensuring more efficient use of the resources of the region;
- Social policy aimed at raising the level and quality of life of the population of the region, preventing a sharp differentiation of income (The report of akim of Akmola region "On the results of social and economic development of the region for 2016 and the main tasks for 2017).

The existing economic and spiritual potential, which Akmola region has, will ensure the unconditional fulfillment of all tasks set by the Head of State, ultimately aimed at improving the well-being of the population.

The conducted researches have shown that the competitive advantages of the territories can be the sources of the "growth points" of the regional economy; innovation; economies of scale; Involving unique or specific resources and factors; creation of infrastructure conditions for the development of entrepreneurship; expansion of demand for goods and services in the domestic and foreign markets; new management mechanisms; attraction of investments; entrepreneurial activity; organizational and institutional innovations.

## **5.2. Problems of socio-economic development of the Akmola region**

In modern conditions, the issue of the need to switch to sustainable development of the country as a whole is being raised more often. The transition to sustainable development as a whole is possible only if the sustainable development of all its regions is ensured. This assumes the formation of an effective spatial structure of the country's economy, with a balance of interests of all actors, which predetermines the need to develop and implement programs for the transition to sustainable development for each region, as well as further integration of these programs in the development of public policies for sustainable development.

For Kazakhstan, divided administratively into 2 cities of national importance, including the capital of the country - Nur-Sultan and 14 regions, the topic of developing and implementing an effective regional policy is relevant for two main reasons. First, the natural and geographical characteristics of the country's territory, the parameters of which create significant risks for the implementation of agricultural work, industrial production, requiring the concentration of collective labor efforts and capital and state guarantees. Secondly, in connection with the inefficient planning and implementation of key measures within the framework of the current direction of state activity and the uneven development of regional structures. Obviously, it is this side of the state's regional policy that reflects such negative factors as uneven and disproportionate development of the regions, inadequate assistance to the most backward regions, a weak inflow of investments into the regions, inadequate supply of jobs to the local population, a high level of internal migration, etc.

Regional management, as an organic component of the state management, is one of the main tested tools for implementing public policy. The development by regional governments of appropriate methods, mechanisms for implementing a purposeful program of activities, ways of their concrete implementation, taking into account and evaluating the results obtained, makes it possible to specify the radius and depth of their subsequent application, which becomes important in the further improvement of public administration (V. Kurnishev, 2010).

Unlike countries with optimal regional parameters that allow to create a developed local economy and local self-government, the regions of Kazakhstan are characterized by vast territories, low population density, highly dispersed production potential and low capacity of the domestic market. During the transformation of the economic and social systems, the regulatory role of the state in the development of the territories has significantly weakened, which was manifested primarily in the reduction of state investments in regional development (A. Alashbayeva, 2013).

This adversely affected the economy of individual regions, differences between regions in terms of living standards, access to social services, development of production and transport infrastructure increased. Developed in the past regions of the republic with high-skilled personnel, high density experienced a deep decline in production and demographic crisis. The problem was the emergence of depressed rural areas and small towns. The transition process was extended due to the heterogeneity of the economic space of Kazakhstan, significant differences in the opportunities for adaptation of regions to market conditions.

Akmola region is one of the largest regions in the northern part of the Republic of Kazakhstan. The region is located in close proximity to such developed regions of Russia as the Urals, Tyumen, Tomsk, Omsk and Novosibirsk regions, with which there are established long-term economic ties, new ones are being built. Economic ties with neighboring regions of Kazakhstan are further developed.

The GRP of the Akmola region is dominated by industry. The development of industrial production of the region is carried out in accordance with the main directions of the State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2015-2019. The main goal is to increase the well-being of the population of the region through the development of a competitive economy and competitive industrial production. Industry plays an important role in the economy of the region. In the next 5 years, industry will be one of the sources of increasing the region's economic potential. A really competitive economy should develop in the region.

The cardinal changes in the structure of the economy of the region for the indicated period are not revealed. In general, the industry is characterized by an industry imbalance: an increase in the share of the extractive industry in production and investment, and a low level of diversification of small businesses.

Let us now turn to the consideration of the social indicators of the development of the Akmola region.

In 2009-2011, in the region there has been a tendency to decrease the population by reducing the birth rate and migration outflow of the population. The increase in population in the region since 2012 was provided as a result of natural population growth and reduction of migration outflow. At the same time, during the last six years, the negative balance of migration has been preserved. Migration loss mainly relates to low wages and the search for new employment opportunities outside the region. In 2012-2013 year, there was a decrease in the negative balance of migration in the whole region from 3429 people. up to 1975 people.

However, in 2014 there was an increase in the negative balance of migration to 4352 people. In 2015, the balance of migration was also negative -2,5 thousand people.

The main indicators of social protection in 2013-2015. looked as follows (Table 16).

**Table 16 - Main indicators of the social protection sphere, 2013 - 2015**

Indicators	2013	2014	2015
Share of people employed on the number of persons applying for employment, %	94,9	95,8	98,0
Number of jobs created, incl. permanent, unit.	11 464	10 653	11 141
The number of disabled people of working age employed, who applied for employment assistance,	331	346	671
The share of qualified specialists in the structure of the attracted foreign labor, %	55,5	56,0	56,0
Note - compiled according to the data of the Committee on Statistics of the Republic of Kazakhstan			

Source: Committee on Statistics of the Republic of Kazakhstan

The results of the analysis of the socio-economic development of the Akmola region make it possible to identify a number of problems that negatively affect the level of development of the region, which we grouped into three groups - economic, social and environmental problems (Table 17).

**Table 17 - The main problems that negatively affect the level of socio-economic development of the Akmola region.**

Economic problems	Social problems	Ecological problems
<ul style="list-style-type: none"> <li>• worsening of the situation on the world financial market led to a negative situation in a number of industries in the Akmola region.</li> <li>• Economic slowdown in the countries major trade partners led to a reduction in demand for export products ferroalloys, chrome salts.</li> <li>• sectoral imbalance is typical for the regional economy.</li> <li>• the quality and density of the region's transport infrastructure remains underdeveloped.</li> <li>• low competitiveness of the products of the manufacturing sector at the beginning, primarily due to the weak technological level</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of wages in agriculture, including young cadres; insufficient allocation of grants for the preparation of agricultural personnel (agronomists, technologists, veterinary specialists, etc.) and their employment and unresolved number of social issues.</li> <li>• High level of labor migration and the current situation in the gender structure of employment and unemployment, migration losses are the main problem of slowing the demographic development of the</li> </ul>	<ul style="list-style-type: none"> <li>• contamination of groundwater by compounds of chromium, boron,</li> <li>• Unresolved issues of disposal and burial industrial and municipal waste,</li> <li>• the threat of pollution of the underground drinking water field Kokzhide, caused by the intensification of oil and gas production.</li> </ul>

<p>of enterprises, physical and moral wear and tear of obsolete equipment;</p> <ul style="list-style-type: none"> <li>• low level of innovative activity of domestic enterprises,</li> <li>• shortage of working capital and inaccessibility of long-term loans with low interest rates.</li> </ul>	<p>region.</p> <ul style="list-style-type: none"> <li>• The decline in the population can be attributed to one of the most significant indicators of the economic downturn in society.</li> <li>• Migration losses increase the destabilization of the society of the Akmola region.</li> <li>• Mechanical reduction of the population means that the active part of the population also leaves. This is fraught with a low level of competitiveness of personnel in the local labor market.</li> </ul>	
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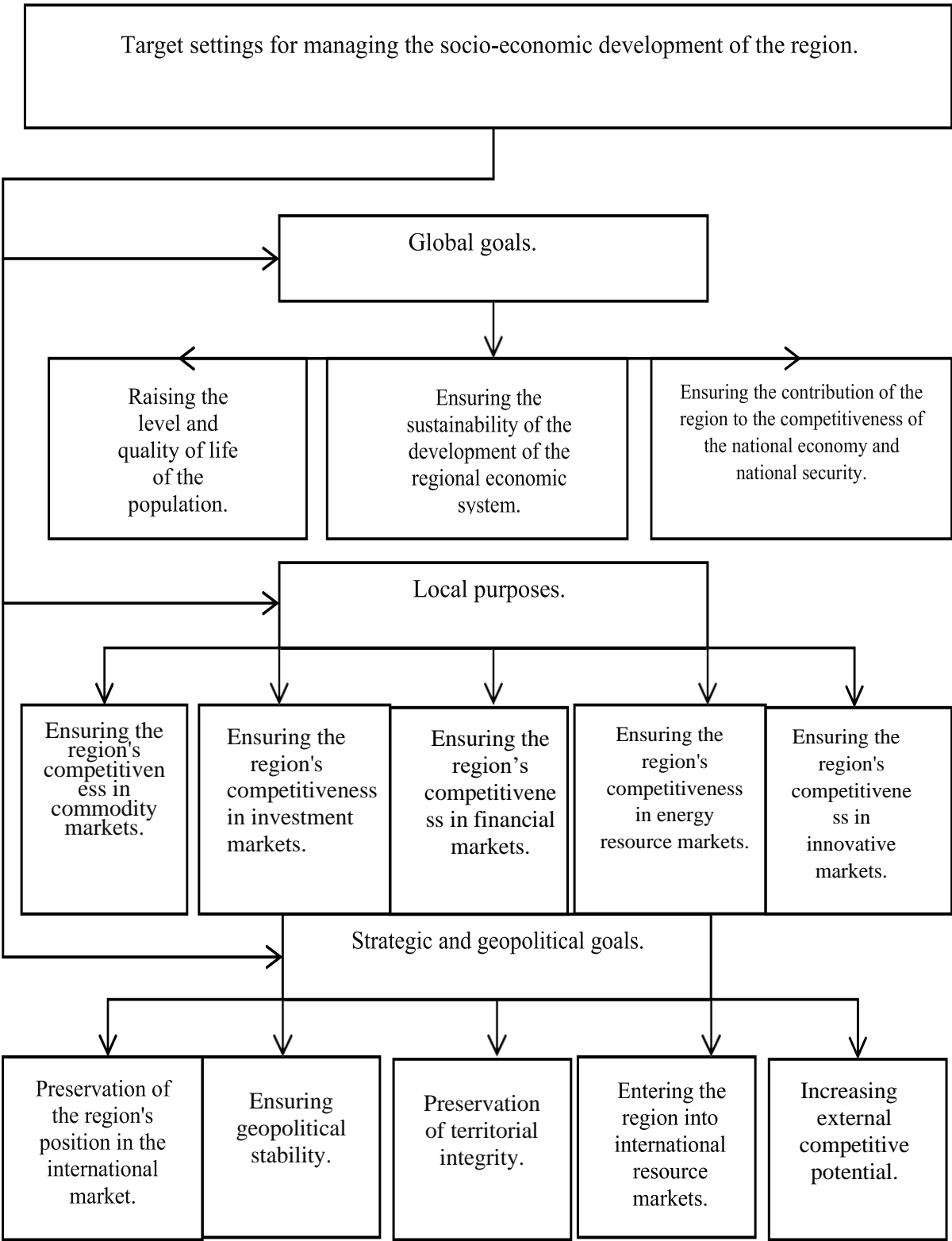
Source: Own survey

After a close look at the specialized literature, we can conclude that managing the socio-economic development of the region is not limited to a simple set of common measures aimed at resolving current problems. This is a full-fledged set of interdependent actions that cover all key factors aimed at ensuring the region's competitiveness, both in the current and in the prospective period (L. Chainikova, 2010).

In this regard, in order to solve these problems, we propose a mechanism for managing the socio-economic development of the region from the point of view of the synthesis of theoretical approaches.



**Table 18. The mechanism for managing the socio-economic development of the region.**



Source: Kenzhuguzin M. (2013).

Strategic measures that are aimed at increasing the level of social and economic development of the Akmola region include not only strategic management decisions, but concrete actions to promptly react government to internal and external changes that entail the need for strategic maneuvering and revision of public policy objectives.

Thus, the development of the region is a multidimensional and multidimensional process, which is usually viewed from the point of view of the totality of various social and economic goals. Even if it is only about economic development, it is usually considered together with social development. The stable and stable position of the Akmola region gives great opportunities for the further development of a diversified economy. The development of innovative production facilities enables foreign investors to find promising and reliable partners here.

As shown by the analysis of socio-economic indicators of the Akmola region, the region is lagging behind in social and economic development, despite the sufficient resource potential. GRP indicators decrease, budget execution occurs with a deficit, the level of incomes of the population remains low, negative population reproduction and migration of persons of working age to other regions remain, and environmental conditions are being deteriorated.

A difficult situation develops in the health care sector. The team of the new akim actively began to optimize this area. As mentioned earlier, a large number of scattered settlements with a small population are located on the territory of the Akmola region. Most of them have poor transport connections with district centers, or do not have at all. In this regard, the proportion of "inefficient" health care expenditures is high in the region, since each locality has to be provided with medical care.

A negative point is the low level of development of the healthcare sphere in 2012, with a developed network of outpatient and polyclinic organizations in the region.

First of all, modernization of the housing and communal sector, energy and transport infrastructure is required.

Secondly, it is necessary to ensure further qualitative development of the industrial sector. For this, it is necessary to realize new innovative projects, create favorable conditions for the production of competitive manufactures, and develop the tourism infrastructure.

Thirdly, the development of social infrastructure is necessary. First of all, solving the problems of shortage of places in preschool organizations, secondary education.

A separate direction is the development of entrepreneurship, support for its business activity. It is necessary to continue work on the development of small and medium-sized businesses, as a driver of economic growth, and increase its share in the gross regional product.

New Economic Policy "Nurly Jol" will become the engine of economic growth for the coming years. The implementation of all directions will ensure employment and income growth of the population, as a result, improve the quality of life of all segments of the population, increase social standards and create new opportunities for strengthening the capacity of both regions and the country as a whole.

The dynamic development of the main economic sectors of the Akmola region, the achieved results for the year 2014 allow us to say with certainty that the region has created a sufficient base for successfully solving the large-scale tasks set by the President of the Republic of Kazakhstan.

In general, due to the successful implementation of state and industry programs, the implementation of planned activities in 2014, real economic growth amounted to 105.5%.

The volume of industrial production increased by 5.6%, gross agricultural production by 2.2%, construction work - by 16.1%, housing commissioning increased by 3.4%. The growth of investments in the economy was 122.3%.

Economic growth in almost all types of activity and social policy led to an increase in the average monthly salary by almost 7%. Due to the expansion of productive employment, the number of unemployed decreased by 6%, tax revenues to the local budget increased by 16.4%. The consumer price index was 107.4% and did not exceed the planned parameters of 6-8%.

In education, there are also a number of problems. The most acute issue is the remuneration of teachers.

The criticism of various strata of the population is also subject to reforms in the average general and higher vocational education, the consequences of which for the education system are also ambiguous.

The activity of the regional educational organizations was aimed at expanding the network of pre-school organizations, creating conditions for ensuring compulsory general secondary education, and developing technical and vocational education.

Within the framework of the "Balapan" program, 27 pre-school establishments (13 kindergartens and 14 mini-centers) have been opened for more than 3 thousand places. At the expense of budget funds, 5 kindergartens have been built and 2 kindergartens have been restored,

and 6 private gardens have been opened. The coverage of children aged 3 to 6 years in the region was 89.5%. Step by step solutions are made to reduce the deficit of places in overloaded schools and schools in the pre-emergency state. In 2014, the construction of 4 schools for 540 pupils in Bulandyn, Enbekshilder, Zerendinsky and Tselinograd districts and an extension for 300 people to the secondary school № 17 in Kokshetau was completed.

A certain work has been done to strengthen the material and technical base of educational organizations. In 2014, 151 offices were purchased for the region's schools, work continued on the acquisition of computers and interactive equipment. The main tasks in public health were the development of primary health care, the preventive focus of disease prevention, the promotion of a healthy lifestyle. In 2014, KZT 24.6 billion was allocated for the development of this industry, of which KZT 21 billion or 85% was allocated to the guaranteed volume of free medical care.

On the strengthening of the material and technical base of health facilities, allocations were made at the expense of the republican and local budgets in the amount of 1.6 billion tenge.

An important role is being given to the development of the health infrastructure. The construction of district polyclinics for 250 visits to Akkol and Zerenda Zerendinsky districts, a hospital for 70 places, combined with a polyclinic in Derzhavinsk, Zharkainsky district, is underway.

At the expense of the local budget, the construction of four outpatient clinics in Akkol, Arshaly, Enbekshilder, Zharkainsky districts, 7 medical posts in Arshaly and Tselinograd districts (6 facilities) was completed, and a FAP in Arshalyynsky district is under construction. Within the framework of the "Employment Road Map-2020" program, 3 medical outpatient clinics in Burabay, Tselinograd (2 sites) are being constructed at the expense of the republican budget, facilities in Burabay and Shortandinsky districts have been completed. 8947 patients were sent to national centers and republican clinics for free choice, of which 56% were rural residents who received highly specialized medical care.

As a result of the implementation of a set of preventive measures and the introduction of modern methods of treatment in the region, stabilization is noted for a number of socially significant diseases.

Financial difficulties:

limited access to credit resources due to lack of collateral, high interest rates of remuneration, long periods of consideration of documents in credit institutions; lack of tax benefits; absence of privileges in the field of credit relations.

personnel problems: lack of experience of the owner and employees, shortage of qualified personnel.

The existing potential, based on the natural and climatic situation in the region, creates the conditions for the development of competition in the following sectors: in the agro-industrial complex, small and medium-sized business in industry and trade, in tourism and services (D. Sadykov, Zh. Aigazin, 2007).

At the same time, there are problems in the region in the development of competition on individual commodity markets:

- insufficient number of points of industrial slaughter, which reduces the quality characteristics of meat. In addition, more than 85% of livestock is kept in private farms, which adversely affects the development of the livestock sector in the region;

- the sharp lag in the rural areas in terms of the development of the infrastructure of heat and electricity, in terms of energy consumption can lead to a decrease in entrepreneurial activity of the population;

- transport enterprises operate only in the cities of Kokshetau and Stepnogorsk, Akkol, Astrakhan, Atbasar, Burabay, Erementau, Zerendinsky, Sandyktau, Shortandinsky districts; undeveloped tourist infrastructure for year-round operation; low dynamics of commissioning of innovative projects; underdeveloped fuel market (D. Sadykov, Zh. Aigazin, 2007).

The volume of investments in fixed assets was 122.7 billion tenge (114.8% against the level of 2010). The main share in the structure of investments is occupied by budgetary funds - 44.5%, own means of enterprises make 41.3%, borrowed funds - 14.2%.

In terms of industries, the largest share of investments in 2011 was directed to industry (35.1%), transport and warehousing (22.6%), agriculture (16.4%).

Expenses for research and development work in 2012 increased by 14.3% compared to the level of 2011 and amounted to 299.9 million tenge. Implemented innovative products in the amount of 9,822.5 million tenge, which is 41.1% more than in 2011. Akmola region is an energy-deficient region. The level of the region's own electricity supply is only about 17% of the total demand.

In the structure of energy consumption, 30.6% is occupied by industry, 12.3% by agriculture, 44.9% by other sectors of the economy, and the rest (12.2%) by the population.

In territorial terms, the bulk of electricity is consumed in urban areas (Kokshetau - 45.8%,

Stepnogorsk - 18%). In rural areas, the largest amount of electricity is consumed in Atbasar (9.5%), Burabay (3.9%) and Tselinograd (17%) areas.

In 2018, a survey was conducted of the population's views on the socio-economic problems of the Akmola region. The study showed that the population of Akmola region is not satisfied with the socio-economic situation in the region. The main reasons for this are low incomes and lack of prospects for personal growth and development, which is especially important for young people. The main problems in the economic sphere are identified: a decline in production in industry, a timber processing complex, the use of obsolete technologies and equipment by enterprises, lack of innovative projects, high unemployment, especially among young people, low level of investment, poor quality of transport infrastructure.

In the social sphere - low living standards (low wages, incomes, pensions), high tariffs for housing and communal services and their poor quality, high cost and inaccessibility of housing, low level of health care. Many respondents also noted the lack of an idea uniting the population, which could become the core for the development of the region.

Many people associate the existing problems with the shortcomings in the management of the region - the lack of unity and coherence of the actions of the executive authorities.

The five main problems identified by the residents of the region are presented in Appendix 2.

The population also highlighted the advantages and disadvantages of the Akmola region. The main advantages were the rich natural resources, primarily forests, good geographic location, art crafts, as well as hospitable, benevolent, industrious and patient population (Appendix 3).

Deficiencies were attributed to underdevelopment and inefficiency of industry, lack of development prospects for young people, undeveloped transport infrastructure, ineffective management of the region, inefficient use of available resources (Appendix 4).

Thus, it is obvious that the region's economy cannot come out of crisis by itself and requires competent management by state bodies.

In the next section, we will consider the mechanism of managing the development of the Akmola region.

### **5.3. Analysis of the mechanism for managing the sustainable social and economic development of the region**

In the message "Strategy" Kazakhstan-2050 ": a new political course of the state" The First President of the Republic of Kazakhstan, the leader of the nation, N.A. Nazarbayev paid much attention to the development of the country's regions. In particular, he noted that it is necessary to provide conditions for the development of the social sector that directly affects the social and economic development of regions, the social standard, social security, addressing issues of social inequality, employment and labor policy.

One of the main tasks is to synchronize the implementation of all state and sectoral programs with the priorities of regional development.

So, in Kazakhstan methods of social and economic development of regions are revised, a rational strategy of territorial development is formed.

The socio-economic policy of the Akmola region is formed on the basis and in accordance with the normative acts of the region. On the basis of this, the Akmola region is responsible for:

- laws and other normative acts of the region;
- system of state power bodies of the region; administrative and territorial structure and status of the region;
- regional state property;
- regional budget, regional taxes and fees, regional off-budget funds;
- socio-economic development of the Akmola region.

With the help of the state budget can be carried out:

- financing of public investments directed to financing of priority scientific researches, programs of preparation of highly skilled labor, formation and realization of programs of modernization of an infrastructure, programs in the field of maintenance of defensibility of the country;
- financial encouragement of modernization of fixed capital and growth of its productivity;
- financing of measures for nature protection and rational nature management;
- financing of social infrastructure and ensuring the functioning of the social security system;
- purchase by the state of the resources necessary for the replenishment of state material reserves, other general state needs (Zh. Elubaeva, 2004).

The state budget is formed, mainly, from taxes and fees paid by business entities as a result of their activities, as well as from income from a Kazakh source. Also, the budget itself acts as a factor of income, and hence, of the performance of the private and public sectors of the economy.

The state budget is the main financial plan for the formation and expenditure of funds. To ensure the functions of public authorities. The state budget unites the republican and local budgets.

Budget revenues are the amount of tax and non-tax revenues and fees, as well as income from capital transactions that arrive on a budget on a non-recurring basis. Budget revenues are predictive in nature, and cannot be accurately established, due to their objective reasons. It can be said that the size of income measures the expectations of the state about what kind of increase in financial resources it will have over the coming period (M. Ignatyeva, V. Sharomova, 1999).

Tax planning and forecasting are special elements of the system of development and decision making. The main task of tax planning and forecasting is to economically justify providing qualitative parameters of budget assignments and long-term programs of social and economic development of the country based on the developed and legally accepted tax concept. This task is performed in the calculation both for one fiscal year (current tax planning) and for a more distant future (tax forecasting). In this regard, distinguish between tax planning tactics and its strategy.

For the period of the Program of Territory Development of Akmola region, 4 state, 6 sectoral and 2 regional programs are being implemented.

In the direction of "Economic Development" the following programs have been realizing:

- "State program on the accelerated industrial and innovative development of the Republic of Kazakhstan for 2010-2014";
- branch "Program" Business Roadmap 2020";
- regional "Program for the development of beef cattle in the Akmola region for 2011-2015";

In the areas of "Social sphere" and "System of state local government and self-government":

- "State Program for the Development of Education of the Republic of Kazakhstan for 2011-2020";
- "The state program of development of public health services" Salamatty Kazakhstan "for 2011-2015";



- "State Program for the Development and Functioning of Languages for 2011-2020";
- branch "Program for providing children with preschool education and training" Balapan "for 2010-2014";
- Sectoral Employment Program 2020;
- regional "Program of crime prevention in Akmola region for 2011-2013"

In the directions "Infrastructure complex" and "Territorial (spatial) development":

- branch "Program of modernization of housing and communal services of RK for 2011-2020";
- branch "Program" Ak bulak" for the years 2011-2020";
- branch "Program" Affordable Housing - 2020 " (M. Gorohova, 2012).

Also, during the implementation of the regional development program in 2011-2012, in the implementation of the Forecast Scheme of Territorial Development of the country until 2020, sectoral programs "Development of Regions" and "Mono-City Development Program" were developed and approved, in which, along with the "Roadmap business 2020 "and "Employment program 2020" regions of the Akmola region is supported by the government, which has a positive impact on the achievement of goals and objectives in all areas of social and economic development.

Provides for creating comfortable living conditions for the population and improving the state of the communal system; providing the population with quality drinking water and sanitation services; the development of housing construction, which ensures the availability of housing to the general population; solution of urgent social and economic problems of the regions for the future; sustainable socio-economic development of single-industry towns in the medium and long term.

How can the future of the Akmola region be seen? The region can become one of the leaders of the country's agro-industrial complex, which provides the creation of a food belt in Nur-Sultan and actively develops innovative potential in the field of biotechnology and the agricultural sector; a region with a competitive, export-oriented manufacturing industry in the non-ferrous metallurgy, uranium production, machine building, agricultural processing and construction materials industries; a center of mass tourism with a modern level of service; a region with a high level of human potential (M. Gorohova, 2012).

Akmola region is located in a zone of high wind loads, which makes it possible to use wind power for the production of electricity on an industrial scale. Representatives of the United Nations Development Program carried out research work to assess the wind potential of the

region, after which it was planned to build wind power plants in the Erejmentau district with a capacity of 45 MW with commissioning in 2014, in Tselinograd district - construction of a 750 kw wind generator with commissioning in 2013.

In 2012, 6597.6 thousand tons of grain were harvested (in weight after the completion), which exceeds the harvest of 2010 by 3.1 times, 23.6 thousand tons of oilseeds (2.5 times more than in 2011), 222.4 thousand tons of potatoes (148.9% by 2011) and 56.4 thousand tons of vegetables (106.8% by 2011). 88,600 tons of corn were also harvested for silage and green forage (5.9 times more than in 2011), 28.7 thousand tons of annual (1.6 times more than 2011) and 83.9 thousand tons of perennial grasses 106.5% by 2010).

In 2012, moisture-resource-saving technologies are applied on 70% of the sown areas.

Due to measures aimed at diversification of animal husbandry, the number of cattle was increased by 24.5%, sheep and goats by 34.7%, horses - by 32.3%, birds - by 3.6%.

56.3 thousand tons of dairy products were delivered to the capital market (an increase of 1.1%), 13.9 thousand tons of meat products (an increase of 2.6%), 142.7 million eggs (an increase of 30% ,9%).

As part of the creation of the Food Belt around the city of Nur-Sultan, as one of the priorities for the development of the agro-industrial sector of the region, 21 projects were implemented for 20.8 billion tenge (of which 12 projects are part of the Industrialization Map). Among them there are 3 large feeding grounds for 10.7 thousand heads of cattle and 4 reproductive farms for 6.9 thousand heads, introduced in the framework of the regional program for the development of beef cattle.

In the region there are 29,5 thousand active subjects of small and medium business, which is 10,6% more than in 2010. SMEs produced goods (works and services) by 257.5 billion tenge, with growth of 7.7%. 7,1 thousand new workplaces were created, about 90 objects of small and medium business were put into operation.

Most of the active enterprises - legal entities - are engaged in the service sector, incl. trade, car repair, household goods - 36%, other activities are engaged - 18.5%, construction - 17.5%, agriculture - 16%, industry -12%.

The number of people employed in small and medium-sized businesses has a fairly persistent tendency to increase. Average growth rates for the period of 2005-2009. amounted to 111.1% from 68.2 thousand people to 100.9 thousand people. It should be noted that in small and medium-sized businesses a quarter of the total economically active population is employed.

The implementation of the Business Roadmap-2020 program was allocated 768.1 million tenge from the republican budget, 518.6 million tenge (67.5%) was disbursed.

In the direction of the program "Support for New Business Initiatives", 30 applications for a total amount of loans of KZT 4.1 billion were approved for subsidizing the interest rate on loans granted to RCC banks, 25 projects for KZT 93.2 million were subsidized. On partial guarantees of loans of banks of the RCC, 2 applications were approved for a total loan amount of KZT 46 million, 1 project for 0.6 million tenge was subsidized.

Retail turnover of the region in 2011 was 88.1 billion tenge, IFO - 123.7%.

In general, the development of small and medium-sized businesses contributes to higher employment and poverty reduction, the number of people employed in small businesses has a positive tendency to increase.

A significant part of enterprises in small and medium-sized businesses are concentrated in agriculture and services and do not carry significant innovative development.

In Kokshetau LLP "Regionstroy" put into operation a house-building plant with the capacity of 50 thousand square meters. m per year. The project is socially important, as it will increase the volume of housing under the "Affordable Housing-2020" program.

To ensure the construction market, the projects for the production of concrete panels in JSC KazSpal, assembly and cast-in-situ structures - Kokshetau Zholdary LLP, sawn timber - LLP TransTehmash LTD, laminates - Zhana Service-2007 LLP were implemented to provide the construction market with affordable material for the production of prefabricated housing, polyethylene products - Polymer Plast LLP.

Introduced in Kokshetau fodder plant LLP "Agrotrading-2007", with a capacity of 37 thousand tons per year, represents the German manufacturer of feed and feed additives for animals and poultry. The AGRAVIS brand is known to agricultural producers all over the world. The capabilities of this enterprise are very high. For personal subsidiary farms and farms, which usually purchase small amounts of mixed fodder, a separate retail sales network has been established.

In the Akkol district, a new highly prospective enterprise - a poultry farm - LLP "Ush Bulak-2005" was introduced. This is not the first poultry farming company that operates in the Akmola region. At the new enterprise, 200 people got permanent jobs, which is an important moment in providing the local population with permanent work.

In Stepnogorsk, a project was implemented to reconstruct a sulfuric acid plant with a production capacity of 180,000 tons per year. As a result of the launch of the new production, one of the main tasks was fulfilled: provision of own needs for sulfuric acid and provision of enterprises of JSC NAC Kazatomprom.

Taking into account the possibilities of the region, great attention is paid to the development of livestock, as a key branch of food security and export positioning.

Due to the measures of state support and purposeful work positive trends in cattle breeding are provided. In all categories of farms there was a growth in the number of livestock and poultry, the productivity of animals increased from 2 to 8%, the volume of agricultural production increased from 4 to 12%.

The task is set to revive cattle breeding by introducing modern technologies for growing cattle and improving breeding and breeding work.

One of the ways to solve this problem is to improve the breed and productive qualities of the commodity herd by absorbing non-native cattle and using highly productive pedigree bulls of meat breeds. Coverage of the breeding stock by pedigree conversion was 24.3%, while the average republican population was 19.9%.

Within the framework of the project "Development of the export potential of large-scale meat, cattle "to ensure the export of high-quality beef, the region's districts supplied for the subsequent slaughter of about 4 thousand heads of cattle, which amounted to 1,425 tons in slaughter weight. 688.4 tons of beef were sent for export.

In the region, there are 7 large feeding grounds with a one-time content of 18 thousand heads (KazBeef LTD LLP, Yenbekshildersky District, Agro Expert LTD, Korgalzhyn District, Bastau LLP of Atbasar District, Novokienka LLP of Zhak-sonsky District, Koluton-04 "of Astrakhan region," Zarechny "LLP of Yesil district," Novokubanskoe "LLP in Shortandinsky district). There are 24 small and medium fattening grounds.

The total capacity of all (31 units) feedlot areas is 26.7 thousand head of cattle.

The Akmola region is included in the zone of the Nur-Sultan food belt. Therefore, agricultural producers of the region are focused on supplying products to the capital. In 2014, processing enterprises produced goods at KZT46 bn with an increase of 8.7% compared to the previous year. Meat production is increased by 29%, sausages by 11%, vegetable oil by 2.3 times, dairy products by 13%, wheat flour by 8.4%.

Thus, based on the analysis of the basic socio-economic parameters of the Akmola region, the existing mechanism for managing the development of the region is not effective enough. The regional government, using the regional development management mechanism, tries to influence the emerging critical situations in the social and economic sphere of the region - tries to contain tariffs and prices, optimize budget revenues and expenditures, regulate investment activities, keep young people in the region through large-scale PR activities and etc. However, efforts remain futile, as regional governments do not have a sound forecast for the development of the social and economic situation in the region, and do not use a systematic approach to leveraging levers and management tools for the development of the Akmola region.

## **VI. FORMATION OF THE MECHANISM OF SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT OF THE AKMOLA REGION**

### **6.1. Assessment of the sustainability of the socio-economic development of the region**

Currently, the main goal of economic development of the most countries of the world and their regions is to improve the quality of life and health of the population. Therefore, the process of socio-economic development includes three major components:

-increasing income, improving the health of the population and increasing its level of education;

-creation of conditions conducive to the growth of people's self-esteem as a result of the formation of a social, political, economic and institutional system oriented towards respect for human dignity;

-increasing the degree of freedom of people, including their economic freedom.

The Republic of Kazakhstan has rich mineral resources, extensive agricultural lands, qualified personnel, and significant industrial potential. Today Kazakhstan has a really functioning market economy. An important step in shaping the results-oriented economy is the adoption at the macro level of a strategic document - the implementation of the long-term Strategy "Kazakhstan - 2050", which is aimed primarily at ensuring macroeconomic stability.

On December 14, 2012 the First President of the Republic of Kazakhstan Nursultan Nazarbayev announced a new program for the development of Kazakhstan. The large-scale document is designed up to 2050 and is aimed at solving conceptual tasks designed to create prerequisites for the formation of a competitive economy, a reliable social policy, a high-technological industrial sector.

The strategy "Kazakhstan - 2050" offers a new paradigm for the development of the republic for the long term. Its core is the modernization of economic, social policy, strengthening of global and regional security, the formation of new Kazakhstan patriotism (N. Nazarbayev, 2015).

For each of the presented directions of the strategy, the priorities and principles of development of the main spheres of life of the Kazakhstan society are substantiated and specified, and key indicators and mechanisms for their achievement are identified.

The country develops in accordance with the principle: "First - the economy, then - politics." Each stage of political reforms is linked with the level of economic development;

political liberalization is consistently implemented. It's the only way to modernize the country and make it competitive.

The main goal of Kazakhstan is to become one of the 30th most developed countries of the world by 2050. To achieve this ambitious goal, it is necessary to solve the following tasks:

1. Further development and strengthening the statehood.
2. Transition to new principles of economic policy.
3. Comprehensive support for entrepreneurship-the leading force in the national economy.
4. Formation of a new social model.
5. Creation of modern and effective education and health systems.
6. Increasing the responsibility, efficiency and functionality of the state apparatus.
7. Building adequate to new challenges the international and defense policy (The official website Kazakhstan 2050 Our power. Strategy "Kazakhstan-2050").

The economic policy of the new course is a comprehensive economic pragmatism based on the principles of profitability, return on investment and competitiveness.

Balanced socio-economic development of the country's regions is the main task facing the state authorities. Its solution is complicated by the lack of sustainability associated with a negative impact on the natural environment.

The problem of sustainable development of the subjects of the Republic of Kazakhstan affects a number of management mechanisms. First of all, this concerns the development and implementation of socio-economic development programs for the regions. The lack of stable dynamics complicates the process of planning and forecasting development, especially in the long term, making it difficult to use many dynamic modeling tools. The variety of management tasks being solved at the regional level, the high variability of parameters and characteristics of the regional ecological and economic systems themselves necessitate the search for new approaches to the assessment of sustainability.

It should be noted that "sustainable development" has no unambiguous interpretation. Analysis of the existing definitions showed that in most cases, sustainable development of the territory is defined as a survival strategy based on economic growth, which allows preserving the environment for the current and future generations.

The threat of a global environmental crisis has put humanity in front of the need to ensure sustainable (self-sustained, inexhaustible) development, in which contradictions between social

and economic growth, the use of natural resources and the conservation of the ecosystem are removed.

Akmola region is not rich in reserves of fossil fuels. The same applies to reserves of mineral resources. Emissions into the atmosphere during the study period decreased, accordingly the assigned score for the period under study increased.

The use of fresh water has increased, in addition, the quality of water consumed has decreased, especially in the cities of the Akmola region.

Akmola region belongs to regions with a high share of agriculture in the GRP structure.

One of the main natural resources of the region is the forest. However, the reserves of forest resources per capita are decreasing, which is due to intensive cutting and insufficient restoration of forests.

The number of protected natural areas in the region is on average higher than in the country.

The main negative impact on the state of sustainability of the development of the region during the period under study was as follows: the share of industrial products in the structure of exports; share of investments in GRP structure; use of fresh water; crop area of agricultural crops; reserves of forest resources per capita.

For sustainable development of the region, it is necessary to create impulses for the development and modernization of leading industries, agriculture, increasing the investment activity of economic entities; improvement of forest legislation in terms of use and restoration of forest resources; measures are needed to prevent pollution and clean up water bodies, especially in the urban area.

In the regional socio-economic system, there is a definite relationship between its macro elements (economy, society, nature). The worsening of the economic situation, the decline in the standard of living of the population strengthens the man's anthropogenic impact on nature, the environmental situation is deteriorating. That, in turn, causes a deterioration in the quality of human life, deterioration of health, life expectancy, etc., i.e. reduces the quality of human capital. At the same time, the quality of human resources is reflected in the state of the economy, since no single enterprise, institution, public authorities cannot do without a human resource.

In the Akmola region, the indicator of the sustainability of human capital today is still more than one. Thus, with proper management and use of this resource, there is a chance to take

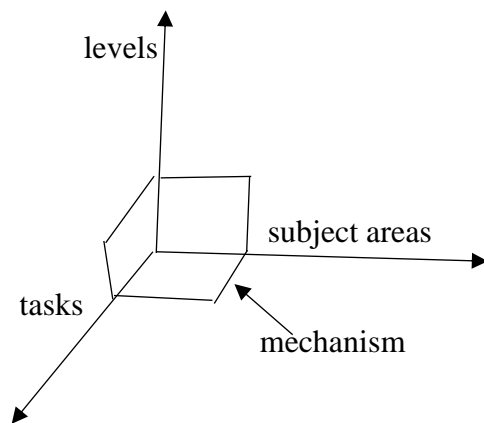


the region out of its crisis. The mechanism, levers and instruments of such management will be examined by us further.

Sustainable socio-economic development of the region implies the forward movement of the economy and society to a higher stage of development.

It is possible to define the mechanism of sustainable socio-economic development of the region in the form of interrelated projections (Figure 20.)

**Figure 20. The mechanism of sustainable socio-economic development as a relationship of tasks, levels and areas of development.**



Source: Kenzheguzin (2013)

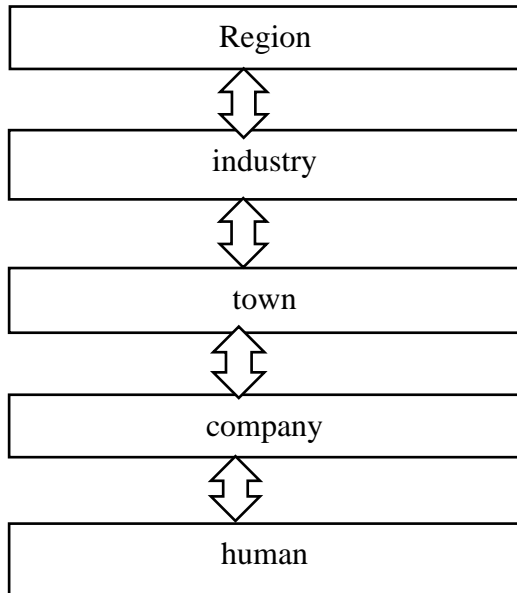
Subject areas are the elements of a person's vital activity, in which measures should be implemented for the sustainable social and economic development of the region. The following subject areas can be distinguished:

- Health
- Security
- Food
- Education
- House
- Information
- Transport
- Energy
- Materials

-Ecology

Implementation of the mechanism for sustainable socio-economic development of the region is carried out at the following levels.

**Table 19. Levels of the mechanism of sustainable socio-economic development of the region**



Source: Kenzheguzin (2013)

As a result of interaction of levels and subject areas of sustainable development, a system of tasks is being formed, which is implemented within the framework of the mechanism of sustainable social and economic development of the region. The complex of tasks of sustainable social and economic development of the region can be represented in the form of the following aggregate (Table 17), where the cells from A-1 to E-10 are the tasks to be solved according to the levels of social and economic development of the region.

All levels of the mechanism of sustainable socio-economic development of the region are interrelated and each plays a role in ensuring sustainable development. However, I would especially like to note the level of the enterprise, since it is known that it is the profitable, developed enterprises that form the bulk of the revenues of the regional and local budgets, provide employment for the population and a certain level of income, and form the social infrastructure. Thanks to this, the population forms effective demand in the region, which stimulates the further development of entrepreneurship and trade, and, therefore, gives an impetus to the development of the entire economy of the region.

**Table 20. Tasks of the mechanism of sustainable social and economic development of the region**

№	levels	Human A	Company B	Town C	Industry D	Region E
	Regions					
1	Health	A-1	B-1	C-1	D-1	E-1
2	Security	A-2	B-2	C-2	D-2	E-2
3	Food	A-3	B-3	C-3	D-3	E-3
4	Education	A-4	B-4	C-4	D-4	E-4
5	Accommodation	A-5	B-5	C-5	D-5	E-5
6	Information	A-6	B-6	C-6	D-6	E-6
7	Transport	A-7	B-7	C-7	D-7	E-7
8	Energy	A-8	B-8	C-8	D-8	E-8
9	Materials	A-9	B-9	C-9	D-9	E-9
10	Ecology	A-10	B-10	C-10	D-10	E-10

Source: Kenzheguzin (2013)

At the level of the city and the region, the functions of managing the sustainable development of the region as a whole are carried out, they have a system-forming role in shaping the mechanism of sustainable social and economic development of the region.

In the next paragraph, we will conduct a strategic analysis of the situation in the Akmola region and try to determine further directions for the sustainable social and economic development of the region.

## 6.2. Strategic analysis of socio-economic position of Akmola region and definition of "points of growth" of the economy

To form the mechanism of sustainable development of the Akmola region, it is necessary to analyze the current situation in the region. First, we will conduct a PEST analysis of this region, which will allow us to assess the influence of external factors (political, economic, social technological) on the position of the Akmola region.

**Table 21. The assessment will be carried out on the following factors:**

<p>Political factors</p> <ul style="list-style-type: none"> <li>- Existing legislation and possible changes therein.</li> <li>- Government policy and its changes.</li> <li>- Mutual relations of state and local authorities.</li> <li>- State financing of the region.</li> </ul>	<p>Economic factors</p> <ul style="list-style-type: none"> <li>- The economic situation in the country and the world</li> <li>- The rate of inflation</li> <li>- Refinancing rate</li> <li>- Taxation</li> <li>- Investment climate in the Republic of Kazakhstan</li> <li>- Economic development of neighboring regions</li> <li>- Market development and growth in demand in neighboring regions</li> <li>- Changes in imports</li> </ul>
<p>Social factors</p> <ul style="list-style-type: none"> <li>- Demographic situation in the country</li> <li>- Possibility of receiving and income in other regions</li> <li>- Level and quality of life in other regions</li> <li>- Basic values, lifestyle of the population in other regions</li> <li>- Fashion and role models</li> <li>- Image of the region</li> </ul>	<p>Technological factors</p> <ul style="list-style-type: none"> <li>- Development of new technologies in other regions</li> <li>- Availability of related, dependent technologies in other regions</li> <li>- Development of the Internet</li> <li>- Republican financing of innovations</li> <li>- Legislation in the field of technology</li> </ul>

Source: Own survey

Political factors.

- Existing legislation and possible changes in it.

Currently, the Government adopted a number of amendments to the laws, which has an anti-crisis focus. This is a number of laws aimed at reducing the risk of bank failures, reducing the refinancing rate of banks, reducing tax rates, including income tax and VAT (for export operations 0%), granting the right to the regional authorities to reduce tax rates for small businesses. Clarification of the budget code to improve inter budgetary relations - the possibility of reimbursing the budget of the subject of the RK subsidies aimed at balancing local budgets.

- Government policy and its changes.

The policy towards Akmola region will be aimed at supporting the implementation of socio-economic programs in the region and the formation in the region of opportunities for independent budgetary provision and prerequisites for socio-economic development.

- Mutual relations of state and local authorities.

However, despite the above circumstances, the relationship between state and local authorities cannot be called simple. The regional center is oriented to the independent exit of the region from a difficult socio-economic situation, primarily through highly skilled management from the local authorities. However, many large social and economic projects of the region require state financial support, while the budget of the region is scarce.

State financing of the region.

Based on the current state policy in relation to the Akmola region, we can say that an increase in the financing of the region is unlikely.

Economic forces

- The economic situation in the country

At present, one can already say with confidence that the economy of Kazakhstan has come out of the acute phase of the crisis in 2012. Enterprises of all industries are beginning to increase production, increasing demand for labor and labor payment.

- The rate of inflation

Some experts argue that inflation may be higher, as the money supply increases at a high rate.

#### - Refinancing rate

Many experts predict its increase to the beginning to 9%, and further to 10%.

#### - Taxation

In 2016, draft laws were adopted aimed at: improving the taxation of operations with securities and financial instruments of futures deals, including taxation of income of individuals from these transactions; introduction of a declarative procedure for the reimbursement of value added tax, as well as the improvement of taxation of these operations related to the operation and repair of housing stock; expansion of possibilities of application of the simplified system of the taxation, and also a range of application of rates of the transport tax. In connection with the re-establishment of the system of insurance contributions, a unified social tax was abolished.

In general, the tax policy will be aimed at counteracting the negative effects of the economic crisis, creating conditions for restoring positive economic growth rates by stimulating innovation activity, taking into account the maintenance of a balanced budget system.

#### - Investment climate in the Republic of Kazakhstan

Over the past year, the investment climate in the Republic of Kazakhstan has deteriorated, as in many other countries of the world. Experts predict its further deterioration. Despite this, the state is taking a number of measures to improve it. With the system introduction of incentive measures, the first results will be visible after 5-10 years.

#### - Economic development of neighboring regions

Akmola borders on the west with Kostanay, in the north - with North Kazakhstan, in the east - with Pavlodar and in the south - with Karaganda regions. Thus, we can say that the neighboring regions are developing at a faster pace, are strong competitors in the main industries - engineering, chemical production, agriculture and forestry. In addition, the standard of living of the population in neighboring regions is higher, which attracts the able-bodied population.

#### - Market development and growth in demand in neighboring regions.

The development of the housing market is currently seen in the field of low-rise construction, which will determine the demand for building materials, including wood.

The development of the chemical industry, automotive industry, and instrument engineering causes the creation of appropriate clusters. Since these industries are leading for the Akmola region, the strategic task for this entity is the opportunity to get its market niche, the

opportunity to cooperate with the relevant clusters. Also, pharmaceutical products are always in demand.

- Changes in imports

The main industries of the Akmola region (machinery, metallurgy, chemical production) operate on imported raw materials and components, which puts enterprises in these industries in a strict dependence on imported metals, machinery, equipment, vehicles, products for the chemical industry, gas, etc. However, the region has its own resources, the involvement of which could reduce the dependence of some enterprises on imports.

Social factors

- Demographic situation in the country.

The demographic situation in the country has improved somewhat in recent years - fertility is increasing, mortality is decreasing.

- Opportunities for receiving and income in other regions.

According to statistics, remuneration in the Akmola region remains one of the most modest among other areas. At the same time, a fairly high level of unemployment persists, especially among young people. Large industrial centers in the regions experience a shortage of labor, wages and living standards in these regions are higher than in the Akmola region, which contributes to the outflow of labor resources, and especially the youth from the Akmola region.

- Level and quality of life in other regions.

The level and quality of life in other regions is higher than in the Akmola region. First of all, due to higher incomes of the population, more developed social infrastructure, more developed trade, etc.

- Basic values, lifestyle of the population in other regions.

The main values are material, which determines the relationship between people.

- Fashion and role models

- Image of the region.

The image of Akmola region leaves much to be desired. For residents of the region and neighboring regions, life in it is gray, uninteresting, unpromising. However, the region has potential in almost all sectors, from the forest industry to the tourism industry. An important advantage of the region are themselves residents of the region (the good, open, welcoming, trusting, hardworking, etc.).

Technological factors.

- Development of new technologies in other regions.

In neighboring regions with rather high volumes of industrial production, construction, the innovative potential is very large.

In addition, Kostanay region is the leader in terms of attracted foreign investment and the degree of development of small business. North-Kazakhstan and Pavlodar region also have a high innovative potential in the machine-building and automotive industries.

- Legislation in the technological sphere.

In December 2012, in the Address of the Head of State, the people of the country were presented with the Development Strategy of the Republic of Kazakhstan until 2050. Its main goal is the creation of a prosperity society based on a strong state, developed economy and opportunities for universal labor, Kazakhstan's entry into the thirty most developed countries of the world.

To achieve this goal, the "Strategy Kazakhstan-2050" provides for the implementation of seven long-term priorities:

1. The economic policy of the new course is a comprehensive economic pragmatism based on profitability, return on investment and competitiveness.
2. Comprehensive support for entrepreneurship - the leading strength of the national economy.
3. New principles of social policy - social guarantees and personal responsibility.
4. Knowledge and professional skills are key points of the modern system of education, training and retraining of personnel.
5. Further strengthening of statehood and development of Kazakhstan's democracy.
6. A consistent and predictable foreign policy is the promotion of national interests and the strengthening of regional and global security.
7. New Kazakhstani patriotism is the basis for the success of our multinational and multi-confessional society.

Thus, the Government will support innovation-active regions through investments, tax incentives, etc.



**Table 22. PEST-analysis. List of influencing factors**

Factor	Probability	Impact	Responsiveness
Policy			
Anti-crisis policy of the regional center	High, 1-2 years	Improvement of the economy, obtaining opportunities for development of various industries	Using Development Opportunities
Appointment of a new akim	Period until 2018.	The possibility of developing the region through more qualified management	Optimization of the regional management system
Reduced funding	High, 1-2years	Freezing of investment projects, development retardation	Improvement of regional legislation in the investment sphere, attraction of private, foreign investors, preparation of business plans for investment projects.
Economy			
Overcoming the acute phase of the economic crisis	High, 2-3 years	The growth of economic activity, the emergence of new opportunities for the development of economic sectors	The use of economic recovery, a favorable opportunity for the development of the region
Expected slowdown in inflation and rate cuts refinancing	Average, 2-3 years	Increased purchasing power of the population, increased lending, market growth	Favorable opportunity for the development of the region
The deterioration of the investment climate in the Republic of Kazakhstan	High, 2-3 years	Reducing investment attractiveness of the region	Work to improve the investment climate in the region, develop public-private partnerships, work with foreign investors
The creation of clusters in the regions in the chemical industry,	High, 2-5 years	Strengthening of competitors, the threat of exclusion from the market of local	Development of regional industry, clustering, cooperation and cooperation with enterprises of other

engineering		producers	regions
Development of the economy, raising living standards in neighboring regions	Average 2-3 years	Increased demand for building materials, pharmaceuticals, etc. Increased demand for logistics center, warehouse real estate	A favorable opportunity for development corresponding sectors of the economy.
Possible failures in import supplies of raw materials and components for the leading branches of the regional economy	Average 2-3 years	Stop production, increase prices for products, increase costs of enterprises, loss of profits.	If possible, use its own (regional) sources of raw materials and energy (for the chemical industry - development of phosphorite deposits, for construction - extraction of sand, clay, etc.)
Social factors			
Improving living standards in other regions. The opportunity to receive a higher income.	High, 3-5 years	Strengthening the emigration of labor resources to more economically developed regions.	Formation of opportunities for career growth, increase of incomes at the enterprises of the region.
The predominance of material values in society.	High, 5-10 years	Increased competition between employees for more prestigious jobs. Emigration to other regions of workers with high potential.	Development of economic sectors, formation of opportunities for growth and development of workers, especially young people.
Reputation and image of the region as a backwater, decline, etc.	High, 3-5 years	Reducing the investment attractiveness of the region, reducing the attractiveness of life in the region for the able-bodied population.	Forming a positive image of the region.
Technologies			
Absence of dependent technologies in	High, 3-5 years	Loss of potential markets, braking the development of the	Search and definition of the market niche of the region, cooperation

other regions		region's economy	with other regions.
Financial support by the budget of innovatively active regions	Average, 3-5 years	Increase of activity of business and investors	Use a favorable opportunity for the development of the region's economy
Legislative support of innovative projects	High, 3-5 years	Increase of activity of business and state structures in development and introduction of innovations	Use a favorable opportunity for the development of the region's economy

Source: Own survey

### Conclusions:

1. Foreign political forces are generally loyal to the Akmola region. Public policy is aimed at the self-development and self-sufficiency of the region (endogenous development). Thus, in order to obtain political (and economic) support from the state center. It is necessary to intensify internal reserves and forces, using all the opportunities for development.
2. Economic factors mainly create favorable opportunities for the development of the region. It is necessary to use them competently.
3. Social and demographic factors are generally unfavorable for the development of the region. It is necessary, if possible, to level out this influence, primarily through the development of the social and economic sphere.
4. External technological factors also provide opportunities for the development of innovations in the region. Using these opportunities, the region will be able to enter new markets, increase its rating among regions, compete with other regions on commodity markets.

In general, we can say that external forces are favorable for the development of the region if the internal potential of the Akmola region is activated, the level of regional management is increased, innovative projects will be developed and implemented.

Now we will analyze the state of internal forces in the region, for this we use the SWOT analysis of the Akmola region.

We will assess the internal strengths and weaknesses of the region on the following factors:

- geographical position;

- Resource potential;
- economic and human potential;
- sectoral structure;
- social and housing;
- Innovative activity.

Opportunities and threats have been studied by us during the PEST analysis, so here we use the results obtained.

**Table 23. PEST analysis**

Strengths.	Weak sides
<ul style="list-style-type: none"> <li>- The geographical position of the Akmola region is beneficial, because the main transport routes pass through the territory of the region. The moderate climate prevails, which contributes to the development of agriculture, the climate is comfortable for living. The region borders on economically developed territories, which contributes to its development.</li> <li>- The region is rich in forest resources, natural resources for the construction industry (sand, clay, etc.). There are abundant recreational resources. This creates prerequisites for the development of relevant industries.</li> <li>- Economic and human potential.</li> </ul> <ol style="list-style-type: none"> <li>1. There are prerequisites for the creation of clusters in the forestry, chemical, construction and light industries.</li> <li>2. Relatively cheap and skilled labor.</li> <li>3. Developed education system and scientific base.</li> <li>4. Favorable external conditions for the development of forestry, construction, chemical industry, biotechnology, pharmaceuticals.</li> </ol>	<ul style="list-style-type: none"> <li>- The administrative-territorial division of the region is not optimal, does not contribute to the development of districts.</li> <li>- Low investment activity in the region, primarily due to reduced infrastructure, institutional, financial potentials; low investment rating.</li> <li>- Undeveloped infrastructure.</li> <li>- Not the optimal branch structure - the predominance of industry with a large share of engineering enterprises of the former military-industrial complex.</li> <li>- Low competitiveness of products of industrial enterprises due to - deterioration of fixed assets, low labor productivity, use of obsolete technologies; on this basis, the loss of markets.</li> <li>- Existence of acute social problems: tensions in the labor market, problems of youth employment, low living standards, a significant proportion of the poor population (up to 50%), the presence of dilapidated and emergency housing.</li> <li>- Social problems exacerbate the demographic situation - the able-bodied population seeks to move to more economically developed regions. Thus, the negative reproduction of the population is aggravated by a negative migration balance.</li> </ul>

	<p>- As a result of negative population reproduction and migration of young people to other regions, the process of population aging and increasing demographic burden is developing.</p> <p>Insufficiently qualified management of the region.</p>
<p style="text-align: center;"><b>Capabilities.</b></p> <ul style="list-style-type: none"> <li>- Use of favorable geographical position for development of transport infrastructure, creation of logistics centers.</li> <li>- Use of state support for innovation to increase the competitiveness of enterprises in the region on the basis of innovative development;</li> <li>- Development of industries for deep processing of the region's resources - forestry, construction, chemical industry, agriculture with the use of innovations. Formation of the corresponding clusters. The conquest of foreign markets for construction materials, various types of paper, chemical fertilizers, etc.</li> <li>- Development of the energy sector, including the use of local energy sources.</li> <li>- Development of enterprises in the fields of biotechnology, pharmaceuticals based on the use of state support for innovation, meeting demand in other regions for these types of products, obtaining market niches.</li> <li>- Use of the development potential of the tourism industry - recreational resources, monuments of architecture and nature.</li> <li>- Preservation and augmentation of ecological potential at realization of the above-listed opportunities, first of all due to innovative development of enterprises of all industries - use of energy and resource-saving technologies, treatment</li> </ul>	<p style="text-align: center;"><b>Threats.</b></p> <p>The threat of further lagging behind the region in economic and social development in comparison with neighboring regions.</p> <ul style="list-style-type: none"> <li>- Further decrease in the competitiveness of local producers.</li> <li>-Loss of potential markets.</li> <li>- Further deterioration in the standard of living.</li> <li>-Loss of skilled personnel.</li> <li>-Danger of depopulation.</li> <li>-The threat to become a raw material appendage for more developed regions.</li> <li>-The threat to become for other regions territory for burial of chemical, nuclear and other wastes.</li> <li>-The threat of ecosystem destruction.</li> </ul>

facilities, etc. - Formation of favorable conditions for human development in the implementation abovementioned possibilities, its preservation and augmentation.	
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Source: Own survey

Based on the analysis, the following categories of industries in the economy of the region can be distinguished. First, these are the industries that are currently developing well - the forestry, chemical production, and the construction industry. It is necessary to create all conditions for the enterprises of these industries to strengthen their positions in the domestic and foreign markets, increase their competitiveness, thereby providing employment and income to the budget. However, the development potential of these industries is limited, primarily by resource factors.

Secondly, in order to overcome the threats to development, the region needs to mobilize the existing advantages and opportunities. The main goal of the management here is to increase the competitiveness of industries that have the potential for development, and, first and foremost, machine building enterprises that provide employment for the population (especially in mono-cities). This is possible with the transition of these enterprises to the development of new types of products required by the state. For this, it is necessary to provide for the implementation of three important conditions in the Regional Development Strategy:

- Cooperation of the oblast akimat with the State Corporation in order to provide enterprises of the defense complex of the region with state orders for manufacturing products. Careful work is needed in this direction, preparation of investment projects and business plans, marketing research, establishment of interregional relations.
- Ensure the transfer and use of new technologies in the industry, for which purpose it is possible to appoint responsible units and persons from among those operating in the Government.
- Close work of the Government with the owners and managers of the city-forming enterprises in order to increase their motivation and efficiency of their activities.

In more detail, we consider these measures in the next section.

Sustainable socio-economic development in the region is largely due to the quantitative and qualitative parameters of GRP, as well as the volume and structure of investment. The

investment process in the region, in turn, will depend on the investment climate and the policies pursued by the regional government.

The methods used above for analyzing the socio-economic situation in the region are an integral part of the mechanism for managing the sustainable social and economic development of the region. In general, the following stages of the process of managing sustainable socio-economic development can be identified.

Preparatory stage. Collection of information on the state of the socio-economic situation in the region. PEST and SWOT analysis. Identify the problems of development. Determination of directions for further sustainable development of the region.

Creation of scientifically grounded long-term, medium-term and short-term forecast of sustainable social and economic development of the region.

Stage of Strategy creation. Development of the Strategy for the socio-economic development of the region for a long-term perspective. Identification of strategic goals, objectives, key instruments and levers of management aimed at realizing sustainable social and economic development. This stage also includes the development of targeted socio-economic programs aimed at implementing the development goals set out in the Strategy in the medium and short term.

Stage of embodiment. Systemic use of administrative, economic and social instruments defined in the Strategy and Programs of Social and Economic Development. Financial support of events, placement of the necessary state order.

The implementation control phase. Conducting monitoring of sustainable socio-economic development according to the proposed methodology.

It should be noted that this process is cyclical, and, following the final stage, the first stage of management is again implemented.

It should be specially noted that at present the main negative factor contributing to the further unfavorable development of the region, i.e. emergence and development of threats, is a managerial factor (the greatest investment risk in the region is management). In the region there is a complicated situation with competent managerial staff at all levels (both in the state and municipal authorities, and at enterprises), and most importantly with their motivation for fruitful work.

Therefore, regional authorities need to use the leverage of work with personnel, both with their own government employees, and with the management personnel of enterprises. This work is seen in two aspects, firstly, it is the constant improvement of the skills of employees in

accordance with the changing political and economic situation, and secondly, the formation of the appropriate motivation through material and moral incentives.

### **6.3. The main factors, tools, levers of the mechanism of sustainable development of the region**

Based on the above analysis of the socio-economic situation in the region and the opportunities for economic development, it can be noted that in order to realize the goals of sustainable social and economic development in the region, it is necessary to use the following tools:

#### 1. Infrastructure development:

- building of the logistics center;
- development of transport infrastructure - roads and railways;
- development of engineering infrastructure, electric power industry, use of local energy resources.

#### 2. Reducing the administrative burden on business:

- elimination of all administrative barriers on the path of investors;
- use of the open tender procedure and public protection of the investment project;
- fighting with corruption of the officials;
- optimization of the tax burden:
- granting tax privileges to investors (for example, with respect to income tax or property tax);
- granting tax "vacations" to individual business entities.

#### 4. Orientation towards economic modernization:

- initiation of construction of techno parks;
- implementation of the mechanism of public-private partnership;
- formation and development of the human potential of the region.

#### 5. Formation of an adequate personnel policy, which includes issues of training and motivation, both civil servants and heads of enterprises of leading industries.

These measures will increase the investment attractiveness of the region, but, of course, and will require the optimization of budget expenditures, their increase in terms of funding in the



above areas. It is also possible to temporarily reduce the revenue base (tax revenues). However, it will be temporary, as granting tax benefits will attract new investors, stimulate the creation and development of new enterprises, and, accordingly, expand the base of tax revenues.

It is also necessary to find ways to optimize budget expenditures (for example, on the maintenance of the management apparatus). Savings can also be invested in infrastructure. According to many experts, infrastructure is a very important factor influencing the decision of investors. The developed infrastructure (transport, logistics, engineering, banking, etc.) helps to reduce the costs of the investor and reduce the cost of production.

However, there are measures that do not require capital investments and budget expenditures, for example, reducing administrative barriers and corruption, increasing the transparency of investment project protection. According to entrepreneurs, this is one of the most effective methods of increasing the investment attractiveness of the region.

These measures will help to increase the reputation of regional authorities among entrepreneurs and the population, respectively, to increase the level of confidence in regional authorities and the effectiveness of the regional targeted programs of social and economic development.

In the Strategy for the development of the region, it is necessary to formulate and plan for the implementation of two groups of tasks. The first is preservation, development, increase of competitiveness of those branches which for today make a basis of economy of region. First of all, this is agriculture, forestry, chemical production.

In our opinion, the main reason for the unfavorable social and economic situation in the region is the lack of a timely transition of the regional economy from the specialization of the military-industrial complex to another, in demand by the market and the prevailing external environment. According to the results of the analysis, this direction exists - this is the production of products for the needs of aviation, space exploration, shipbuilding. Thus, the second group of tasks is the restoration of industries - metallurgy, machine building, metalworking, in which up to 35% of the employed in the manufacturing industries of the region are employed.

Considering the mechanism of realization of sustainable development at different levels (man-enterprise-city-region), it is necessary to single out the importance of the enterprise as an integrating element that unites the rest into a single whole. As a result of the activities of the enterprise, employees employed on it have the opportunity to receive income in the form of wages and support themselves and their families. Many enterprises have social infrastructure and housing and communal services on their balance sheets, as well as provide utilities (hot water,

heating), thereby ensuring the livelihoods of the population. Enterprises are also the main taxpayers and ensure the filling of budgets of all levels. Thus, sustainable development of enterprises is the basis for sustainable socio-economic development of the district, town, city, region. This relationship is especially clear in single-industry towns.

However, one cannot pin hopes on the support of the republican center. It is necessary to independently develop projects to overcome the current situation on the basis of the Strategy for Social and Economic Development. The basis for success in the implementation of these projects will be the joint efforts of regional authorities, districts and business leaders.

In our opinion, in order to stabilize the economy of single-industry towns and guide it along the path of sustainable development, a number of steps must be taken.

1. Analysis of the existing financial and economic situation of the single-industry town, which should be carried out jointly by regional and local authorities, as well as representatives of business, with the participation of trade unions and public organizations. The purpose of this stage is to determine the current situation and possible prospects for the development of a single-industry town.

2. Development of possible directions for the diversification of the production of the city-forming enterprise. Development of business plans. Search for investors.

3. On the part of regional and local authorities, the implementation of measures to increase the investment attractiveness of the monotown city, the construction of infrastructure.

4. On the part of business representatives, the development of business plans for the development of other areas of the single-industry economy that are not related to the main enterprise. Search for investors.

5. If, due to objective reasons, it is impossible to ensure full employment of the population, then the implementation of measures for partial relocation, the organization of work "shift" method.

Solving the problems of single-industry towns is very important for Akmola region. Implementation of the transition to sustainable social and economic development is impossible without the sustainable development of single-industry enterprises. The activities of the regional and local authorities are of particular importance here.

In our opinion, in order to support the enterprises of the regional industrial complex, the akimat of the region is necessary in the framework of measures to implement social and economic development programs:

- carry out regular monitoring of the execution, the current state order and its financing;

- participate in the formation of the Strategy for the development of industry enterprises, recommend the direction of development;
- participate in the development of investment projects of enterprises, carry out an audit of investment projects, act as an intermediary
- for obtaining co-financing of investment projects from the republican budget;
- regularly audit management decisions of the top management of enterprises.

Currently, in the territory of Akmola region, the Department of Industrial Development partially performs these functions.

As it was revealed earlier, the indicator of human capital stability is higher than one, which means its high potential, which should be used for sustainable economic development.

In order to increase the efficiency of management of engineering enterprises, we propose the introduction of such a program of social and economic development as the program "Increasing the level of qualification of management personnel of industrial enterprises". The essence of this program is the periodic training of management personnel in the technologies of lin-management, lean production. The main goal of the program is to create the prerequisites for the creation of a new mechanism for the management of engineering enterprises in order to increase the productivity of human resources and to achieve high competitiveness of these enterprises.

World and domestic experience of enterprises in the development of production systems clearly shows that the growth of labor productivity by tens of percent per year requires modernization not so much of equipment and technology as the competence of those who manage these plants and equipment. The concept of line management aims to maximize the realization of human potential, to actively identify and eliminate hidden losses in processes based on the universal involvement of personnel in the continuous improvement of these processes.

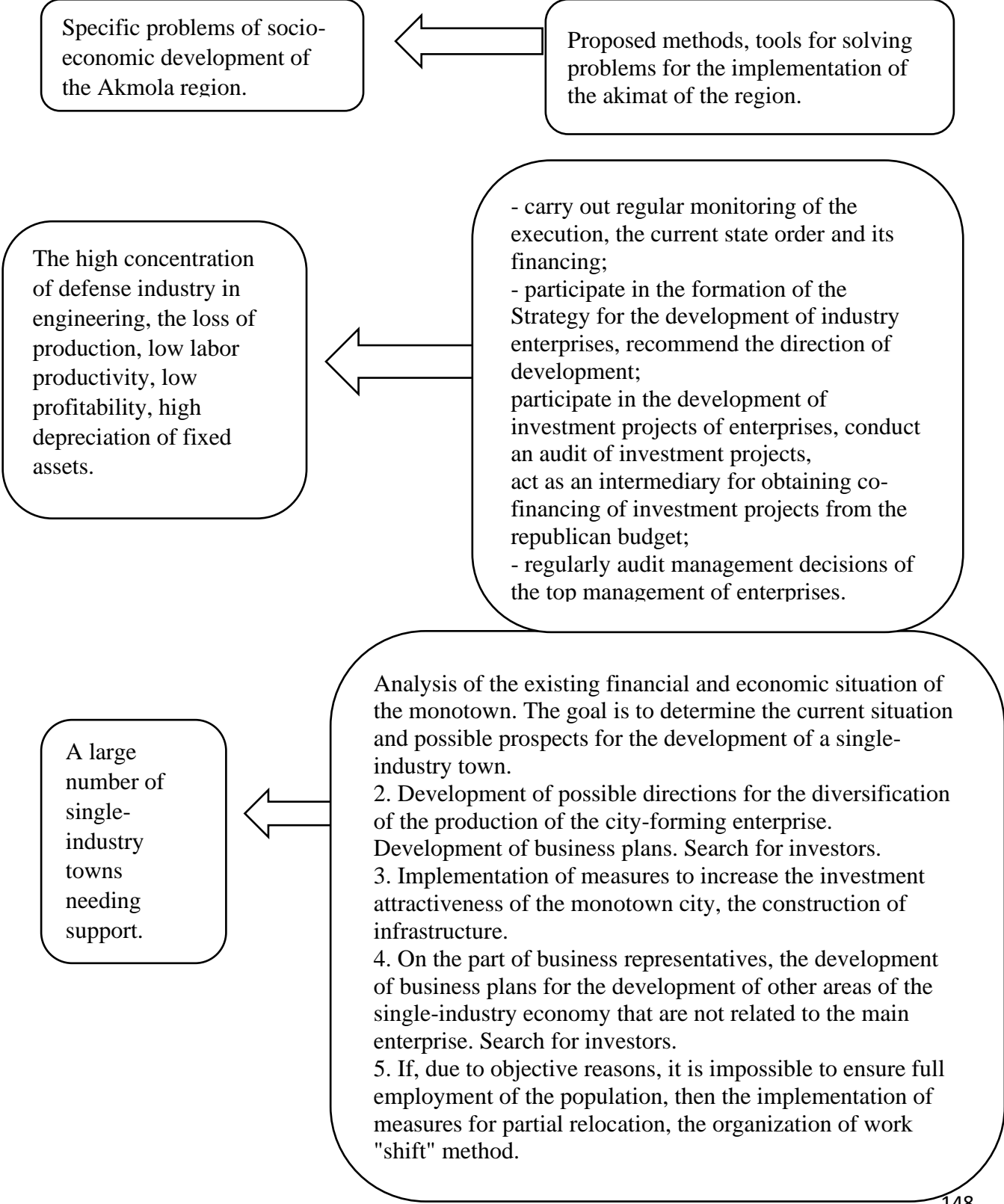
To organize such a system of training, regional authorities need to create a training center on the basis of existing research centers, existing universities, whose specialists will develop and implement curricula, develop and popularize lin in the areas of interest in engineering and in the required volume. All training activities can be conducted on a commercial basis, the proceeds from which will be directed to further deepen training programs, expand the training base, equip training equipment, etc.

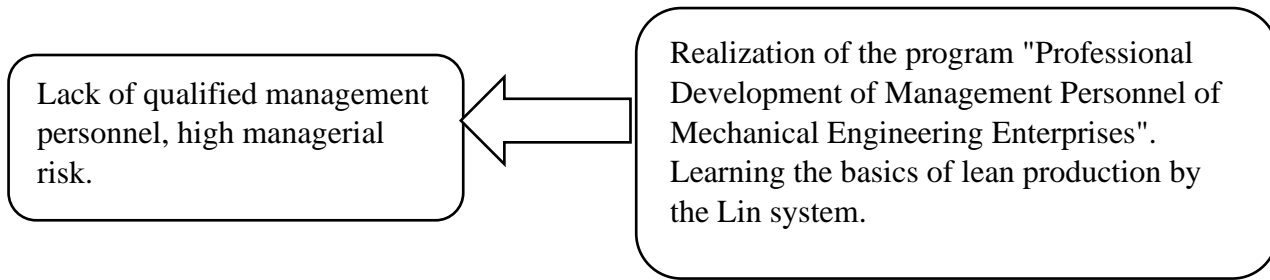
Regional authorities act as initiator, organizer, coordinator, investor. Financing of training programs will be carried out on the basis of public-private partnership.

The implementation of this program will not only improve the productivity of engineering companies, the efficiency and profitability of production, but also make the sites of regional enterprises more attractive for investors.

In general, the proposed instruments for influencing the socio-economic situation can be represented in the form of the following scheme (Figure 20).

**Figure 20. Proposed tools for sustainable development of the region.**





Source: Own survey

Conclusion. The proposed instruments of the mechanism of sustainable socio-economic development of the region contribute to increasing labor productivity, increasing the profitability of machine-building enterprises, increasing production in industry in general, and, in mechanical engineering in particular. Ultimately, they contribute to raising the living standards of the population and create prerequisites for the sustainable socio-economic development of the Akmola region.

#### **6.4. Future outlooks of development of the Akmola region**

In order to further development of the agricultural sector of the region, one of the main tasks, on behalf of the President of the country, is to increase productivity through the use of scientific potential. In modern conditions, the interaction of science and production becomes the basis for the development of agriculture. The introduction of new developments and technologies in accordance with the needs of agricultural producers allow to increase the quality and increase the quantity of products received with minimal costs for farmers.

The agrarian sector should become a new driver of the economy. The First President Nursultan Nazarbayev put this task in his Address, noting that in the near future Kazakhstan could become one of the world's largest producers of export products, especially with regard to the production of ecologically clean food products. And for this, farmers are helped by subsidies.

The First President Nursultan Nazarbayev set a number of tasks for the Akmola region. In particular, the President stressed the need for further development of the agricultural sector. Akmola region has a great potential for attracting investments and is ready to consider proposals for expanding cooperation. Akmola region is near the capital and that is why should become one of the main suppliers of agricultural products for the market of Nur-Sultan. Akmola region will make every effort to fulfill this task of the Head of the State through the successful implementation of the State Program for the Development of the Agro-Industrial Complex of the Republic of Kazakhstan for 2017-2020.

The modernization of the traditional driver of the region's economy, agriculture, is also in full swing. Despite the status of the grain area, other areas of the agro-industrial complex are actively developing, and, fundamentally important, the processing sector, also identified as a priority of the State program of industrial-innovative development.

It is important to develop the agro-industrial complex by creating agricultural cooperatives, increasing productivity through the use of scientific potential, micro credit of agriculture and the revitalization of small and medium businesses.

The large-scale diversification of the economy initiated by the head of state and the state program of industrial-innovative development adopted in the implementation of this plan allows today to make a qualitative "reserve" for the future. For example, the Akmola region, traditionally considered as an agrarian region, continues to be one of the main grain-growing regions of the country. But at the same time, industry is also actively developing in the region along with the agricultural sector. Due to the diversification of the economy, the agrarian region has traditionally become an industrial and agrarian one.

Agricultural production is one of the priority directions of the development of the region. Akmola region is one of the largest grain-growing regions and is currently one of the main grain exporters in the country, including strong and hard wheat. Every year, a stable increase in the number of livestock and livestock production is ensured. As one of the largest agricultural regions, the region takes a firm position on the development of enterprises processing agricultural products. In the development of this direction, one of the main competitive advantages of the region is maximally used: location on the territory geographically formed around the rapidly growing capital of Nur-Sultan.

One of the main tasks is to create a food belt around Nur-Sultan, provide quality food for the residents of the capital, increase food supplies and take a decent niche among suppliers of products to the market of the capital, the region and developing recreation areas. All sub regions of the region are involved in the implementation of this program.

With the aim of further development of the agro-industrial sector, work is underway to further consolidate the agricultural formations and their specialization, which contributes to the activation of the process of introducing advanced technologies and the renewal of the machine and tractor fleet, mainly high-performance of foreign-made machinery. To implement this direction, the region is interested in attracting foreign partners and investments.

In Kazakhstan, hybrid wheat will be grown. Hybrid wheat raises the crop twice, compared with the usual. Moreover, Kazakhstan has large uninhabited areas, and the work on

projects about perennial wheat is going on. It is planned to conclude cooperation agreements on the cultivation of perennial wheat, which is grown, in particular, in Texas. Its yield is 10 percent lower than that of one-year wheat, but perennial wheat is sown every five years, and this gives an economic effect. It is also planned to introduce perennial sorghum.

In order to further development of the agricultural sector of the region, one of the main tasks, on behalf of the President of the country, is to increase productivity through the use of scientific potential. In modern conditions, the interaction of science and production becomes the basis for the development of agriculture. The introduction of new developments and technologies in accordance with the needs of agricultural producers allow to increase the quality and increase the quantity of products received with minimal costs for farmers.

**Table 24. Main indicators of socio-economic development of the Akmola region.**

<b>Indicators</b>	<b>Units</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Gross regional product.	billion tenge	1699883,9	1 552 703,8	1 344 334,6
Gross output of agricultural products (services)	billion tenge	406 690,9	378 170,9	348 198,5
Population	thousand people	738,9	734,4	744,4
Industrial output	billion tenge	659 726,4	561 289,6	455 614,8
Industrial Production Indices	%	107,3	101,1	104,3
Fixed investment	billion tenge	278 177,1	264 892	223 045
Retail volume	billion tenge	298 855,6	273 159,4	236 137,9
Busy population	thousand people	408,7	408,3	416,4
Unemployed population	thousand people	20,5	20,6	21,6
Unemployment rate	%	4,9	4,8	4,9

Source: The official website of Akmola region

We will carry out a comprehensive assessment of socio-economic indicators and determine the specifics of the development of the region by applying GIS maps.

In this GIS map we can see the place of Akmola region in terms of GRP per capita among the other regions of Kazakhstan. GRP is an important aggregated value of the socio-economic development of the territories. One of its derivatives is GRP per capita, which indirectly characterizes the level of welfare of the population in the living territory.

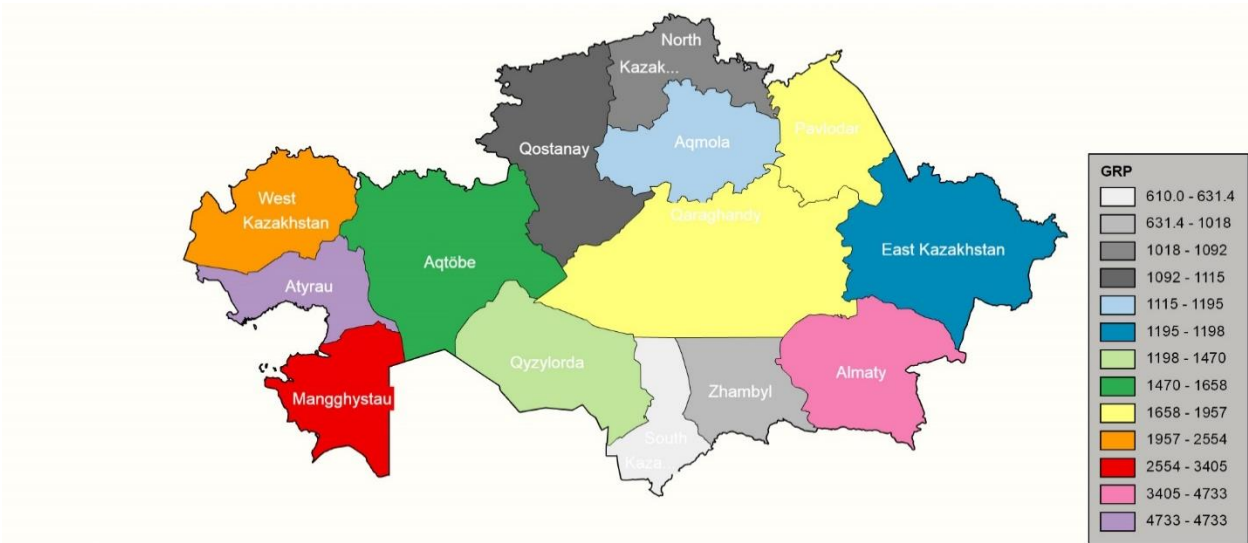
The study also revealed that, in 2016, the Akmola region ranked eleventh in terms of GRP per capita among the regions of Kazakhstan.

The main reasons for this are depressive processes in the economy of the northern macro region, their agricultural orientation and population migration, manifested in the outflow of highly skilled personnel outside the macro region.

Analyzing the final values in the map, we can draw the following conclusions that, the GRP of the Akmola region is dominated by industry. The development of industrial production of the region is carried out in accordance with the main directions of the State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2015-2019.

The main goal is to increase the well-being of the population of the region through the development of a competitive economy and competitive industrial production. Industry plays an important role in the economy of the region. In the next 5 years, industry will be one of the sources of increasing the region's economic potential. A really competitive economy should develop in the region.

**Map 5: The place of Akmola region in terms of GRP per capita among other regions of Kazakhstan.**



Source: own survey



For sustainable growth of GRP it is recommended, first of all, to increase investments in fixed assets, to focus attention on the development of the social sphere, first of all in addressing the issue of affordable housing for the population and raising the overall income level of the population. In addition, the region needs to actively pursue agrarian policy, as the region is less urbanized and most of the population lives in villages. This policy consists of a set of measures that include the widespread introduction of a financial instrument in the countryside - microcredit, investments in the development of agricultural infrastructure (canals, roads, irrigation, etc.), the creation of high-yield chains in the production and marketing of finished agricultural products, the development and maintenance of cooperation and etc. In addition, we recommend that you maximally use the tools of government programs to support local businesses and regions in general, which include:

- 1) Business Support and Business Development Program "Business Road Map 2020";
- 2) Regional development program until 2020.

During the research established that the labor productivity in the manufacturing industry of the Akmola region is 2 times lower than the average for the Republic of Kazakhstan, and is approximately at the level of such regions as the North-Kazakhstan region, the West Kazakhstan region, the Kustanai region, the Kyzylorda region, the South Kazakhstan region, where one of the most highly productive sectors is missing is oil refining.

This is due to the prevalence of certain industries in these regions (processing of agricultural products, light industry, construction industry, engineering), characterized by relatively low labor productivity.

Labor productivity in the manufacturing industry of the Akmola region in 2013, 2014 and 2015 demonstrates a negative dynamic (in dollar terms).

So, if at the end of 2013 it was 28.2 thousand US dollars / person, then in 2014 - 18.7, and in 2015. - 14.2.

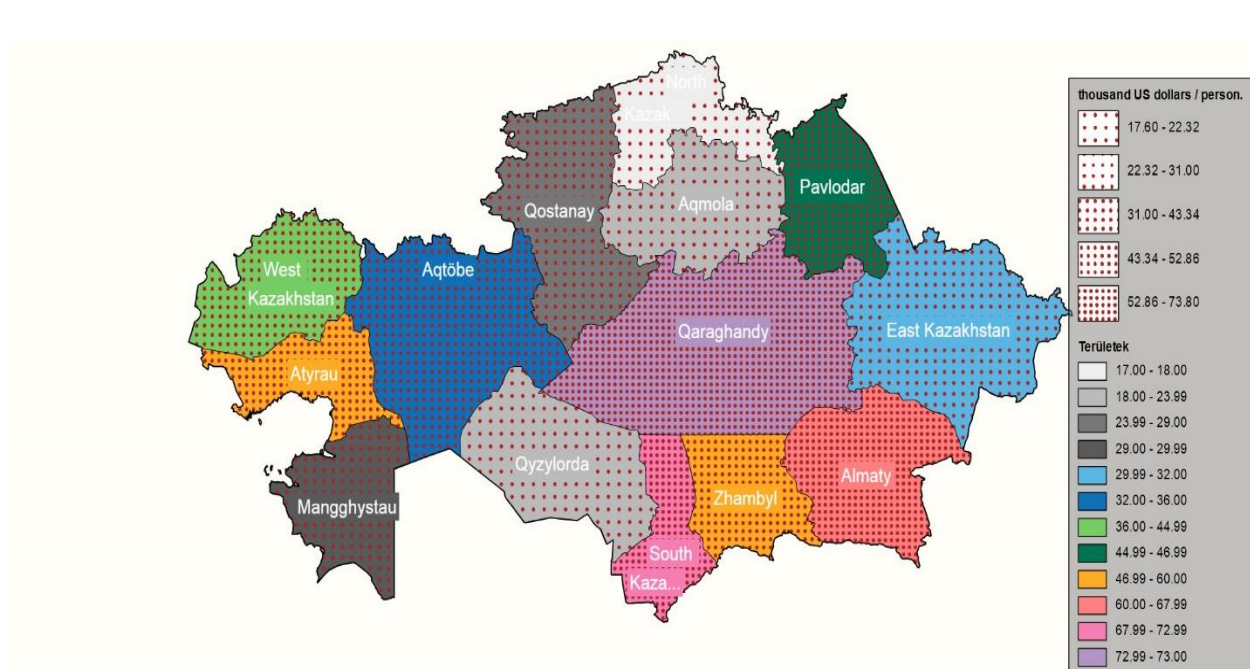
Labor productivity, as a calculated indicator, directly depends on gross added value.

**Map 6: The place of Akmola region in terms of productivity of labor for 2013.**



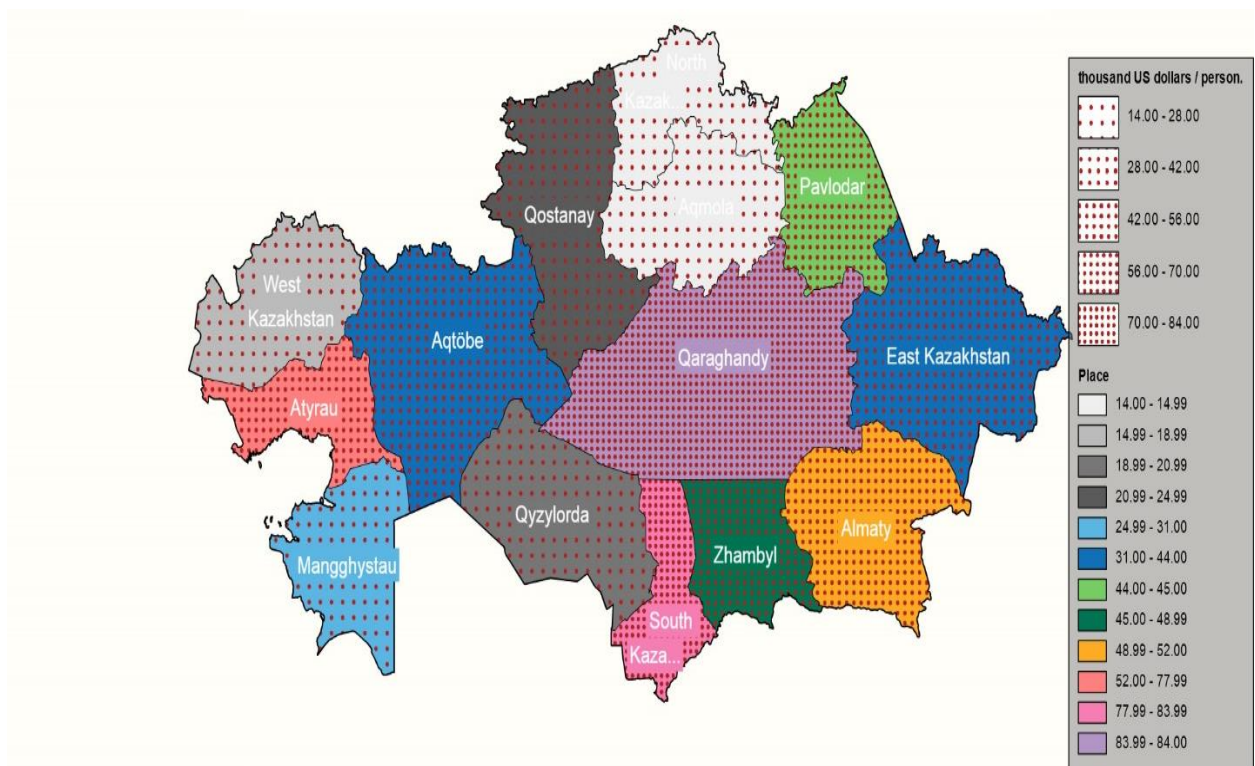
Source: Own survey.

**Map 7: The place of Akmola region in terms of productivity of labor for 2014.**



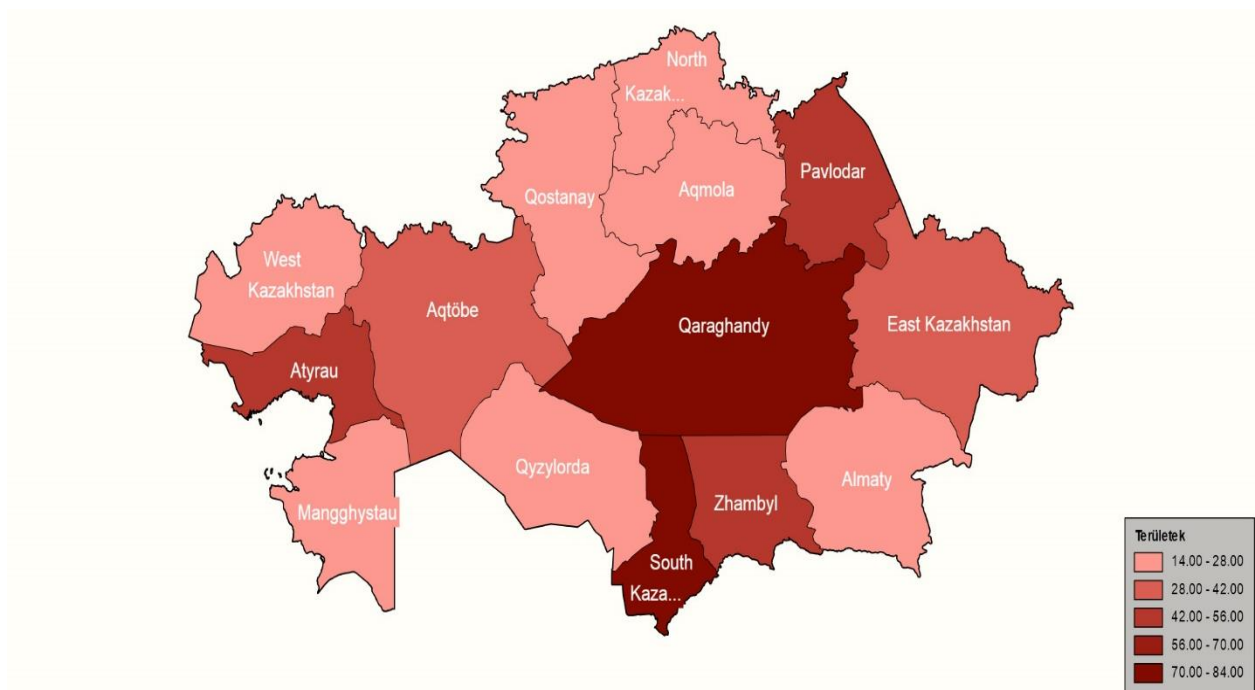
Source: Own survey.

**Map 8: The place of Akmola region in terms of productivity of labor for 2015.**



Source: Own survey.

**Map 9: The place of Akmola region in terms of productivity of labor for 2016.**

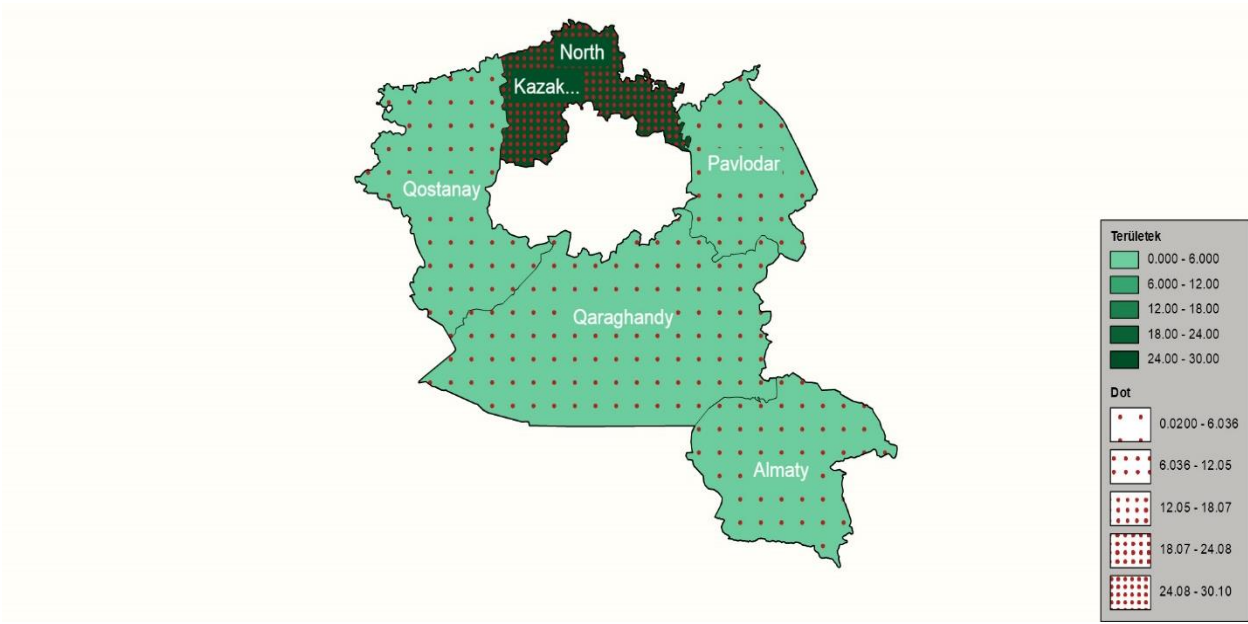


Source: Own survey.

Currently, inter-regional cooperation of Akmola region is characterized by close trade and economic ties in the provision of tourist, transit and transport services, in industry with virtually all regions of the Republic of Kazakhstan.

In 2013, Akmola region imported products from other regions of the Republic of Kazakhstan for 64,493.1 million tenge. The main types of products supplied are agricultural raw materials (52.1%), food products (14.4%), oil products (12.2%) and engineering products (7.8%). 57% of the total volume of supplied products are goods produced within the region. The share of the North-Kazakhstan region accounts for about 30% of all supplies to the market of the Akmola region. The share of goods supplied from the Kostanay, Pavlodar and Karaganda regions and the cities of Nur-Sultan, Almaty is insignificant and totals 12.8%.

**Map 10: The structure of wholesale trade of goods purchased from legal entities – residents of the Republic of Kazakhstan in the Akmola region.**

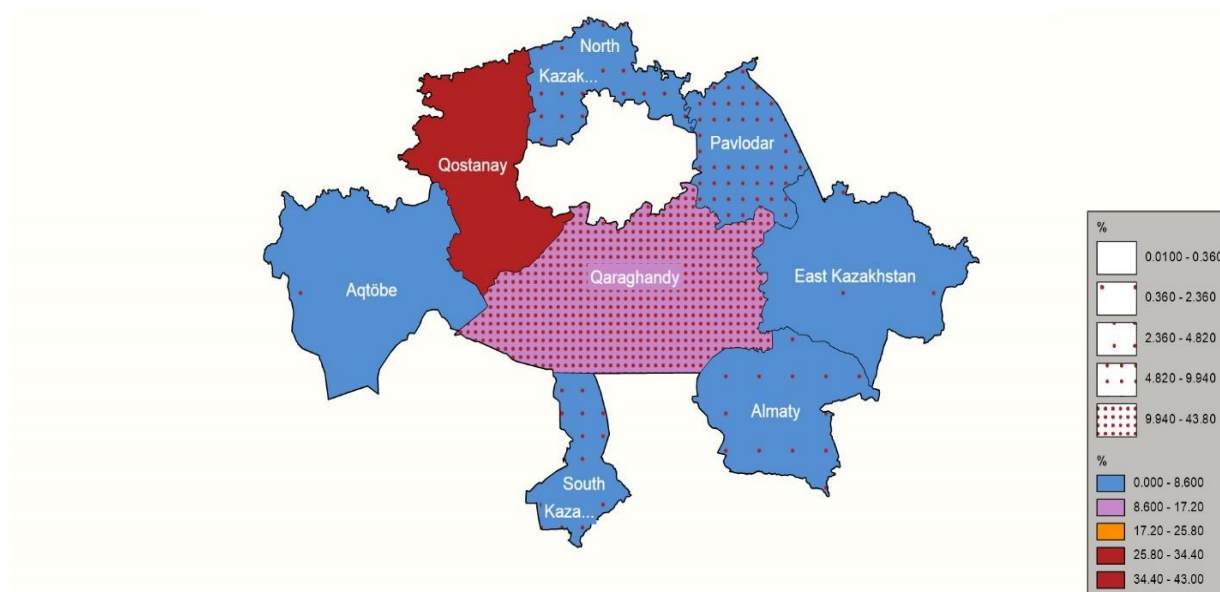


Source: Own survey.

In 2013, out of Akmola region, other products of KZT 17,834,065 thousand were exported to other regions of the Republic of Karelia. 86.5% of the total volume of supplied products from the Akmola region falls on Kostanai (43.8%), Karaganda (13.3%) and Nur-Sultan (29.3%). The main types of products supplied to other regions are agricultural raw materials, food products, alcoholic beverages, etc.



**Map 11: The share of regions in the export structure of the Akmola region.**



Source: Own survey.

In accordance with the research, the level of innovation activity increased from 5.8 to 7.3%, which was 125.9% compared to 2012. In this indicator, the region ranks 11th among the regions of the Republic of Kazakhstan and the third place in the Northern macroregion. The region ranks 6th in the Republic of Kazakhstan in terms of innovative products in 2014 - KZT 33,801.8 million (an increase of 1.8 times compared to 2013). The bulk of enterprises with innovations is located in the city. Kokshetau and Stepnogorsk (41.3 and 10.9%, respectively). In terms of the number of registered patents, the Akmola region is significantly inferior to other regions of the Northern Macroregion, which indicates a weak influence on the level of innovative economic development, as the mechanisms of financial support for innovative development of enterprises in the region, as well as the overwhelming majority of the regions of the Republic of Kazakhstan, are not yet established. Enterprises of the region on innovative development mainly use their own funds.

**Map 12: The level of innovation activity in the region in 2012.**



Source: Own survey.

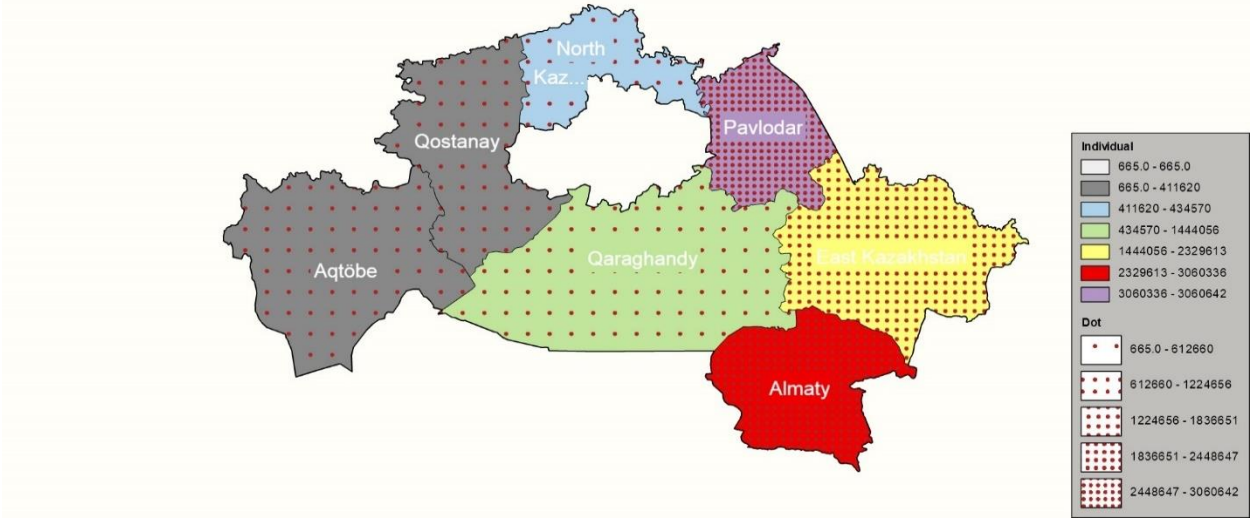
**Map 13: The level of innovation activity in the region in 2014.**



Source: Own survey.

In 2015, 23 492.6 million tenge was invested in the economy of Akmola region from other regions of the Republic of Kazakhstan. More than 90% of all investments in flowing into the economy of Akmola region from other regions of the Republic of Kazakhstan are investments from Pavlodar region and Messrs. Nur-Sultan and Almaty. In 2015, from the Pavlodar region and the city. Nur-Sultan and Almaty in the economy of Akmola region invested funds in the amount of 21,199.7 million tenge. Their share in the total volume of investments in fixed assets in the Akmola region from other regions of the Republic of Kazakhstan is 90.2%.

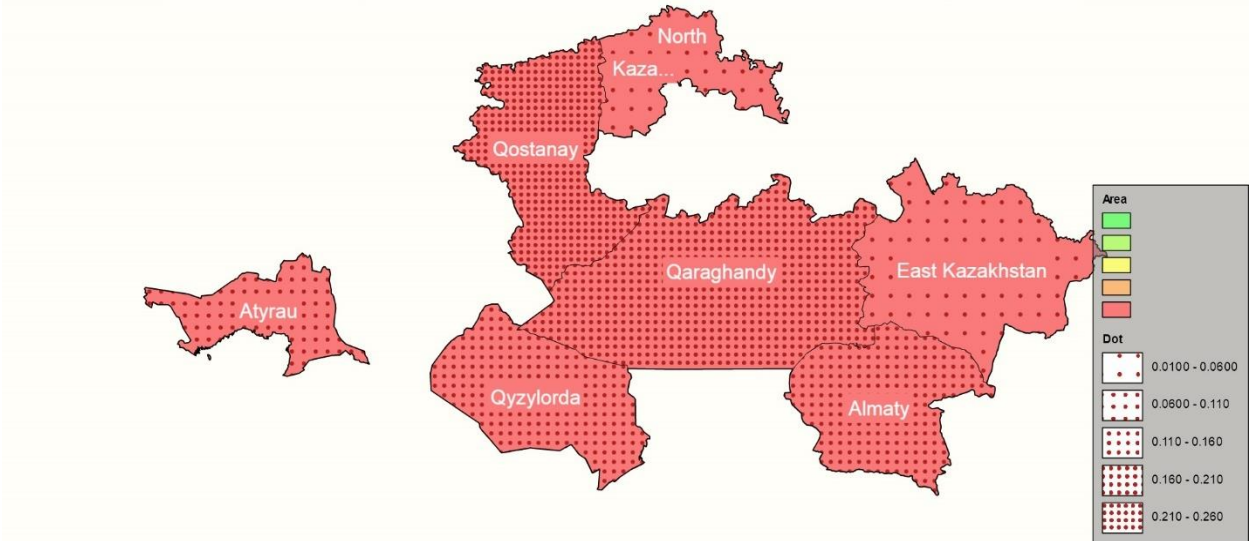
**Map 14: Investments in fixed assets in the Akmola region from other regions of the Republic of Kazakhstan (excluding funds from the state budget), thousand tenge.**



Source: Own survey.

In 2015, out of Akmola region, other regions of the Republic of Kazakhstan exported products worth KZT 14,205.6 million. 82.5% of the total volume of supplied products from the Akmola region falls on Kostanai (25.6%), Karaganda (16.8%), Kyzylorda (14.3%), Nur-Sultan (13.8%) and Almaty (12%).

**Map 15: The share of regions in the export structure of the Akmola region.**



Source: Own survey.

Currently, more than one in five people in the region are people aged 14 to 29 years. In the region there is a nationwide decline in the number of young people. Over the past three years, the number of young people has declined from 176.5 thousand people. up to 169.6 thousand people.

At the same time, the share of young people in the Akmola region in the working-age population is decreasing annually (2014 - 37.8%, in 2015 - 37.3%, in 2016 - 36.5), while remaining much lower than the average for the republic (2014 - 41.8%, 2015 - 41.1%, 2016 - 40.1%).

Based on the review of theories of regional development, we come to the conclusion that, Akmola region is one of the regions of the Republic of Kazakhstan with a low share of NEET (the proportion of young people who do not work (unemployed or not in employment) and does not study in% of the total number of youth).

In general, over the past three years, the share of NEET youth in the region tends to decrease. In the dynamics for 2014-2016 years. This indicator decreased 1.5 percentage points and in 2016 it was 4.9%. As of 2016, Akmola region ranks 2nd in Kazakhstan in this indicator, and in the macro region it is the 1st place.

The achievement of good results in reducing the proportion of inactive youth is due to the effect of such factors as:

- the implementation of projects to develop the activities of youth labor groups (103 detachments with a coverage of 2,690 students in 2016);
- active work of 20 councils for the implementation of state youth policy (1 oblast, 19 district and city), headed by akims (regions, districts and cities);
- annual awarding of nominal scholarships to akim of Akmola region. In 2016, scholarships were awarded to 76 students (2014 - 105 people, in 2015 - 121), the total number of holders of scholarships - 237 people;
- active work of 20 youth resource centers (1 regional, 2 cities and 17 district) in order to provide free psychological and legal consultations, consulting services, assistance in employment, organization of cultural mass work with youth, development of volunteer movement.

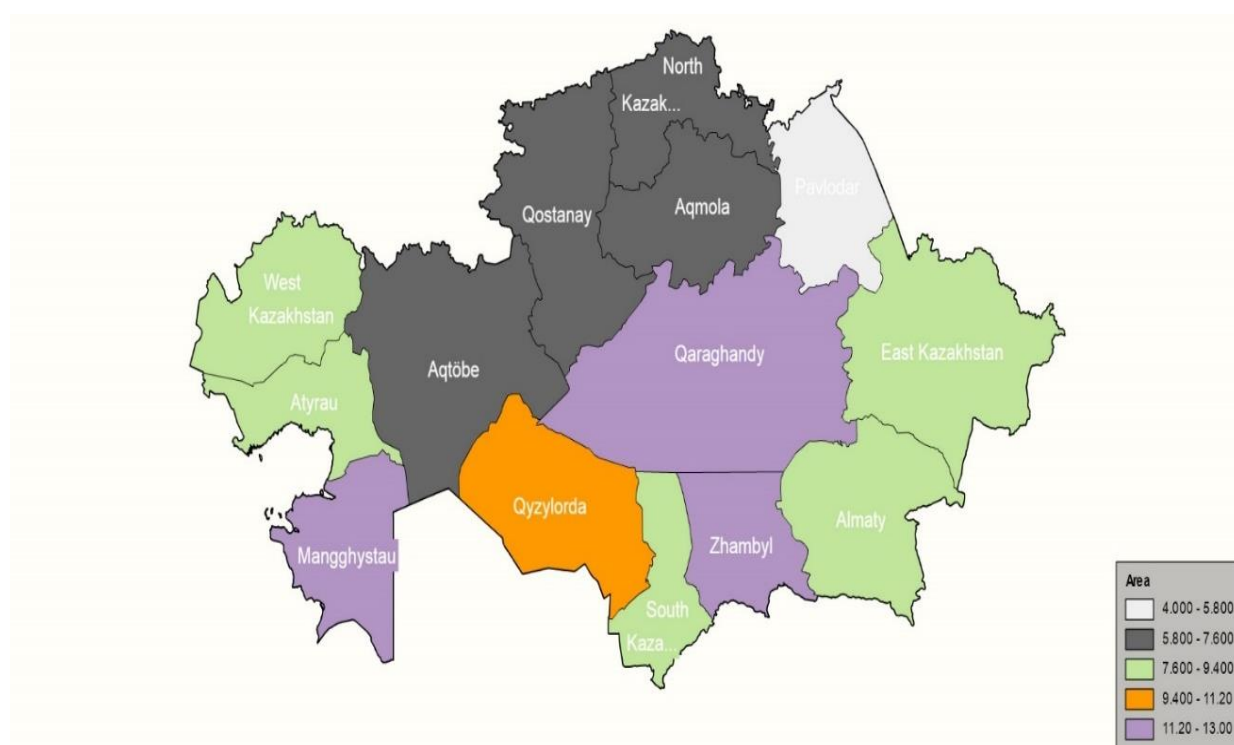
Along with this, youth organizations of the region are constantly working with their target groups, aimed at protecting their rights and solving problems, outside the framework of the state social order.



In recent years, there has been a qualitative and quantitative growth of youth organizations: in 2014 - 62 units, in 2015 - 75 units, in 2016 - 102 units.

The increase in the number of youth organizations, as well as the revitalization of their activities, has increased the coverage of youth. In 2014, the share of youth participating in the activities of youth organizations was 6.8%, in 2015 - 7.9%, in 2016 - 8.4%.

**Map 16: The share of youth in the Akmola region in comparison with other regions (15-29 years) in 2016, %.**



Source: Own survey.

As can be seen from the data on the map, practically the observed period the unemployment rate in 2014 was 4.9%, which is 0.4 percentage points lower than in 2012.

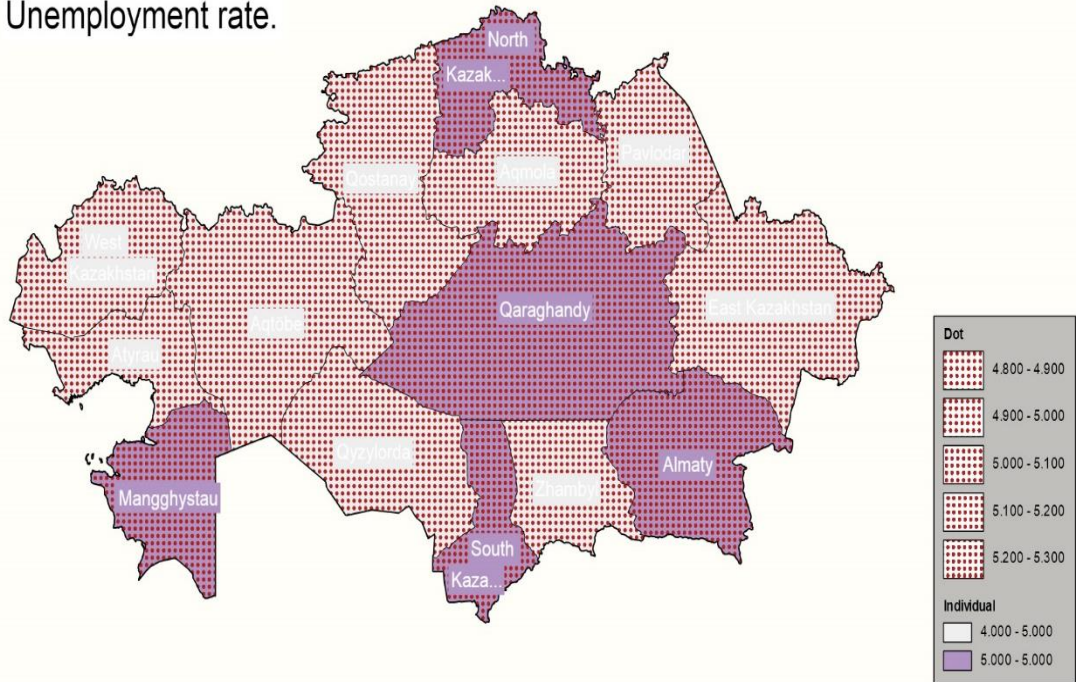
In 2014, the share of the population with incomes below the subsistence minimum decreased by 3.3 percentage points compared to 2011 and amounted to 2.9%.

At the same time, prices for food products are growing at a higher rate than the national average.

During the research it was also revealed that the indicators of Akmola region of the proportion of self-employed population of the total number of employed in 2016 are similar to the Western region.

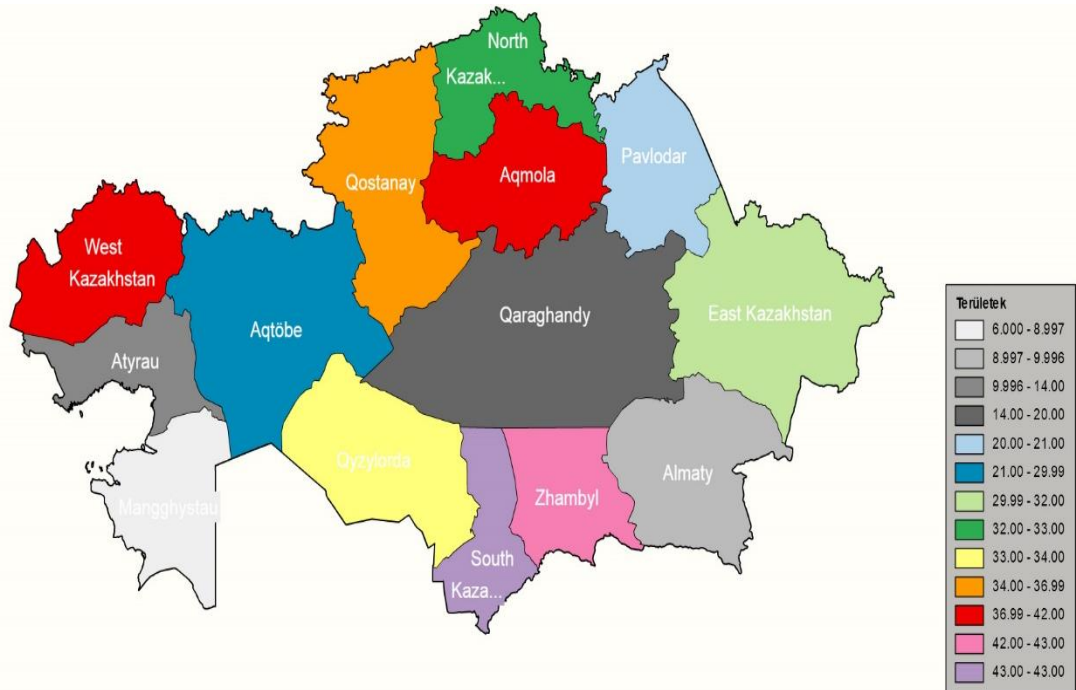
**Map 17: Unemployment rate.**

Unemployment rate.



Source: Own survey.

**Map 18: The place of Akmola region in the proportion of self-employed population of the total number of employed in 2016, %.**



Source: Own survey.

## VII. CONCLUSIONS AND RECOMMENDATIONS

The urgency of the problem of sustainable development of states, regions and territories is currently quite high, since it touches upon the very existence and survival of mankind on the planet. To achieve the goals of sustainable development, their implementation is necessary not only at the global, but also at the regional level.

Sustainable development of the region is the development of the territory as a system of equitable elements (man, nature, society), which in response to the influence of environmental factors contributes to the preservation of the system, restoration of its equilibrium, maintenance of the state, structure, type of functioning, its qualitative improvement at a new stage of development.

In this paper, we propose a mechanism for realizing the goals of sustainable development in a specific region of the Republic of Kazakhstan - Akmola region. The theoretical foundations of the mechanism of sustainable development of the region and the mechanism for managing sustainable development of the region, principles, patterns, levers and tools, the methodology for assessing sustainability are developed. The need for public administration to ensure sustainable socio-economic development of the region is proved.

The mechanism for managing sustainable regional development is the development of the Strategy for Sustainable Development of the Region and the systematic use of administrative, legal, economic, social and institutional methods, levers and management tools to implement the region's development strategy, which reflects the basic principle of sustainable development.

The analysis of the existing mechanism of development management by Akmola region, analysis of the existing Development Strategy, levers and management tools is carried out. Their advantages and disadvantages are revealed; a conclusion is made about the effectiveness of this mechanism. Currently, the Akmola region is a region with a slow pace of development - in terms of industrial production index, in terms of investment in fixed assets, etc.

We propose methods to improve the effectiveness of the mechanism for managing the development of the region. First of all, this is a justified position and the Strategy for the development of the region, developed using PEST and SWOT analysis, and implementing the basic principle of sustainable development.

The conducted strategic analysis of the region showed that the greatest potential for development is in the branches of agriculture and machine building. The analysis showed that the Akmola region is characterized by a predominance of industrial enterprises in the machine

building industry. In accordance with the conducted research for sustainable development of engineering enterprises, it is necessary to provide for the Regional Development Strategy and use the following tools:

- carry out regular monitoring of the execution, the current state order and its financing;
- participate in the formation of the Strategy for the development of industry enterprises, recommend the direction of development;
- participate in the development of investment projects of engineering enterprises, conduct an audit of investment projects, act as an intermediary for obtaining co-financing of investment projects from the national budget;
- regularly conduct audit of management decisions of the top management of machine building enterprises.

The main reason for the problems that need to be solved in engineering today is insufficiently efficient management, which results in low labor productivity, inefficient use of machinery and equipment, depreciation of fixed assets, and so on. In order to increase the efficiency of management of engineering enterprises, we are also proposing the introduction of a program to improve the level of qualification of the management personnel of enterprises, based on training in lean manufacturing technologies (lin management). The essence of this program is the periodic training of management personnel in the technologies of lin-management, lean production. The main goal of the program is to form the prerequisites for creating a new enterprise management mechanism with the aim of increasing the productivity of human resources and achieving high competitiveness of these enterprises.

The sustainability of the Akmola region in 2012-2016 is assessed. The level of stability in the region can be assessed as a crisis, since the two indicators of sustainability are less than one - physical and environmental capital. Thus, for sustainable development of the region, it is necessary to create impulses for the development and modernization of leading industries, agriculture, increasing investment activity of economic entities; measures are needed to prevent pollution and clean up water bodies, especially in the urban area. Particular attention should be given to the problems of the development of single-industry towns, which are quite large in the territory of the Akmola region.

In addition, it is necessary to actively create a favorable environment for business development in the region, use levers and management tools that promote the growth of investment and innovation activity of economic entities. sustainable development of the enterprise, business entity is the basis for sustainable socio-economic development of the region.

The proposed measures will lead to an improvement of the social and economic situation in the region, create prerequisites for its further sustainable social and economic development.

### **7.1. Assessment of the hypotheses**

**The first hypothesis of the dissertation research is based on the assumption that the condition for sustainable socio-economic development of the region is the creation and functioning of a full-fledged mechanism. This mechanism will be aimed at eliminating the negative trend and bringing the processes associated with sustainable socio-economic development to a balanced state.**

**Hypothesis 1 (H1)** In the course of the study on the mechanism of sustainable social and economic development of the region, it was revealed that the mechanism for managing sustainable regional development consists in the development of the Strategy for Sustainable Development of the Region and the systematic use of administrative, legal, economic, social and institutional methods, levers and management tools for the implementation the development strategy of the region, which reflects the basic principle of sustainable development. Based on these factors the hypothesis was accepted.

**The second hypothesis of the dissertation research lies in the scientific assumption that the role of the Akmola region in the regional policy of independent Kazakhstan is growing as the growing pole of Nur-Sultan.**

**Hypothesis 2 (H2)** - The region is located on the territory geographically formed around the rapidly growing capital of Nur-Sultan. The Akmola region is near the capital and becoming one of the main regions of the country. This hypothesis was accepted, and I made an analysis of the development of the region in the regional policy of Kazakhstan which proved my statement.

**The third hypothesis of the dissertation research is based on the assumption that the condition of the accelerated development of the economy of the Akmola region is the direction of the agro-industrial complex.**

**Hypothesis 3 (H3)** –The Akmola region is one of the main agricultural regions of the Republic of Kazakhstan. There are strong positions on the promising development of livestock, including meat with a high export potential. The implementation of investment projects, the creation of new enterprises and the modernization of existing poultry production facilities allow the region to take one of the leading positions. The implementation of projects contributes to the development, implementation and commercialization of new technologies in agriculture, which allows to significantly improve the quality indicators of the industry development and its competitiveness.

Based on these factors the hypothesis was accepted.

**The fourth hypothesis of the dissertation research lies in the scientific assumption that the grain industry occupies one of the leading places in the agricultural sector of the region and in the whole in the economy of Kazakhstan and is one of the priorities for the development of the grain economy, which contributes to the development of the export potential of the grain market of Kazakhstan and will increase the competitiveness of Kazakhstan grain exporters in the world market.**

**Hypothesis 4 (H4)** - The Akmola region is one of the grain-growing regions of Kazakhstan with great potential, the prospect of the development of agriculture, therefore the most significant branch is precisely the agriculture sector. The main direction in the agriculture of the region is grain production. Most of the acreage is reserved for crops. Akmola wheat has a high protein content. The production of grain is the basis of the country's export potential. Kazakhstan is one of the 15 largest producers and the top ten largest grain and flour exporters in the world. In recent years, the amount of grain processed in Kazakhstan is growing. In 2017, 3.7 million tons of wheat flour were produced. This hypothesis was accepted.

## **7.2. New scientific results**

The new scientific results are summarized below.

1) The first new scientific result of the dissertation is that this research is the first comprehensive study about the mechanism of socio-economic development of the Akmola region. I hope that this research will be the first basic for the next research in Kazakhstan and this dissertation will also be a good literature source for researchers who will carry out research on this theme. I think that this dissertation will serve as a valuable literature source for agricultural farmers and policy makers in Kazakhstan so that they can see the general picture of the socio-economic development of the Akmola region and can propose policies and programs to improve the socio-economic development of the Akmola region. The research results can be used by government agencies, including social welfare services, in the development of regional programs for the use of labor resources, the formation of a labor market and the reduction of unemployment in the agricultural sector.

2) The second new scientific result of the dissertation is the development of theoretical provisions and practical recommendations for the formation and implementation of a single mechanism for sustainable socio-economic development of the region. The essence and content are clarified, the author's interpretation of the concept of "sustainable social and economic development of the region" is presented, presented as the development of a system of equitable

elements (human, nature, economy) in response to environmental factors and contributing to a qualitative improvement of the regional system at a new stage of development; a distinction was made and the correlation of the concepts "the mechanism of sustainable social and economic development of the region", "the mechanism for managing the sustainable social and economic development of the region".

3) The methodological directions of the formation of the mechanism of sustainable social and economic development of the region are substantiated, including the purpose, tasks, the basic principles of the mechanism of sustainable social and economic development of the region, which determine the transition of the socio-economic system (region) to a new qualitative level of development, development of the region - human, investment, innovative, technological.

4) Developed a mechanism for managing the sustainable socio-economic development of the region, which is based on a systematic approach to management and is designed to implement the transition of the regional system to a new qualitative level, i.e. promote sustainable development of the region; a methodology has been developed for assessing (monitoring) the sustainability of the development of the region on the basis of a scoring of three elements of sustainable development-the economy, man, nature, i.e. assessment of the state of physical, human and ecological capital according to indicators of sustainable development.

5) To solve specific problems of the Akmola region, new tools for the management of sustainable development of the region are proposed: PEST - analysis of the strategic position of the region in the development of the Strategy of social and economic development of the region; tools of interaction of the authorities of the region with enterprises of the industry complex; tools and sequence of stages of management of single-industry towns; program "Improvement of professional skills of management personnel of engineering enterprises" on the basis of studying the basics of lean manufacturing ("lean-management").

## SUMMARY

Under the influence of the globalization of world economic processes, the role of regions in the national economy is changing. Increased competition, a free market, availability of resources, primarily information, allow regions to get great opportunities for development, to enter global markets. However, on the other hand, the regions became more susceptible to the impact of the world economic crises, to the economic expansion of stronger competitors.

In connection with this, state regulation of the market economy is gaining more and more importance. The global economic crisis and its consequences once again confirm that without the state regulation it is impossible to achieve the goals of sustainable development of the economy and society. The market mechanism is inherently incapable of solving the problems of sustainable social and economic development. It can also be argued that it generates them to a greater extent, it is their source (for example, an excessive social differentiation, environmental problems, etc.).

In view of the foregoing, the theory and practice of achieving sustainable regional development on the basis of a certain mechanism for its implementation is of great interest.

The aims of this research are to theoretically and practically achieve sustainable regional development based on a certain mechanism for its implementation, identifying problems of practical implementation of the regulatory capabilities of the mechanism and developing specific recommendations on the effective use of the mechanism in stimulating regional economic growth in modern conditions; to develop methodological provisions and practical recommendations on the formation of a mechanism for sustainable socio-economic development of the region.

The methodological foundations of the sustainability of social and economic development are examined and studied by many foreign and domestic researchers. The following foreign authors, V.G. Balashov, V.A. Irikov, A. Aubakirov, A.N. Alashabayeva, G. Brundtland, M.A. Bagomedov, O. Bogomolov, L.N. Chainikova, N.I. Dorogov, made a significant contribution to the study of sustainable development. Many important aspects of the theory of stability are reflected in the works of A. Armand, E.I. Dracheva, L.I. Yulikov, N.D. Guskova and others. The studies of A. Adamescu, Zh.M. Elubayeva, are devoted to the formation and development of the theory of regional management.

The study and systematization of theoretical material showed that, despite numerous studies in the field of sustainable development and regional governance, the development and implementation of the mechanism for sustainable development of the region were not fully reflected. Currently, the regional development mechanism is not considered as a system. Tools



and controls are scattered and often contradict each other. In addition, the methodology for assessing the sustainability of the development of the region also requires refinement.

Various aspects of the problem under study have always been the focus of attention of scientists. A significant contribution to the study of these problems was made by such domestic researchers as N. Nazarbayev, M. Kenzheguzin, B. Zhunusova, K. Bilyalov, N.K. Nurlanova. Fundamental studies of the problems of sustainable socio-economic development of the regions are reflected in the works of T.V. Voronina, A.D. Ursul, P.I. Shihatov, A.S. Sheulin, N.K. Nurlanova and others.

I used the questionnaire to collect the quantitative data. I did 325 questionnaires and each questionnaire lasted about 35-40 minutes. I chose 3 districts to do the questionnaire. I surveyed 3 districts: Akkol district, Burabay district, Zerendi district. The sample total was 325 respondents. I chose 3 districts to do the questionnaire, in which there is a district with a large area of wheat production, the next one with medium area of wheat production and the third one is rich in natural resources.

A random sample of 325 participants from small and medium size enterprises registered in this district industries center. 325 questionnaires with farms workers have been conducted altogether. I randomly chose 60 farmers per district to do this questionnaire. The sample total was 325 respondents.

The main problems of the region were identified. To solve these problems, to overcome threats to the socio-economic development of the region, we substantiated new tools for the mechanism for managing the sustainable socio-economic development of the region in accordance with the sustainability criterion.

In the course of the dissertation research, the following results were obtained:

1. The content of key definitions in the conceptual apparatus of the mechanism of sustainable socio-economic development of the region has been clarified, allowing us to consider the region as a socio-economic system, and the process of sustainable development of the system as its transition to a new qualitative state under the influence of environmental factors - “sustainable socio-economic development of the region”, “a mechanism for the sustainable socio-economic development of the region”, “a mechanism for managing the sustainable socio-economic development of the region”;
2. The basis of the mechanism of sustainable socio-economic development is the mechanism for managing the region’s sustainable development. The purpose of the mechanism for managing the sustainable socio-economic development of the region is to create conditions, prerequisites, use

management methods and tools to move the regional socio-economic system to a qualitatively new level of development;

3. A necessary element of the mechanism for managing the sustainable socio-economic development of the region is a system for assessing (monitoring) the sustainability of development, since it performs the feedback function in the management system. Using the assessment system allows you to identify the main factors of stability (instability) of the development of the region and purposefully influence them in the future;

4. Sustainable economic development of the leading farms in the region is the basis for sustainable socio-economic development of the subject of Kazakhstan, since it is they who form the bulk of the revenues of the regional and local budgets, provide employment and a certain level of income, form the social infrastructure in the region and ensure effective demand, which serves as an incentive to further development of industry, entrepreneurship and trade, and, consequently, sustainable socio-economic development.

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## APPENDICES

Appendix 1.

### Questionnaire

My name is Gulnara Kurmangozhina and I'm doing my Dissertation work. With the help of this survey, I want to conduct a study of the opinion of the population of the Akmola region on the socio-economic problems of the region. The questionnaire is anonym and all information are handled strictly confidentially. I kindly ask you to circle the letter before the answer you have chosen or write your answer.

Thank you for your co-operation.

#### I. Demography

1. Where do you live? \_\_\_\_\_

2. Your age:

1. 20-30
2. 31-40
3. 41-50
4. 51-60
5. Over 60

3. What's your gender:

1. Male
2. Female

4. Family status

1. single, not married
2. married in a registry office
3. married, not registered in a registry office

5. Children

1. Yes (write how much) \_\_\_\_\_ (children)
2. No

6. What's your educational level:

1. Primary school
2. Secondary school
3. High school
4. Higher education

7. Are you working in this time?

1. Yes
2. No

## II. Development

### 8. Which of the following do you consider to be weak sides of the Akmola region?

№	Name	1	2	3	4	5
1.	Underdevelopment of transport infrastructure					
2.	Inefficient use of natural resources					
3.	Undeveloped industry					
4.	Lack of conditions for the development of youth					
5.	Bad management of the region					
6.	A small population					
7.	Underdeveloped infrastructure					
8.	Low level of specialists					
9.	Lack of information about the region beyond its borders					
10.	Low level of education					
11.	Management system					
12.	Difficult to answer					

### 9. Which of the following do you consider to be a strength of the Akmola region?

№	Name	1	2	3	4	5
1.	Rich natural resources, primarily forests					
2.	Hospitable, friendly people					
3.	Potential for the development of the sanatorium and spa business					
4.	A successful geographic location					
5.	Investment					

	attractiveness					
6.	Art crafts					
7.	Developed agriculture					
8.	Industry sector					
9.	Management system					
10.	Difficult to answer					

**10. Please write the top problems of the region:**

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**11. How do you assess the overall situation in the region, the changes taking place in it? (Please select 1 answer)**

1. positively
2. rather positively than negatively
3. rather negative than positive
4. negatively
5. Difficult to answer

**12. In which area do you work? Please, write.**

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**13. What is the form of ownership of the enterprise, organization you work for?**

1. state ownership
2. private
3. mixed

**14. Are you satisfied with the sphere in which you work?**

1. yes
2. rather yes than no
3. rather no than yes
4. no
5. Difficult to answer

**15. What, in your opinion, is lacking in the work of the regional authorities in the sphere of social and economic development of the region? Please, write.**

1. \_\_\_\_\_

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**2. Difficult to answer**

**16. Please indicate the conditions of your stay.**

1. live in your own comfortable apartment, house
2. You live in a comfortable apartment of your parents, other close relatives
3. live in your own uncomfortable housing (including with your parents or other close relatives)

- 4. live in a service house
- 5. live in a rented accommodation
- 6. other (indicate) \_\_\_\_\_
- 7. Difficult to answer

**17. How much are you satisfied with the quality of housing and communal services?**

- 1. I find it very effective.
- 2. I find it moderately effective.
- 3. I do not find it really effective.

**18. Are you satisfied with the quality of your education (received)?**

- 1. yes, completely
- 2. rather yes than no
- 3. rather no than yes
- 4. no
- 5. Difficult to answer

**19. How do you think the state should take part in the employment of graduates of educational institutions? (Please select 1 answer)**

- 1. The state must guarantee the first job
- 2. the state should support in search of work at the wish of the graduate
- 3. The state should not interfere in the process of employment of young people
- 4. Other (please write)

\_\_\_\_\_

5. Difficult to answer

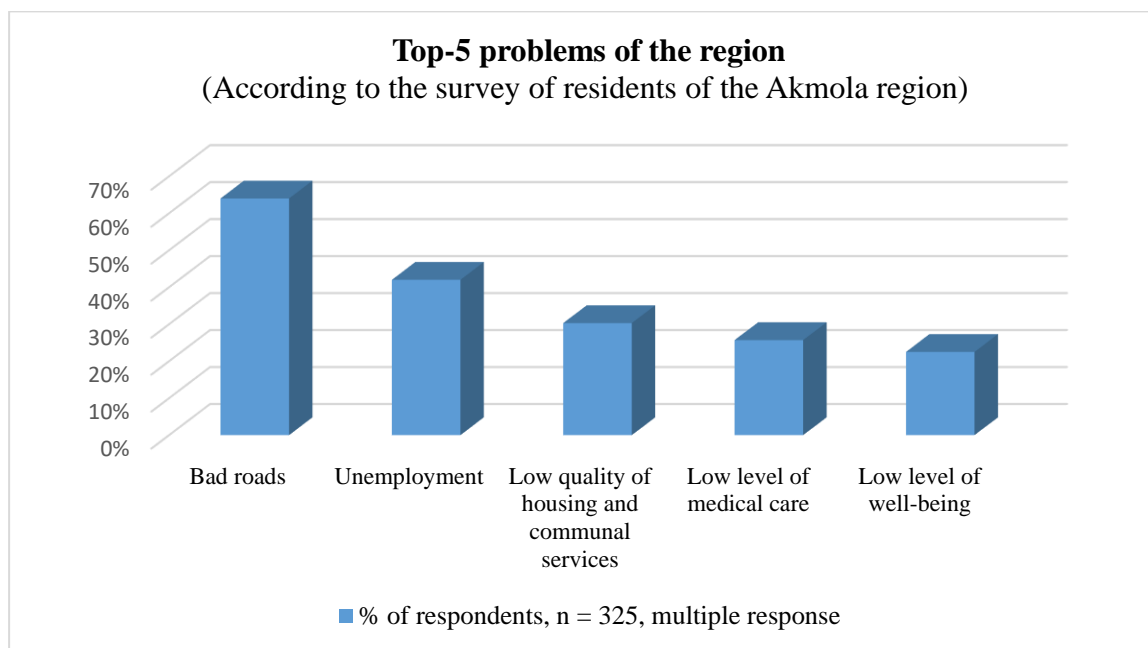
**20. How does the state support regions? What do you think of this support? Add your comment, please, if you have any.**

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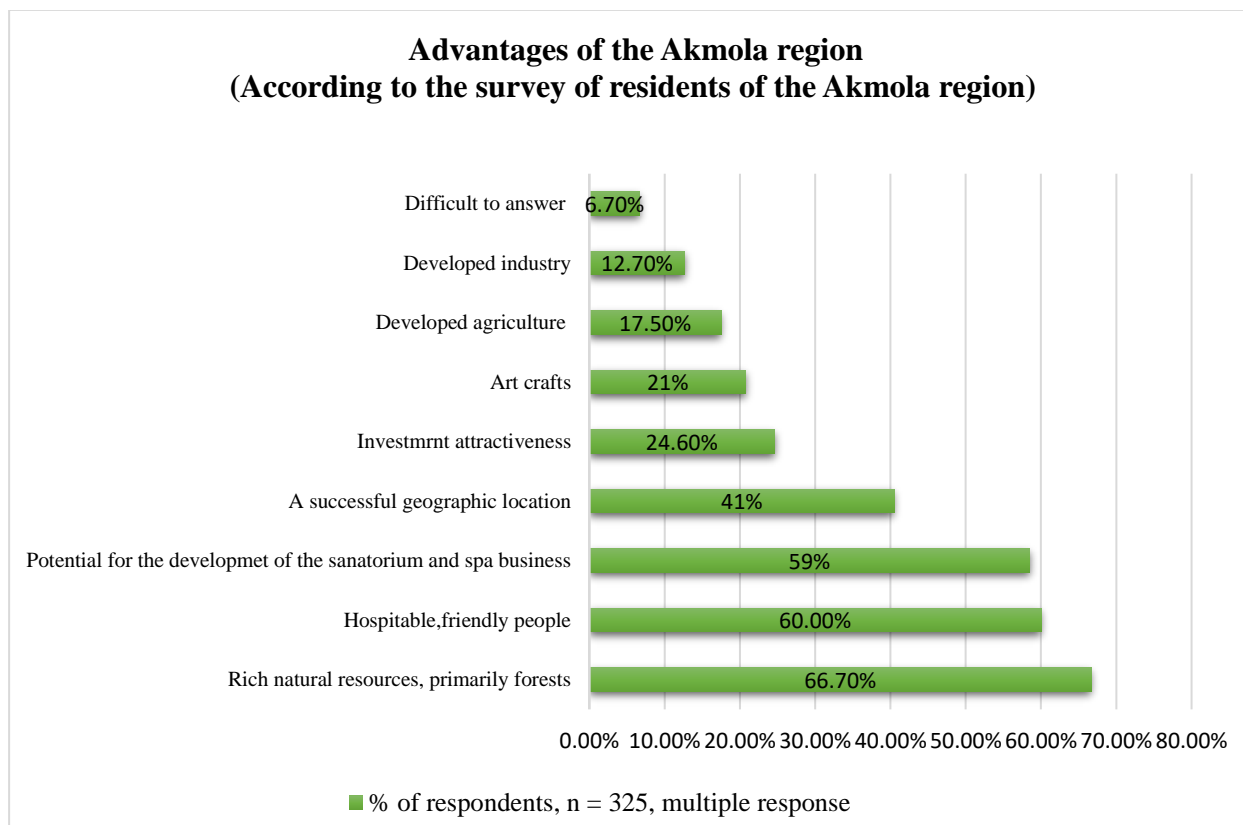
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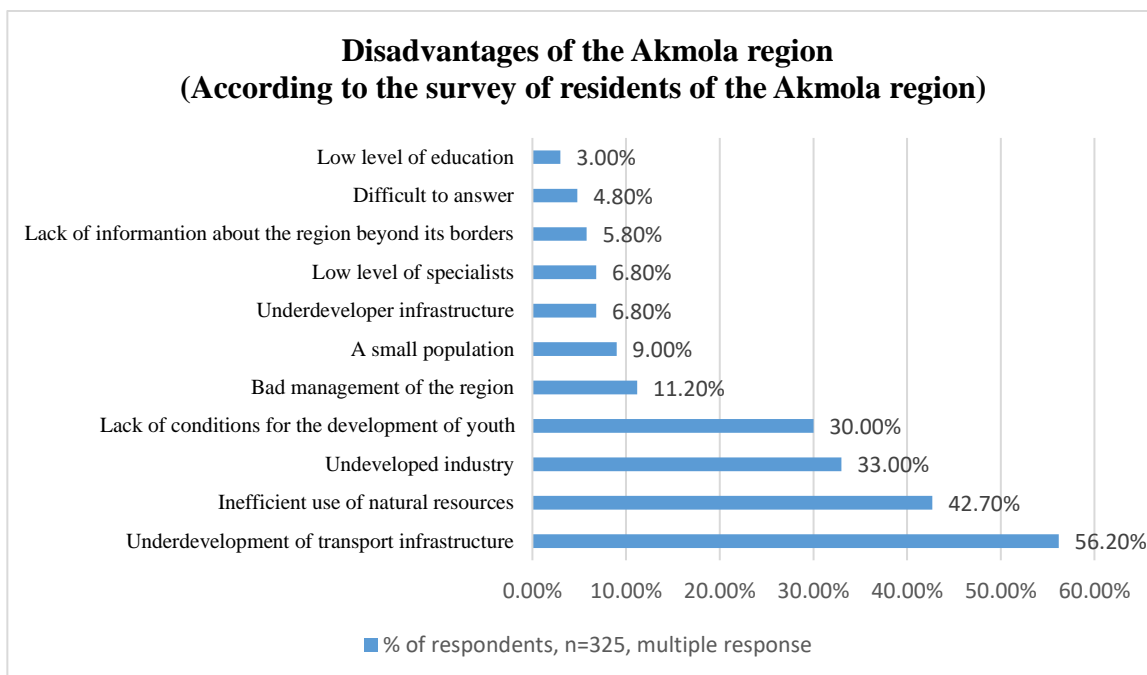
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Source: Own survey



Source: Own survey



Source: Own survey