Management of the agro-industrial complex in the Republic of Kazakhstan

This article deals with the problems of financial regulation of the agro-industrial complex of the Republic of Kazakhstan in recent years. It is noted that the strategic importance and specific features of agriculture require the development of special approaches to the management of this industry, its investment at the regional level. The main task of state regulation of the economic development of the industry is the investment development of agricultural production, as investment growth is one of the main factors contributing to the recovery of agro-industrial production, solving the problems of updating the regional technical and technological base, deterioration of fixed assets in agriculture, ensuring sustainable development of the agricultural sector of the economy. The analysis of the financing of the agrarian sector in the conditions of a market economy has been carried out; attention has been paid to the budgetary and credit levers of the impact on the development of the subjects of agricultural production. Proposals on further improvement of the state financial regulation of the republic's agro-industrial complex are given.

Keywords: management, budget, economy, credit, investments, agro-industrial complex, mechanism, regulation, food production.

Awareness of the importance of the agrarian sector in the modern economy led to the fact that in the Address of President N.A. Nazarbayev from January 31, 2017 «The third modernization of Kazakhstan: global competitiveness» noted that agriculture should become a driver of economic development [1].

The agricultural production of the country remains small-scale and needs the fastest update of the main means of production, and first of all, of the technical park. In rural areas, the entrepreneurial activity of the population is low, as a result, gross output per capita in the village is five times lower than in the city. Partly this is due to undeveloped production infrastructure and inaccessibility of financial resources. All this becomes an obstacle to increasing labor productivity, profitability and quality of agricultural products. It is possible to single out the main factors constraining extended reproduction in the agrarian sphere: economic, social, technological and organizational.

Kazakhstan positions itself as a country that produces competitive agricultural products for export niches in the international market. In this regard, the close attention of economists, practitioners, representatives of official structures to attempts to more clearly and clearly define the essence and content of the notion of «competitiveness», to reveal factors and indicators, indicators and other characteristics that contribute to the establishment of a given state of the functioning of the system. In this regard, an objective study of the problems associated with the development of new mechanisms for financial support of the activities of agricultural enterprises and the creation of the necessary conditions for attracting investors to this sphere is becoming an urgent problem.

Today the challenge is to improve the quality of the products so that it can compete with imported products that enter our markets. From this point of view, the President sets the task of developing the processing industry, emphasizing a great deal of attention to the deep processing of agricultural raw materials. To achieve this goal, investments are needed in this sphere of production, aimed at improving the technology of food production, replacing old equipment with new equipment, allowing production of products meeting international standards. Domestic scientists note that the increase in competitiveness should be primarily ensured by increasing labor productivity, reducing the material consumption and energy intensity of production of goods and services [2]. Competitiveness of economic entities is the ability to actively use the competitive mechanism, which opens the way for enterprises, companies, industry, and the country to increase their share in the segments of the world market, providing additional income and realizing the main goal of society [3]. The company's financial competitiveness is a qualitative characteristic determined by the financially stable position of the enterprise, a company that allows them to effectively operate on the stock market, attract investments for development, and provide high liquidity and profitability of securities that exceed the similar level of competitors. «Increasing the competitiveness of the Kazakh economy is the creation of a
In order to improve the quality and competitiveness of agricultural products, additional investments are needed to improve the old equipment, technologies used, etc.

Problems of state regulation of the food sector are widely reflected in the studies of representatives of various economic schools. There is a wide range of concepts of the organization of state regulation of the production of agricultural raw materials, their processing and realization of food products. Among the various conceptual frameworks we can distinguish three significantly different positions on the definition of the role and place of state regulation in the food sector.

The first position reflects the views of supporters of the liberal market model. Recognizing the particular importance of the food sector for socio-economic development and socio-political sustainability of the national economy, proponents of the liberal model do not make exceptions for the food market. They strongly advocate the minimization of government intervention in reproductive processes in agricultural sphere. For example, M. Grifenson, directly declares that «the state should refrain from direct intervention in the functioning of the food market, with the exception of the purchase of foodstuffs for the state needs» [4]. Leading direction of activity of state bodies, according to supporters of the liberal model, should be removing obstacles to create a full-fledged competitive environment in the food market [5].

At first glance, the liberal development model of agro-industrial complex opens up scope for action is quite effective the market mechanisms that stimulate increased productivity in the agricultural sector and the high efficiency of the functioning of food markets. However, the use of many components of the liberal model in the first years of market reforms in most CIS countries has led to a sharp decline in production in the agricultural sector of the economy, increased price of imbalance between wholesale prices for agricultural products and the prices of machinery, equipment, appliances, fuel, chemical fertilizers. Low wholesale prices for agricultural products have not led to moderate retail prices for food due to extreme inefficiency or a deliberate monopolization of the mediatory activities in the food sector. In General, even relatively short-term use of the elements of the liberal model in the CIS countries has led to significant negative results.

The second item expresses the views of supporters of the state paternalism in the food sector. They are characterized by an expanded vision of the role and place of state in the functioning of the food complex. They advocate active state intervention in the functioning of the food market, up to the regulation of prices for basic foodstuffs. Quite extensively the idea of paternalism in relation to the food sector developed in the works of K. morrow and T. Adams. In their joint monograph written: «Market mechanisms in the agricultural sector are not effective, therefore, the state should use all available levers to stimulate agricultural production and to protect the domestic market from the influx of imported food» [6]. The recommendations of the supporters of paternalism is clearly a departure from free market relations, and in some cases outright lobbying of economic interests of producers engaged in the agricultural sector. In General, the paternalistic model of state regulation in the food sector is in conflict with the basic principles of a modern market economy.

In our opinion, evaluating the advantages and disadvantages of the model of state paternalism in the food sector, it can be stated that the active state guardianship agribusiness has mixed results. On the one hand, concern about the country's food security, promoting the economic interests of domestic producers, and resistance to imported foods available at low wholesale prices and many other protective measures, of course, leads to greater sustainability of the agricultural sector and the whole food complex. On the other hand, artificial fencing off from foreign competitors, creating to a certain extent, «hothouse» conditions for domestic agricultural producers and other participants in the food complex in the long run leads to lower efficiency and even provoke monopolistic tendencies leading to excessive growth of retail prices for food. In addition, the state protectionism in the food sector inevitably causes a reaction of other countries, which greatly hampers or in some cases, blocks exports of domestic food producers. The negative consequences of the model of state paternalism in the food sector can exceed the positive effect of protecting domestic food producers.

The third position reflects the scientific views of economists defending the idea of social market economy [7]. In condensed form, this position may be characterized as the concept of balance of economic interests: on the one hand, food producers, and on the other hand, all consumers of food. The state acts as a kind of arbitrator establishes the «rules of the market game», and also monitors strict compliance with the rules. Proponents of the theory of social market economy the special attention is paid to the role of the state in the
implementation of control functions at all stages of functioning of the food complex, as well as control over the quality of imported food products. The government's active participation in the development of transport, telecommunications, social and environmental infrastructure in the agricultural sector to ensure sustainable growth in food production contributes to food quality. However, intensive public funding of the food complex in the framework of the model of social market economy reduces the role of healthy competition among producers and calls for strengthening of customs barriers to reduce food imports [8].

Along with the following main positions in respect of state regulation of the food sector, in the economic literature one can find a more specific point of view. Some authors focus on tax levers for state regulation in the food sector. Others concentrate their research around the issues of Antimonopoly activities of relevant state bodies. Third had specialized on international aspects of food market regulation. Analysis of these studies shows that specialization typically leads to the exaggeration of the role of certain aspects of state regulation of the food complex, which inevitably reduces the level of objectivity, specialized approaches or even leads to a distorted understanding of the functioning of the system of state regulation of the food sector as a whole. In this context it is more clearly visible advantages of the application of factor-targeted approach to state regulation of the food sector in modern conditions of globalization and increasing competition on the markets for food products.

Original position when using the factor-oriented approach is the dialectical Trinity of shared, private and individual in the study of complex socio-economic problems. This means that the issues of state regulation should be considered in three concentric scales. The larger scale reflects the fundamental processes that are General in nature and are used in state regulation in the food sector in most countries with a market economy. A more detailed scale is required for consideration of the specifics of state regulation of the agricultural sector in post-socialist countries. Third, the most detailed scale is needed to identify unique characteristics of the system of state regulation of the food sector of a particular country.

Block of permanent goals reflects the development issues of the food complex at the largest temporal scale. Economic theory identifies two main directions of state regulation of market economy: maintaining the sustainable functioning of available factors of production and stimulation of expanded reproduction. Sustainable operation in respect of food complex of Kazakhstan includes:
- first, the gradual saturation of the market increasingly valuable for nutritional value, organic food;
- secondly, improving the country's food security using a variety of factor-targeted instruments from the establishment of a system of strategic stocks of food in case of emergency rational to reduce dependence on food imports, as well as equipment for various types of industrial and commercial activities in the framework AIC and the ultimate realization of food products.

Given the processes of globalization and the steady growth of the population in the global scale, Kazakhstan can realize continuous extended reproduction of foodstuffs in scale, far exceeding the requirements of the national food market.

The second temporal scale of state regulation of development of the food complex is associated with the implementation of long-term strategic goals. It primarily targets set in the Strategy «Kazakhstan-2030». So, in relation to the food sector, this means moving from a predominantly extensive model of the functioning of the AIC to the introduction of intensive technologies in all sectors of the food complex. Highly industrialized model of a market economy involves advanced development engineering. For Kazakhstan it is quite logical to restore agricultural engineering in the modern technical and technological basis with attraction of the latest achievements in the world of engineering.

Production of environmentally friendly products to date has not received an adequate resolution. In numerous publications environmental professionals are given extensive factual material about the gross violations of environmental standards at all stages of food production. To retailers often sold the products that are labelled as environmentally friendly are in fact manufactured with the use of artificial flavor enhancers or chemical preservatives, etc. In this context it is expedient to radically improve the entire system of state control over the quality of food products, in strict compliance with state standards. In this context, a comprehensive greening of the food complex of Kazakhstan is absolutely necessary for entering the food markets of developed countries.

The third temporal scale includes the tactical objectives of state regulation of food complex of Kazakhstan, which by their nature are permanent and specification of strategic targets. Priority objective ensure deep modernization of agriculture is logically connected with the implementation of an intensive model of the functioning of the food complex. Modernization involves bringing all the subsystems of the food complex in
line with modern standards of conducting agribusiness. This does not mean the one-time upgrade of the entire material-technical base in the agricultural sector. A realistic upgrade scenario is based on the evolutionary path gradual dismantling of obsolete equipment, the introduction of more intensive technologies in crop and animal production, technical re-equipment of processing enterprises, improved quality of food products and expanding their range, etc.

Medium-term objectives of state regulation are closely interrelated. Deep modernization of the food complex directly corresponds to the aim of increasing the competitiveness of domestic producers of food. In the food sector will significantly improve the competitiveness of most enterprises. The forthcoming accession to the WTO will inevitably increase the influx of foreign products into the domestic market of Kazakhstan, but at the same time will significantly reduce customs barriers to entry of local producers on food markets in other countries. Competitiveness covers a wide range of problems from reducing the cost of production to conduct effective campaigns is domestic food. However, the main argument in the competition is the quality of food products, including basic characteristics of ecological purity. Attempts to implement low-quality products at low prices can only bring short-term commercial success in some food markets. Sustainable competitiveness is achieved by a combination of high quality characteristics of food products with deep knowledge of requirements for wholesale, the wholesale and retail markets for operational monitoring of all changes in market conditions.

Every year the sustainable growth of the agricultural business in Kazakhstan the urgency of expansion on world food markets. As the steady growth of population in the globe are growing the number of units required in food products. At the same time in many countries, the growing purchasing power that determines the increase in the consumption of high quality foods, including organic meats. Additional opportunities for producers of food products in connection with the introduction in European countries, mandatory labeling of genetically modified foods. It is well known that the main suppliers of meat (USA, Australia, Canada, Mexico, Argentina) is a widely used genetic engineering in livestock. Therefore, such labeling would dramatically reduce the attractiveness of food products imported from these countries, at least among the affluent sections of the European population [9].

Food market of the European Union is the most promising for expansion of Kazakh producers of food products with high added value. However, we cannot ignore the rapidly growing demand for gourmet products in the neighboring large countries [10]. In China and Russia is an active process of formation of the middle class, which has a sufficiently high purchasing power for consumption of high-quality meat and dairy products. In Russia gourmet products are mainly imported from EU countries, which heavily subsidize agricultural production. However, it has already begun the process a substantial reduction in the size of the subsidy, which will significantly increase food prices. China basically self-sufficient in high quality food products through domestic production. However, a sharp deterioration of the environmental parameters associated with heavy industrialization limits the production of organic food. In addition, the rapid growth of the middle class increase demand for high quality food products, which leads to the need to import gourmet products. The expansion in foreign food markets should become one of priorities of state regulation of foreign economic activity. It is obvious that the promotion to external markets will require much more effort than the agricultural exports and, especially, primary energy carriers, metals etc.

Despite the existing increase in the incomes of the population, there is no improvement in the dietary structure of Kazakhstan people. First, in the consumer budget of the bulk of the people of Kazakhstan, food expenditure is about 60 %, and in the budget of the poorly-paid segments of the population, up to 70 %. Secondly, basically the grocery set falls either on bakery products and cereals, or on low-quality food products. In this regard, we propose, as one of the directions for strengthening the country's food security, a gradual transition to the formation of a new nutrition paradigm corresponding to the realities of the information society.

The concept of a new nutrition paradigm is still at the stage of embryonic development. However, this problem is already being discussed in highly developed countries. Many researchers criticize the organization of public catering and food producers for ignoring the principles of healthy eating, imposing heavy food for consumers, which contain a disproportionately large number of animal fats, cholesterol, etc. Let's give only some arguments in favor of the formation and development of this paradigm of nutrition. First, rational nutrition is an integral part of the concept of healthy lifestyles, which is actively promoted and implemented in Kazakhstan as part of an overall HDI strategy, especially with regard to extending the average life expectancy to 72-77 by 2016. Secondly, the introduction of a new paradigm of nutrition makes it possible to increase labor productivity, especially highly skilled workers primarily engaged in intensive intellectual work.
Thirdly, the participation of Kazakhstan in the development of a new nutrition paradigm in conjunction with highly developed countries will allow us to take a proactive position that ensures timely adaptation of domestic food producers to new demands of foreign consumers for food quality and assortment. Moreover, Kazakhstan can directly participate in the development of new food value standards for food products and implement these standards simultaneously with highly developed countries.

The old paradigm of nutrition reflects the needs of an economy based primarily on physical labor, which naturally requires a high-calorie diet that contains a fairly large amount of fats, including saturated fats of animal origin. Such nutrition is aimed at reimbursement of energy costs with prolonged physical activity. In modern conditions of active informatization, the sphere of predominantly intellectual work is rapidly expanding, including within the framework of working professions (drivers, crane operators, operators of technological complexes [11]). Consequently, the old nutritional paradigm is in clear contradiction with the real needs in the rational nutrition of mental workers. Excess caloric content of the traditional diet causes numerous negative consequences from elementary drowsiness and low tone to atherosclerosis, which drastically reduces the productivity of intellectual labor or even leads to disability. In addition, excess caloric intake directly leads to a decrease in the average life expectancy of the population, as it contributes to obesity and more intensive wear of the vital systems of the body.

Thus, a rational nutrition organization within the framework of a new paradigm will be a powerful factor in increasing labor productivity in the country. Domestic food producers will be interested in expanding the production of food products that meet the needs of supporters of the new food paradigm. All this, in turn, will have a beneficial effect on the strengthening of the state's food security.

One of the sources of financial support for agricultural enterprises is credit resources. Budgetary crediting in 2015 was implemented through four administrators of republican budget programs through 8 budget programs. At the same time, in the context of administrators, the Ministry of Agriculture accounts for 31.5% of the total amount (carrying out measures to support the subjects of the agro-industrial complex).

According to the evaluation of the Accounts Committee for Control over the Execution of the Republican Budget, 60 bln tenge (in 2014 - 40 bln tenge) was allocated to support the subjects of the agro-industrial complex in 2015. At the same time, a formal approach to the planning of direct and final results is established with an underestimation of their quantitative indicators. So, in 2015, 2,249 agricultural producers were credited with a 2.5 times increase in the planned figure.

As for bank lending, according to the National Bank of the Republic of Kazakhstan, second-tier banks 'loans by sectors of the economy from 2012 to 2015 are characterized as follows: second-tier banks' credit investments in the economy in 2015 totaled 12674.2 bln tenge and increased by Compared with 2012 by 127.3 % or by 2716.2 bln tenge. The largest shares of the total volume of loans are concentrated on average in trade — 20.1 %, industry — 12.0 %, the smallest share in agriculture — 4.0 %

The GDP growth of the Republic of Kazakhstan testifies to the opportunities for a greater direction of investments in the economic development of the agricultural sector of Kazakhstan. In the basic capital of agriculture for the period of 2011-2015, 720.2 bln tenge was invested, which on average is 2.4 % of the total investment volume. However, the general increase in investments in fixed assets is formed because of only a significant contribution of own funds, as well as state budget funds, while the contribution of borrowed funds has practically lost its significance.

Proceeding from the conducted research, it is possible to draw the following conclusions. The financial and investment policy should be implemented in the following areas:

- adoption of legislation regulating the investment process in the AIC;
- increase in budgetary financing and as a result of this, strengthening of state control over targeted and effective expenditure of funds of the republican and local budgets, sent in the form of irretrievable and refundable financing;
- expansion of the practice of guaranteeing state support of investment agricultural projects;
- creation of an enabling environment for attracting domestic and foreign investments;
- strengthening control over the efficiency of the tax administration mechanism, since the fiscal characteristics of the tax system are inextricably linked with the volume of public expenditure. The higher the tax revenues to the economy of the regions and the republic as a whole, the greater are the opportunities for their further «reinvestment» and, ultimately, the use of opportunities for their self-development;
- the financing system should contribute to their real strengthening and be a stimulus to increase efficiency, increase the output of agricultural products and reduce the cost of production.
Summarizing the author's vision to the regulation of food complex of Kazakhstan, it should be noted that the allocation three-factor trust scale reflects not only the dialectic of General, private and individual in the state regulation of the market economy, but also covers the temporal incision, that is, the ratio of long-term (20-30 years), medium term (5-15 years) and tactical goals (less than 5 years). These time intervals significantly longer than generally accepted in the temporal splitting of the business cycles on strategic, tactical and operational time periods. This is especially true when the public administration in the agricultural sector. Thus, the improvement of soil fertility for crop intensification requires the development and implementation of long-term state program. The breeding of more productive varieties or more productive breeds is impossible without long-term breeding programmes. Investment projects on creation of new enterprises of agricultural engineering and the larger inter-industry complex, requires a strategic approach involving long-term cycle from market research to the completion of the feasibility study construction and installation, commissioning and phased implementation and development of production capacity. In connection with this conversion cycles and the development of state regulation should be longer than the traditionally adopted in the preparation of business development plans of specific enterprises, firms and corporations.

References

Управление агропромышленным комплексом в Республике Казахстан

В статье рассматриваются проблемы государственного финансового регулирования агропромышленного комплекса (АПК) Республики Казахстан за последние годы. Отмечается, что стратегическая значимость и специфические особенности сельского хозяйства требуют разработки особых подходов к управлению данной отраслью, её инвестированию на региональном уровне. Главной задачей государственного регулирования экономического развития отрасли выступает инвестиционное развитие сельскохозяйственного производства, так как рост инвестиций является одним из основных факторов, способствующих подъему агропромышленного производства, решению проблем обеспечения региональной технической и технологической базы, изношенностей основных фондов в сельском хозяйстве, обеспечению устойчивого развития аграрного сектора экономики. Проведен анализ основных источников формирования первичных доходов предприятий сельского, лесного и рыбного хозяйства Казахстана за 2010–2015 гг. Даны предложения по дальнейшему совершенствованию государственного финансового регулирования АПК республики. Авторами отмечается, что главной задачей государственного регулирования экономического развития отрасли в условиях ВТО выступает переорIENTATION поддержки аграрного сектора в пользу мер, разрешаемых правилами ВТО. Включена оптимизация структуры расходов бюджетов различных уровней за счет сокращения программ прямой бюджетной поддержки, что требует реализации принципа бюджетирования, ориентированного на результат. Проведен анализ финансирования аграрного сектора из республиканского бюджета, уделено внимание кредитным ресурсам, выделяемым на развитие субъектов сельскохозяйственного производства.

Ключевые слова: управление, налоговые системы, реформирование налоговых систем, регрессионный анализ, фискальные инструменты, экономический рост, налоговые льготы, налоговые скидки, налоговые каникулы, прогноз.

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