

*Materials of Conferences***THE PRIOR DIRECTIONS OF EXPENSES  
OF THE STATE BUDGET  
OF THE REPUBLIC OF KAZAKHSTAN**

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Kazakhstan was the first post-Soviet countries have chosen the path of strategic planning, which includes long-term priorities of the country development. The long-term priorities are permanent guidelines in formulation of plans and programs for the development of the country for the near future.

The first document describing the development of the Republic of Kazakhstan for the long term, was the Strategy «Kazakhstan-2030», which, as is known, consists of the following seven basic priori-

ties: National security; Internal political stability and consolidation of society; Economic growth, based on an open market economy with high level of foreign investment and internal savings; Health, education and wellbeing of citizens of Kazakhstan; Energy resources; Infrastructure, particularly transport and communication; Professional state [1, p. 10].

Long-term priorities laid down in the Strategy of development «Kazakhstan-2030» are specified annually, depending on the situation within the country and abroad, and are told by the President in his message to the people of Kazakhstan.

The state budget is a tool for the implementation of the Strategy «Kazakhstan-2030», so the functional expenditure correspond to the priorities of the Strategy, the amount of which for 2009–2011 [2, p. 1] is presented in table 1:

**Table 1**

Financing long-term priorities by state budget, mln. tenge

Functional expenditure of state budget	2009	2010	2011	Priorities of the strategy «Kazakhstan-2030»	2009	2010	2011
Defense	187 615,3	221 345,1	264 503,3	National security	503 805,0	590 121,4	712 998,6
Public order and security	316 189,7	368 776,3	448 495,3				
Agriculture, water, forestry and other household	168 117,9	207 073,8	270 763,4	Economic growth based on an open market economy with high level of foreign investment and domestic savings	268 245,5	329 926,6	417 255,3
Manufacturing and construction	30 920,7	28 236,0	24 816,7				
Debt service	69 206,9	94 616,8	121 675,2				
Education	660 917,1	755 294,8	986 773,4	Health, education and welfare of citizens	2347784,9	2773612,3	3 337 534,1
Healthcare	450 892,5	551 325,7	626 309,9				
Social security and social aid	758 308,4	905 272,7	1 133 573,0				
Housing and public utilities	304 048,8	334 154,8	389 238,2				
Culture, sports, tourism and information freedom	173 618,1	227 564,3	201 639,6	Power resources	58 577,0	79 720,0	112 490,7
Fuel-energy complex and usage of mineral resources	58 577,0	79 720,0	112 490,7				
Transport and communication	337 511,5	390 669,5	449 210,7	Infrastructure, particularly transport and communication	337 511,5	390 669,5	449 210,7
State services of general nature	166 062,7	224 944,3	296 481,2	Professional state	230 916,1	293 114,7	393 745,1
Others	64 853,4	68 170,4	97 263,9				
Total	3 746 840,2	4 457 164,6	5 423 234,6	Total	3 746 840,2	4 457 164,6	5 423 234,6

Note – Compiled and calculated by the data of the State budget of Kazakhstan for 2009-2011.

The calculated data in table 1 shows that the long-term priorities of the Strategy «Kazakhstan-2030» depending on the amount of the allocated state budget funds, can be ranked in the following order: Health, education and welfare of Kazakhstan citizens; National Security; Infra-

structure, in particular transport and communication; Economic growth based on an open market economy with high levels of foreign investment and domestic savings; Professional state; Energy resources. This ranking once again emphasizes the social orientation of the budget.

However the priority of one or the other direction of budget spending can be determined due to the rates of growth of their share in the total amount of expenses of the state budget.

With this purpose we give the analyzed data for the years 2009–2011 in a comparable form through the consumer prices index (coefficient-de-

flator), which in 2010 was 107,1% of (or 1,071), in 2011 – 108,4% (or 1,084) [3, p. 1]. Then define the weight of each article in the context of the priorities of the Strategy «Kazakhstan-2030», as well as the growth rate of the share of a particular long-term priority of the Strategy. Such calculations are shown in table 2.

Table 2

Structure and growth rate of specific weights of the expenditure volume of the state budget in the long-term priorities, adjusted for the coefficient-deflator

Priorities Of The Strategy «Kazakhstan-2030»	2009		2010		2011		The absolute increase of weights, %		The growth rate of weights	
	mln. tenge	sp. g, %	mln. tenge	sp. g, %	mln. tenge	sp. g, %	2010-2009	2011-2010	2010/2009	2011/2010
National security	503 805,0	13,4	551000,4	13,2	657747,8	13,1	-0,2	-0,1	0,99	0,99
Economic growth, based on an open market economy with high level of foreign investments and domestic savings	268 245,5	7,2	308054,7	7,4	384921,9	7,7	0,2	0,3	1,03	1,04
Health, education and welfare of the citizens of Kazakhstan	2347784,9	62,7	2589740,7	62,2	3078906,0	61,5	-0,5	-0,7	0,99	0,99
Energy resources	58 577,0	1,6	74435,1	1,8	103773,7	2,1	0,2	0,3	1,13	1,17
Infrastructure, particularly transport and communications	337 511,5	9,0	364770,8	8,8	414401,0	8,3	-0,2	-0,5	0,98	0,94
Professional state	230 916,1	6,2	273683,2	6,6	363233,5	7,3	0,4	0,7	1,06	1,11
Total	3 746 840,2	100,0	4161685,0	100,0	5002983,9	100,0	-	-	-	-

Note. Compiled and calculated by the data of the State budget of Kazakhstan for 2009-2011.

These calculations give a sense of the priority items of state funds' expenditure:

1. Thus, for example, a long-term priority «Health, education and well-being of Kazakhstan citizens» takes the greatest fraction in 2009-2011 in total amount of expenses of Republic of Kazakhstan's state budget, despite the annual decrease. Relative density of given item in 2010 in comparison with 2009 had decreased to 0,5% and had made 62,2%, so the rate of growth was equal to 0,99. In 2011 relative density had decreased to 0,7% and made up 61,5%, and rate of growth remained at a former level – 0,99;

2. The long-term priority «National security» is the second according its priority of spending the means of Republic of Kazakhstan's state budget. In 2009 relative density had made 13,4%, in 2010 had decreased on insignificant percentage – 0,2% and then became 13,2%. In 2011 relative density of the item continued to decrease, reduced to 0,1% and in the end of the period constituted 13,1%. In 2010-2011 rate of growth had made 0,99;

3. Next on the priority of the expenditure of means of Republic of Kazakhstan state budget is «Infrastructure, in particular transport and communication». Relative density of given item for 2009-2011 underwent annual decrease. Thus in 2010 it had decreased to 0,2%, made up 8,8%, rate of growth was equal to 0,98. In 2011 the decrease in

relative density of article had occurred, decreased to 0,5%, rate of growth was equal 0,94;

4. The long-term priority «Economic growth, based on open market economy with a high level of foreign investments and internal savings» owing to the volume of relative density for 2009-2011 takes the fourth place on priority of the budgetary funds expenditures. If relative density of the given item in 2009 made up 7,2%, in 2010 – 7,4%, and in 2011 – 7,7%. Rates of growth were 1,03 and 1,04 accordingly;

5. Next according to the priority of expenditure of Republic of Kazakhstan state budget is the item «Professional state» on fraction of which is 6,6; 7 and 7,3% respectively by the years.. Rate of growth in 2010 had made 1,06, in 2011 this figure increased up to 1,11;

6. The lowest value on the priority takes group «Power resources». Relative density of the given priority in total amount of expenses of Republic of Kazakhstan state budget in 2009 had made only 1,6%, in 2010 increased for 0,2%, that is up to 1,8%, rate of growth is equal 1,13. In 2011 – on 0,3%, which made 2,1%. Rate of growth is equal 1,17.

Proceeding from the made analysis, it is possible to emphasize once more the priority of a social orientation of Republic of Kazakhstan state budget in dynamics. Consequently, effective and rational use of budgetary funds of social area is one of the prominent aspects in activity of the state.