## Materials of Conferences

## THE PROBLEMS AND PROSPECTS OF REGIONAL AIC

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Agribusiness Complex of Kazakhstan has a perspective future. According to many items we can be one of the world's largest manufacturers in agricultural export products. Especially in the production of organic food. The brand made in Kazakhstan should become the standard of such products. We need to provide transiting from raw production to the production of high-quality, processed products. Only then will we be able to compete in international markets [1].

According to the program "Development of AIC-2020" will be provided the increase of exports of food products by 40% by 2021 through the diversification of agricultural production [2].

However, It is requires an effective state agribusiness management at all levels in order to achieve the goals which are set by of the Leader of the Nation and by the Agro programs requires, as it is known, the state and the individual sectors of national economies are being developed irregularly. Studies show that the process of development or backwardness in this case is not random but it is determined, above all, by the quality of governance. In other words, the development of the economy, including agriculture, mainly is the result of improved governance [3].

The purpose of governance in agriculture is to create conditions for the development and realization of the creative potential of citizens, businesses and the efficient functioning of the national economy organizations. In particular, the development of agriculture depends on how reasonable would be the relationship between the state and economic forces industry. If the state solves this problem qualitatively, then it means that not less than 80% of enterprises and organizations of the agro-industrial complex works effectively.

If the current developed countries in the past adhered to the idea of minimizing the role of the state in the economy, they would not have reached such a high socio-economic results. It would not be allowed by private monopolies. The processes of democratization and economic progress, protection of property rights, in the result of that these countries have received such a development, they became possible due to the active role of the state.

Success of socio-economic transformation in agribusiness is determined by how they serve the interests of the peasants. Moreover, national and

foreign experience shows that every effective reform takes an effect from the first year of implementation.

In general, the lack of development of agrarian and industrial complex of the economy is due to the fact that the system of state governing in industries is based on administrative, administrative-repressive or repressive-economic management practices. The current reform is based on repressive-economic methods.

The laws which are under the development of economy are divided into general (typical of all industries and stages of development of the society) and private. The first of them operate in all socioeconomic formations and states, ie without taking into account the level of development, national and other features of the countries. The latter is less significant and reflect only the established traditions and national features.

From our point of view, the general laws, which in the coming years will determine the socio-economic development of the agro-industrial complex of Kazakhstan are as following:

- 1. Democratization of the economy on purpose of public socialization:
- private property guarantees the development of the economy only in conditions of creating a competitive environment (in economic and social terms the monopoly form of private property is less effective than governmental, i.e, socialistic forms);
- the economy is being developed as the dispersal of ownership in the hands of a large part of the population, i.e. the transition from a monopoly to a democratic form of it;
- the presence and real activity of antimonopoly committees is one of the conditions for economic growth;
- the transformation of ownership in the world acts according to the scheme: the big monopolies the growing number of small owners of small business entities the growing number of small owners (shareholders) of the large-size entitles the growing number of large-size national enterprises (in which an important role belongs to the corporate spirit);
- in all developed countries tendency of system development of workers participation in the enterprises management. Employers go to this for three reasons: by state pressure; by workers request; due to the economic and social feasibility of the process;
- life has proved the economic and social feasibility of Democratization relation "capital-labor" by enhancing the role and job appraisal. And above all, this is manifested in the growth of the share of wages in the structure of production costs;
- in the most developed countries a number of national enterprises have been growing, where labor productivity is higher rather than in the others;

- in the developed countries in the AIC The cooperative ownership forms and labor organizations gets the greatest development.
- 2. Improving the regulatory role of the state in the economy:
- in the developed countries the public authorities manifest a significant financial support to the AIC. In particular, in the EU the level of state aid to agriculture is 38%. The highest support is provided by Switzerland to the agricultural sector 76%, Japan 72%, Finland 72%. This is not a usual sense help, but it is a way to regulate the cross-industry proportions with taking into account the industry branches (crisis happens if not to take into account);
- the efficiency of economic management system is determined by the quality of state administration functioning (in particular, the methods by which the state controls the economy).
  - 3. Increase the controlling role of the state:
- state budget and the country's capacity directly depends on the degree of control by public authorities of financial and economic and other activities of enterprises and citizens (the role of the tax police in the developed countries is much higher than in the lagging countries) [4];
- the law observance by citizens and enterprises are more efficiently and systematically realized in the developed countries, and which can not be achieved without strong control.
- 4. Increase of social and environmental role of the state:
- concern for civil rights of the population, particularly the workers, is one of the most important functions of the state. Its qualitative execution gives social and economic effects. This explains why the incipient trend in the world as limiting the rights of employers by workers' dismiss, by the establishment of minimum acceptable time-based pricing for their recruitment, etc;
- an increasing number of countries are beginning to realize the importance and effectiveness of the solution of social problems (financing and construction of social facilities, stimulate the population growth, protecting the disabled people, the unemployed, caring about students, etc.);
- an increasing number of countries are beginning to realize the importance and effectiveness of care of nature (the creation and protection of national parks, the tasks of maintenance of ecological purity of the soil, water, air).
- 5. Enhancing the role of local self-government (territorial administration democratization):
- an important component of state administration is the democratization of the tax system by increasing the share of tax revenues at the disposal of local elected authorities;
- the development of local self-government is one of the most important conditions for economic and social development of the area;
- local self-government in developed countries is considered to be the foundation of democracy system.

- 6. Increasing the role of intellectual property:
- democratization of relations "capital-labor" promotes the recognition of the crucial role of intelligence in the socio-economic development of society (recognition of "mind priority over the power");
- recognition of the critical role of intellectual property contributes to the socio-economic activity to the most capable part of the population. Therefore, in many countries, intellectual property is recognized as a particularly active and effective form of capital, may participate in the formation of the authorized capital of the enterprise;
- human capital is becoming increasingly recognized (valuation ratio of human capital and material and financial resources, is gradually changing in favor of the former).
- 7. The development of innovation-oriented economic systems (the orientation of the economy on the best achievements of NTP, including through the establishment of enterprises and agribusiness organizations are constantly active services on the introduction of new economic and industrial technologies and other achievements of science and practice, with the status of the leading divisions):
- development and application of scientific and technical progress achievements is one of the key conditions for the competitiveness of enterprises, industries and states;
- the state and enterprises which are leaders in the field of scientific and technical progress, are in a better economic position than lagging ones (as they receive dividends from higher productivity, higher quality consumer goods, sales of large volumes of finished products rather than raw materials and so on);
- developed countries provide funding the most progressive trends in this area due to the high efficiency of scientific and technical elaborations, on favorable terms;
- one of the main reasons for the relatively rapid development of the economy of several countries (Japan, South Korea, Taiwan and others) is to activate the role of the state in the field of information gathering, promotion and stimulation of introduction of achievements of scientific and technical progress.

To consider the whole complex of problems associated with the AIC system of government in the region in the one article is practically impossible. Therefore, in some aspects, we decided to just briefly highlight a number of important measures in improving the agribusiness management, the implementation of which, in the opinion, will improve the efficiency of the rural economy.

Implementation Measures:

1. It is necessary to legislate the right of agriculture and food represent the interests of small shareholders (shareholders) trust management of agricultural enterprises through the mechanism. This will enhance the protection of shareholders' rights, enhance the management authority, will lay the groundwork for the introduction of the industry

cost accounting, significantly activates the activity of the state administration of AIC. It is thought that this approach could become an alternative to providing the predominance of state ownership in AIC over private. In the agricultural sector, in our view, state ownership should apply only to seed, tribal and other specialized companies and organizations.

- 2. The system of incentives agriculture and food management personnel expediently "tie" to the regional AIC performance results. In this order to divide it into 2 parts: salary from the budget and the income on the basis of the financial year of AIC.
- 3. At the stage of stabilization agribusiness economy is necessary to allocate control functions of agriculture and to create on its basis of the State Audit Office (GKRU) beyond the control of said control.
- 4. Activities of the Agriculture Department administration of region should be based on the approved budget, adjusted to each unit. This will help to identify more clearly the priorities and pay more attention to them, to allocate more resources to them. In general, the practice will teach the management professionals rational spending budget to use human resources.
- 5. It is necessary to improve the mechanism of management of an agriculture budget of the region by linking it with the results of enterprises and agribusiness organizations.

6. In the statutes (regulations, founding treaty) enterprises and agribusiness companies must enter the section, reflecting the system of relations between them and the departments of Agriculture and Food of the district and the region. This section should reflect the powers of these departments, as well as the responsibility of enterprises and organizations for failure to comply with its provisions. This will create more favorable conditions for the activities of management professionals.

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