



USING THE STRATEGY "KAZAKHSTAN-2050" AS A METHODOLOGICAL TOOL IN SUBJECTS OF FINANCIAL MANAGEMENT

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Supporting the “Strategy Kazakhstan-2050”: new political course of the established state” of the President of Kazakhstan we are proposing tools for applying its value and significance as an economic development concept in the educational process.

The trend “Strategy-2050” is taught not only in all economic specialties but also in financial management disciplines. For this reason, the trend is considered as concepts and duties according to the title of disciplines and is used in the lecture complex.

In the subject "The role, function and essence of the financial management in public continuous production" when we explain the problem of measuring the volume of national production, in the process of continuous production, we should pay attention to the importance of problems described in the Strategy.

In 2012 Kazakhstan’s position among the world economies’ competitiveness ranking climbed from 72nd to 51st place. It shows us that the strategy, accepted in 1997 by the President of the Republic of Kazakhstan, called “Kazakhstan-2030” is the effective and right decision.

To date we have attracted over \$160 billion of foreign investment to the economy of the country. Over the past 15 years the incomes of our citizens have grown 16 fold. Gross Domestic Product per capita is reached 12 thousand US dollars.

This industrial initiative is not just positively influences to the future of industrial economy but also helps to improve the welfare of the kazakh people.

During last two years in Kazakhstan were implemented 400 investment projects worth 12 billion tenge. According to this in our country were created forty-four thousand jobs.

These achievements put Kazakhstan on the equal development level with Turkey, Malaysia and countries of East Europe. Last 15 years the expenses for health service and education were increasing: expenditure on health care increased by 13 times and for the education system by 10 times.

The main goal of the strategy “Kazakhstan-2030” is to improve the national income and work condition of the Kazakh citizens. Now the primary goal for our country is to design the long-term strategy for achieving prosperity in the world of globalization [1].

When discussing the subject on “Organization of the financial system» the concepts of the President of Kazakhstan should be explained, described in the Strategy on the developing issues of the innovative economy [2].

The economic pragmatism should be the essence of economic policy of the New course as indicated in the yearly message of the President.

It is crucial to solve step by step the following objectives until 2050:

The macroeconomic policy of the country should be modernized. In Budgetary, tax, monetary policies, in the policy of managing public and external debt will take place a complete change.

For this reason, starting from 2015, there are planned to adopt the complex measures to exempt citizen and companies from tax who allocated finances for health insurance of their employees and family as well as for their education. According to the message there will be reduced the budget deficit relative to GDP from 2.1% in 2013 to 1.5% in 2015.

When we consider the subject "Management of subject's finances who is leading industry" we must pay attention to the concept of the Strategy on financial aspects of developing the property: [2]

As mentioned in the message of the President, we need to pursue a second wave of wide scale privatization. This is not a simple step, since this would mean redistribution of responsibilities between the state and the market. But we must take this step in order to maintain a high rate of economic growth.

Private businesses are normally more effective than state run enterprises. Therefore we must transfer non-strategic enterprises and services to the private sector. This is a crucial step for strengthening domestic entrepreneurship.

The successful start of “People’s IPO” program became the first step in this direction. First and foremost, this is about distribution of national wealth to the people. JSC “KazTransOil” announced the placement of shares worth 28 billion tenge, demand for these shares is twice as high as supply.

During the lessons "Taxes and organization of tax system", "State budget" teachers should clearly explain to students the President's tasks, given in the strategy, on modernization of macroeconomic policy.

In the Strategy noted the importance of addressing the following tasks step by step until 2050.

About the budgetary policy: We must adopt new principles of budgeting policy. We must spend only within our means and reduce the deficit as much as possible. It is necessary to build up reserves for a rainy day, ensuring Kazakhstan’s safety in the long run.

The attitude towards budgeting processes must become as careful and thoughtful, as to private investments. In other words, not a single tenge from the budget should be wasted.

The budget of the state must be focused on long-term, productive national projects that include the diversification of the economy and development of infrastructure.

Projects for investments must be selected in a strict manner, based on feasibility and rate of return. We must keep in mind that even the most modern objects require expenses to support them. But if these objects don't bring in an income and don't help to solve the problems of people they become a burden to the state budget.

About the tax policy: We must introduce a favorable tax regime for those employed in areas of production and new technologies. Whilst this work has begun I would like to see it enhanced. We must conduct a revision of all existing tax preferences and maximize their efficiency.

We must continue the policy on liberalization of the tax administration and on systemizing customs administration. It is necessary to simplify and minimize tax reporting.

We must stimulate market participants to compete, instead of searching for new ways of tax avoidance.

Pragmatic reduction of tax supervision must minimize the dialogue between the economic entities and tax authorities. In the next five years everyone needs to move to electronic online reporting.

Starting from 2020 we must introduce the practice of tax credits. In doing this our main goal will be to stimulate investment activity among entrepreneurs.

New tax policy must be socially oriented. From 2015 it will be necessary to develop a set of stimulating measures, including the practice of tax exemptions for companies and citizens who invest their own funds in education and medical insurance for themselves, their families and their employees.

So, the future tax policy, on the business level, must stimulate internal growth, domestic exports in external market and stimulate individual's savings and investments.

About the monetary policy: Considering the unfavorable global economic environment we must ensure the safety of the earnings of each of our citizens and maintain a reasonable inflation level with respect to economic growth. This is not simply a macroeconomic issue, this is an issue of social security of the country. This will be the major task for the National Bank and the Government starting from 2013.

Kazakhstan's banks, in turn, must fulfill their purpose and meet the demand of the private sector for loans. At the same time we must not weaken our control over financial system. It is necessary to help clear banks from problematic loans and start active work on solving funding issues.

For that the National Bank and the Government, under coordination from the Presidential Administration, need to develop a conceptually different and new system of monetary policy, aimed at providing economy with necessary monetary resources.

About the policy of managing public and external debt:

- ▲ We must constantly monitor the level of public debt and keep it under control.
- ▲ We must reduce the budget deficit relative to GDP from 2.1% in 2013 to 1.5% in 2015.
- ▲ Public debt must remain at a moderate level. This is a crucial task, because only that way we will be able to ensure the stability of our budget and national security in conditions of global instability.
- ▲ We must strictly control the level of quasi-public sector debt.

According to the theme "Management of household finances" it is essential to understand the importance of the Strategy's tasks on developing small and medium business.

Head of the state: he noted, "Domestic entrepreneurship is a driving force in the new economic policy. The share of small and medium enterprises in the economy must double by 2030".

For that it is necessary to: encourage the pursuit of small and medium enterprises for unification and cooperation, and create the system that would support and stimulate that; develop the internal market by encouraging local business initiatives and ensuring minimal, but tight regulation; consider establishing new, more rigorous system of accountability for government officials, who create artificial barriers for businesses.

The President instructed the Government to ban all the permits and licenses that have no direct influence on security of Kazakhstan's citizens and replace them with notifications by the end of first half of 2013 [3].

The state must change its role and hold a second wave of wide scale privatization. This would mean redistribution of responsibilities between the state and the market. But we must take this step in order to maintain a high rate of economic growth. Therefore we must transfer non-strategic enterprises and services to the private sector. This is a crucial step for strengthening domestic entrepreneurship.

When we raise the issue on formation of financial market in the Republic of Kazakhstan it should be noted the significance of these problems as specified in the Strategy. They need to clarify the need for the functions of extrabudgetary funds, National Fund, investment institutions to enter top 30 most developed countries in the world. The head of the state said the following concepts about this.

Kazakhstan is not a large economy on a global scale. And we need to manage it very effectively. The country must work as a single corporation, and the state must serve as its core.

It is necessary not simply to allocate the country's budget, but to invest funds thoughtfully and accurately.

The driver of this economic policy would be the National Fund.

Resources of the National Fund should be directed at long term strategic projects. In 2013 the accrual of money in the National Fund must be continued, but we need to use those funds in a very rational and thoughtful manner.

The state, represented by national companies must stimulate the development of the economy of the future and consider the sectors that will emerge as a result of the Third industrial revolution. Domestic industry must consume the newest composite materials that we must produce in our country.

The state must stimulate development of transit potential in sphere of information technologies. We must ensure that by 2030 at least 2-3% of global information flows go through Kazakhstan. This figure must double by 2050.

It is necessary also to stimulate private companies to invest funds in research and innovation. I want to highlight that whilst the introduction of innovation is important, it is not an end in itself. The country can reap real benefits only where there is demand for our new technologies. In the worst case scenario innovation becomes just a waste of money.

Taking the “Kazakhstan 2050” policy into account Head of the State tasks the Government, starting from 2013, to development an engineering educations system that provides educations in modern technical specialties with international standard certification. In this regard, we can see the importance of the issue of national economy with specialists.

The Head of the State said in his message, "We should demonstrate and create new Heroes of our time – those our youth will admire and seek to emulate. Intelligentsia can and must play a key role in drafting a model of the future of our country based on my vision of Kazakhstan 2050" [4].

So we, university professors, are preparing these future intellectuals today. According to this we we must conduct appropriate to this teaching and educational work. All these held events are evidences of this.

References

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