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**ECONOMIC AND LEGAL BASIS  
OF INNOVATION AND ENTREPRENEURSHIP:  
EXPERIENCE OF KAZAKHSTAN**

**Abstract.** Republic of Kazakhstan solves wide range tasks, connected with increase the competitiveness of the national economy, in general, and business development, in particular. Problems of restructuring of economy, overcoming imperfection of branch and technological structure, internal integration and also insufficient viability of productive forces, development of infrastructure and institutes of the market were researched. In these conditions development of business in the Republic of Kazakhstan is one of the priority directions of economic policy of the state. In spite of the fact, that indicators of development of business in the Republic of Kazakhstan and the civilized countries of the world are quite differ, small and medium business have occupied their own place in the economy of Kazakhstan. The big growth of subjects of small and medium business with the big capitals, equipment and cooperation of great number of workers doesn't need expenses. Foreign experience confirms that business can become the real sector of stabilization and growth of economy of Kazakhstan. For ensuring economic stability in the market environment, which is characterized by financial stability, competitiveness of production and technology, efficiency and realization, the large enterprises carry out the strategic innovations, caused by reaction to transformations of competitors and change of the external environment.

**Keywords:** innovation, market economy, entrepreneurship, economic crisis, national legislation, competitive advantages, economic impact, national income, labor market efficiency, innovation potential.

A comparative analysis of economic and legal bases of innovation and entrepreneurship of the Republic of Kazakhstan has been carried out for the five-year period 2013-2017, since the moment of the economic crisis until now. On the basis of the conducted analysis, competitive advantages and disadvantages of the innovation and entrepreneurship and dynamics of its development are revealed in the context of international competitiveness.

Moreover, it is proved that innovation and entrepreneurship has a national economic impact depending on the level of the country's competitiveness. In particular, it is considered that the country's competitiveness and basic factors that form entrepreneurship include the level of national income, life expectancy, primary and higher education, labor market efficiency and innovation potential.

Theoretical background of the research includes research by domestic and foreign scientists in the field of innovation and entrepreneurship and its assessment, human resource management, national legislation, knowledge economy and jurisprudence, and international competitiveness.

Information basis of the research includes the most relevant international sources such as annual Human Development Reports by UNDP, Global Competitiveness Reports, published annually by the World Economic Forum in Switzerland, Davos, and researches by the INSEAD French Research Center.

As a result of the research it is proved that competitive innovation and entrepreneurship plays a significant role in the system of modern economic relations. It has revealed key factors for developing essential innovation and entrepreneurship in Kazakhstan in terms of global competitiveness, the role of People's Assembly of the country in support of the innovation and entrepreneurship, and determination of the national economic impact in varying degrees.

Economic transformations and the reform on property relations in Kazakhstan significantly affected on the implementation of the State's economic functions and naturally led to reform of the tax system. In a market economy, taxes are the most effective instrument on regulation the new economic relations. One of the first compulsory payments introduced into the practice of taxation were indirect taxes: excise tax and value added tax. Over the years, they become stronger in the tax system of Kazakhstan. Currently, indirect taxes are one of the most important state taxes.

Table 1 – The ratio of direct and indirect tax system around the world

The country / region	Corporate income tax	Taxes to incomes of physical persons	The tax to a wage fund	The VAT / GST / sales
USA	15%-39%	0%-10,3 % 55-45 %	15,3 %-2,9 %	0%-10 % 25 % 17 %
China	25 %			
Canada	19,5 %	0 %-29 %-federal 0-24 %-provincial	4,95 %	5 %(GST) 0-10%From sales
Germany	29,9 %	0 %-45 %		19 %-7 %
France	33,33 %	21 % social 0-50 % income	45 %	19,6 %
Russia	13 %-20 %	13 %	10 %-26 %	0 %-18 %
Kazakhstan	20 %	10 %	11 %	0 % - 12 %

On the way to improve the system of indirect taxation is proposed maintaining the system of excise taxes and the gradual introduction of higher excise payments for import of goods, whose production in the country more appropriate from an economic and strategic point of view. These products include high-tech industrial products and equipment. The introduction of higher excise tax rates, however, may be replaced with the specification of import customs duties. Creating a system of effective state control over production and turnover of excisable products, will significantly increase in budget revenues of excise tax. As part of this goal I would like to propose the following measures:

- implementation of automated accounting of production and sales of alcohol products;
- improvement of the account of movement of excisable products;
- introduction a new model of excise stamps for alcohol products and tobacco;
- establishment of the rates of excise duties for alcohol products, depending on the volume of ethyl alcohol in content.

The legislative framework in the field of excise duties is not yet sufficiently developed. In particular, it relates to a large volume of documents that are not systematized and difficult to understand. To my mind, presented conclusions and proposals can contribute to more efficient conversion of the tax system, improvement of indirect taxation in Kazakhstan.

Studying of indirect taxation issues in this work, as well as analysis of the current tax system allows drawing conclusions and making proposals.

- The construction of the tax system should be borne in mind that indirect taxes, despite the apparent equal stress influences are almost regressive taxes; the most difficult part is reflected by the low-income taxpayers. Especially strictly this rule applies to essential commodities, the whole burden of raising taxes which falls on consumers.

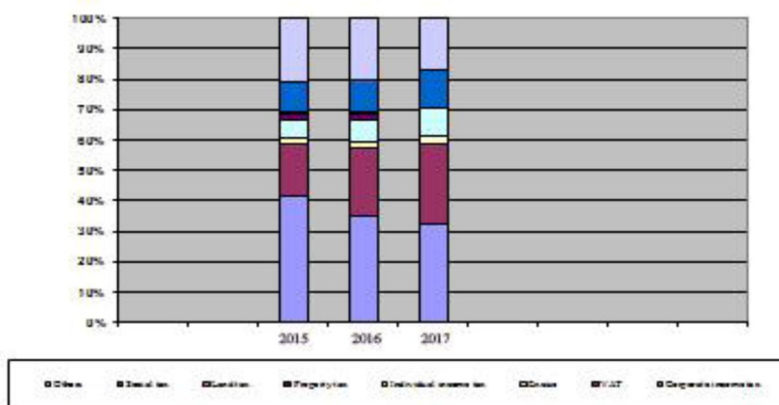
- The most predictable in terms of the size of tax revenues at the moment is the value added tax. VAT is one of the main elements of the fiscal policy of the state and most frequent in term of payment. However, this tax is complicated in terms of methods of calculation.

Many foreign and domestic researchers to some extent associated with the development of the globalization of information and communications technologies [1]. For example, K. Zhoynier writes: “Mobile phones, computers, and the Internet express / reflect the main symbols of globalization” [2]. A.V. Seidov

Table 2 – Dynamics of tax revenues to the state budget during the period of 2015-2017 years

Type of tax	2015 year		2016 year		2017 year	
	million tenge	% of total	million tenge	% of total	million tenge	% of total
Corporate income tax	487 174.5	34.57%	834 332.3	39.76%	776608	33.2%
VAT	242 955.3	17.24%	343 924.9	16.39%	489572	20.9%
Excise taxes on domestically produced goods	21 893.6	1.55%	23 835.2	1.14%	47433	2.0%
Individual income tax	98 534.7	6.99%	122 998.8	5.86%	165033	7.0%
Social tax	167 995.2	11.92%	197 300.3	9.40%	236569	10.1%
Property tax	315 79	2.24%	372 71.9	1.78%	65248	2.8%
Special taxes and payments of subsurface users	153 337.2	10.88%	298 875.6	14.24%	301037	12.9%
<b>ALL public revenues</b>	<b>198 912 2.7</b>	<b>100%</b>	<b>209 827.3</b>	<b>100%</b>	<b>277 173 3</b>	<b>100%</b>

Table 3 – Structure of tax revenues to the state budget of the Republic of Kazakhstan



has insisted: “The impact of globalization on the concept of state sovereignty in international law and the concept of globalization can combine all places at the moment of the computerization process and the development of telecommunication network, which cause the information revolution, and that leads to the interdependence of participants in international relations [3].

Reliability of the domestic regional market in CIS by the means of formation of the internal sources of the development as the main condition of stability of the Eurasian economic space.

The main role in the modern conditions belongs to the Eurasian Economic Union. The model of the Eurasian integration is presented today by Belarus, Kazakhstan, Kyrgyzstan, Armenia and Russia in the Eurasian Economic Union format - the Common Economic Space. Feature of the present stage is that creation of EAEU is carried out in parallel with the processes of the formation of the common regional market, including the countries of the Custom’s Union into the World Trade Organization- WTO, expansions of the structure of participants of the regional economic integration.

Officially Eurasian Economic Union of Belarus, Kazakhstan, Kyrgyzstan, Armenia and Russia started to function since January 1, 2010. The Customs Codes of the Eurasian Economic Union have marked the beginning of the cooperation in a new format. Since July 1, 2011 customs control was postponed for an external contour of borders of customs space of five states. According to the basic principles of functioning of the Eurasian Economic Union in its framework domestic market functions; use of import and export duties.

Evolution of the legal system as the natural-historical, natural, continuously lasting high-quality and quantitative change of legal means at which there is “expansion”, change of all legal system from the lowest to the highest, from the simple to the complex, to more advanced and perfect state promoting more effective regulation of the public relations.

Thus, it is possible to declare, that the system of the relations in the self-control society is directed on continuous increase of the efficiency, where the interests of all sides and connection of interests and requirements, in general, is based on justice and rationality. As an example, it is possible to consider the modern system of the international integration processes and the change of the world order in the connection with the system of the international relations [4].

In the conclusion I would like to make an accent, that the provision of justice and order as the bases of regulation of the relations in the global society is expressed in the concepts “orderliness”, “efficiency” and “compromise of interests”, and leads logically to the question of the role and place of law in the construction and functioning of the global society.

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#### **КӘСІПКЕРЛІКТЕГІ ИНОВАЦИЯЛАРДЫҢ ЭКОНОМИКАЛЫҚ ЖӘНЕ ҚҰҚЫҚТЫҚ НЕГІЗДЕРІ: ҚАЗАҚСТАН ТӘЖІРИБЕСІ**

**Аннотация.** Қазақстан Республикасы мемлекеті жалпы алғанда ұлттық экономиканың бәсекеге қабілеттілігін арттыру бағытындағы, нақты алғанда кәсіпкерлікті дамытуда көптеген мәселелер шешу үстінде. Олар экономиканы құрылымдық өзгерістер жүргізу, әртүрлі экономикалық салалардағы технологиялық құрылымдық кемшіліктерді жою, ішкі интеграцияны жетілдіру, сонымен қатар өндіріс күштердің бәсең дамуын жою, инфраструктураны дамыту және нарық институттарын жетілдіру болып табылады. Осы жағдайлар Қазақстан Республикасында кәсіпкерлікті дамыту мемлекеттің экономикалық саясат бағытындағы басымдыққа ие болып саналады. Қазақстан Республикасында кәсіпкерлікті дамыту әлемнің дамыған елдеріндегідей әлде қайда ерекше болса да, қазіргі Қазақстан экономикасында шағын және орта бизнес белгілі дәрежедегі өзіне тиісті орынға ие болды. Соңғы кездерде шағын және орта бизнес субъектілерінің кәсіпкерлік ортада өсуі байқалса да, ол орта аса көп қаржы құюды қажет етпейді, жабдықтар мен көптеген қызметкерлерінің кооперациясы жоқ бағыттар болып табылады. Шет елдердің тәжірибесіне жүгінсек, кәсіпкерлік Қазақстан экономикасын тұрақтандырудың және дамытудың реалды секторына айналуы мүмкін. Нарықтық ортаға, тиімділігін сипаттайтын экономиканың тұрақтылығын қамтамасыз ету үшін өндіру мен өткізудің, өнімдер мен технологиялар, инновациялар ірі кәсіпорындар қаржылық тұрақтылығын, бәсекелестікке негізделген сыртқы ортаның бәсекелестер жасаған қадамын реактивті жүзеге асырады және стратегиялық түрлендіреді.

**Түйін сөздер:** инновациялар, нарықтық экономика, кәсіпкерлік, экономикалық дағдарыс, ұлттық заңнама, бәсекеге қабілеттілік, экономикаға ықпалы, ұлттық табыс, еңбек нарығының тиімділігі, бәсекелестік потенциал.

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### **ЭКОНОМИЧЕСКАЯ И ПРАВОВАЯ ОСНОВА ИННОВАЦИЙ И ПРЕДПРИНИМАТЕЛЬСТВА: ОПЫТ КАЗАХСТАНА**

**Аннотация.** Республика Казахстан решает широкий круг задач, связанных с повышением конкурентоспособности национальной экономики в целом, и развитием предпринимательства, в частности. К ним относятся проблемы реструктуризации экономики, преодоления несовершенства отраслевой и технологической структуры, внутренней интегрированности, а также недостаточной жизнеспособности производительных сил, развития инфраструктуры и институтов рынка. В этих условиях развитие предпринимательства в Республике Казахстан является одним из приоритетных направлений экономической политики государства. Несмотря на то, что показатели развития предпринимательства в Республике Казахстан и развитых странах мира существенно отличаются, малый и средний бизнес сумел занять определенную нишу в экономике Казахстана. В последнее время наблюдается большой рост субъектов малого и среднего предпринимательства в сферах, где пока не требуется больших капиталов, оборудования и кооперации множества работников. Зарубежный опыт подтверждает, что предпринимательство может стать реальным сектором стабилизации и роста экономики Казахстана. Для обеспечения экономической устойчивости в рыночной среде, характеризующейся финансовой устойчивостью, конкурентоспособностью продукции и технологии, эффективностью производства и реализации, крупные предприятия осуществляют стратегические инновации, обусловленные реакцией на преобразования конкурентов и изменения внешней среды.

**Ключевые слова:** инновации, рыночная экономика, предпринимательство, экономический кризис, национальное законодательство, конкурентоспособность, воздействие на экономику, национальный доход, эффективность рынка труда, инновационный потенциал.

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