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DIVERSIFICATION AS A FACTOR IN THE DEVELOPMENT OF INNOVATIVE SECTORS

Abstract. Rapid changes in the world market and accelerated the process of globalisation poses new competitive requirements for all participants. Our country needs to accept the challenges of global production, in which developed countries and transnational corporations, for purposes of their own enrichment, are struggling for resources to maintain the leading position in the global chain of production. This circumstance has led to the current situation, in which developed countries have advanced technologies, while countries rich in mineral resources are lagging behind. In this regard, there is a question about structural adjustment, change the direction of industrial and investment policy that includes a multi-faceted process of diversification. World practice shows that the diversification of the structure of the economy, national governments have exercised the choice of priority sectors. In Kazakhstan these industries are: construction, machinery, light industry and manufacturing, information and biological technology, as well as petrochemical industry. Kazakhstan in its development reached the stage where it is necessary to diversify production at the expense of the accumulated potential. The acceleration of the growth of extractive industries is a key element in the development of the economy in the long term.

Key words: diversification, industry, global chains of added value, non-primary production, strategies for industrial-innovative development.

In Kazakhstan, formed the major signs of "Dutch disease" that occurs when excessive growth of demand for raw materials, accumulating large amounts of investment.

Disproportions in the structure of the economy, a significant share of the primary industries, while exports are accompanied by relatively high inflation, dependence of the stability of the national currency and the exchange rate on the price of the export commodity sectors. Factor in blocking free capital mobility in the manufacturing industry is a steady demand for the products of primary industries as a consequence of their windfall [1].

Companies-monopolists in the commodity sectors of the economy, are not interested in large-scale development of the manufacturing industry, the exceptions are projects to improve the technological parameters for the extraction of raw materials. In addition, the purchase of necessary equipment, spare parts, chemicals and other foreign partners contributes to the development of domestic small and medium-sized businesses in the industry. To date, the development of SMEs is mainly aimed at the retail consumer sphere [2].

Center for macroeconomic analysis and short-term forecasting, Russia has made a rating of countries with diversified exports based on UN data for 4 thousand product groups, the results of which presented the position of Kazakhstan (figure 1) [1].

Analysis of export diversification has shown that Kazakhstan repeatedly lags behind both developed countries and countries with economies in transition.

Setting the task of accelerated diversification requires more active intervention of the state. Only adequate use of the mechanisms of such intervention in the framework of a market economy is able, without violating the competitive environment, to diversify the economy through the accelerated development of non-oil sectors. It is here that the majority of risks of the policy of active diversification.

The development of non-oil sectors, in turn, is associated with innovation to create new products, or increase product quality through the introduction of new technologies, development of new technology, modernization of production, organizational structure, management practices, training of staff.

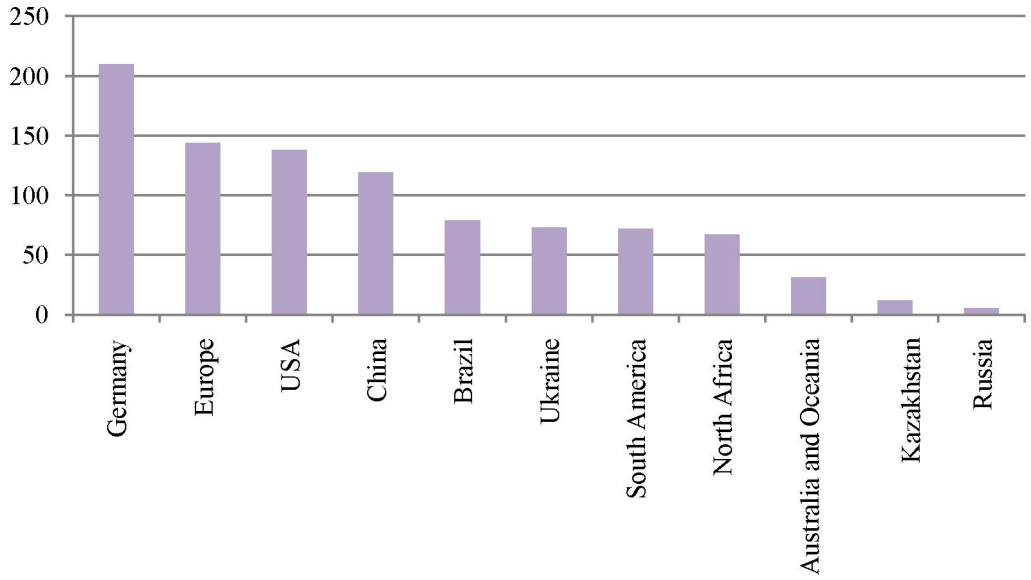

Figure 1 – the level of export diversification

In general, such developing countries as Kazakhstan need to use the opportunities to integrate domestic production into global value chains (GDCCs). An example of successful integration into the WDCC is the countries of South-East Asia (South Korea, Singapore, Taiwan). The presence of large transnational corporations in the domestic sector of the economy facilitates the transfer of technology, the creation of vertically integrated structures that facilitate the involvement of the GDCCs through the mechanisms of outsourcing, procurement of small and medium-sized businesses [3].

As the main mechanisms that are able to have a noticeable stimulating effect on the development of non-primary industries, it is necessary to call the prelude of everything:

• Improvement of tax and customs mechanisms for the withdrawal of natural rent and support for processing industries;

• creation of a system for export sales support;

• development of agricultural production and processing of its products;

• Support for small and medium-sized businesses [4].

Innovative policy in the Republic of Kazakhstan until 2015 was implemented on the basis of the strategy of industrial and innovative development for 2003-2015, the goal of which was to achieve the sustainable development of the country by diversifying the sectors of the economy that contributed to the diversion of raw materials, for the transition in the long term to the service-technological economy.

In the implementation of the Strategy of Industrial and Innovative Development of the Republic of Kazakhstan, three stages were identified [5].

At the first stage, in 2003-2005, the necessary changes were made in the legislation, sectoral development programs, the volume of financing of science, education, training of relevant specialists. Also, development institutions were established through which the state participates in the implementation of the program.

The second phase, which took place in 2006-2010, included the study of private sector initiatives, the search for investors participating in the implementation of selected projects, training of personnel, construction and reconstruction of major and auxiliary facilities.

The third stage, 2011-2015, was the most productive in terms of implementing the Strategy. It was during this period that the development of the introduced capacities in machine building, petrochemistry, information technology and others took place [5].

According to the Law of the Republic of Kazakhstan dated 03.07.2002 N 333-2 "On innovation activity", the goal of the state innovation policy is a balanced production infrastructure that ensures the prevalence in various areas of production and management of a competitive, high- technological products (works, services) [6].