IRSTI 06.52.13

# Alimova N.

2nd year master student Department of management and marketing, High School of Economics and Business, Maryland University, Maryland, USA, e-mail: 95nargiza@mail.ru

# SUSTAINABLE DEVELOPMENT IN KAZAKHSTAN: PATTERNS, PROBLEMS AND FUTURE PERSPECTIVES

This article deals with the revision of the state of sustainable development in the Republic of Kazakhstan. The main patterns and problems are overviewed, also some forecast and recommendations are given by the author. The relevance of the work consists in analyzing the correlation of the positions of the theory and conceptual principles with real practice implementation of corporate program. Applied to the Kazakhstani practice issues of institutionalization of the notion of corporate social responsibility in the business and political environment, as well as highlighted the most important factors of decisionmaking in the field of corporate responsibility in corporate sector. With the use of primary and secondary data, the sustainable development is assessed by the 3 main categories. During the paper, some statistics is given, as well as the world practices and benchmarks.

Key words: sustainable development, sustainable tourism, economy, environment, society.

### Алимова Н.

2 курс магистранты, Мэрилэнд университеті, Мэрилэнд, АҚШ, e-mail: 95nargiza@mail.ru

### Қазақстандағы тұрақты даму: заңдылығы, мәселелері мен болашағы

Бұл мақала Қазақстан Республикасындағы орнықты даму жағдайымен айналысады. Негізгі модельдер мен проблемалар қарастырылады, болжамдар мен ұсыныстар берілген. Жұмыстың өзектілігі – теория мен тұжырымдамалық қағидалардың ұстанымдарының корпоративті бағдарламаны іске асырудың шынайы тәжірибесімен байланысын талдау. Қазақстандық практикада іскерлік және саяси ортадағы корпоративтік әлеуметтік жауапкершілік ұғымын институционализациялау мәселелері, сондай-ақ корпоративтік сектордағы корпоративтік жауапкершілік саласындағы шешімдер қабылдаудың маңызды факторлары атап өтілді. Бастапқы және қосымша деректерді пайдалану арқылы тұрақты даму 3 негізгі санат бойынша бағаланады. Жұмыс барысында статистика мен әлемдік тәжірибелер мен бағдарлар берілген.

Түйін сөздер: тұрақты даму, тұрақты туризм, экономика, қоршаған орта, қоғам.

#### Алимова Н.

Магистрант 2 курса Университет Мэрилэнда, Мэрилэнд, США, e-mail: 95nargiza@mail.ru

#### Устойчивое развитие в Казахстане: закономерности, проблемы и перспективы

В данной статье рассматривается пересмотр состояния устойчивого развития в Республике Казахстан. Проанализированы основные закономерности и проблемы, а также даются некоторые прогнозы и рекомендации. Актуальность работы заключается в анализе соотношения позиций теории и концептуальных принципов с реализацией реальной корпоративной программы. Применительно к казахстанской практике вопросы институционализации понятия корпоративной социальной ответственности в деловой и политической среде, а также были освещены важнейшие факторы принятия решений в области корпоративной ответственности в корпоративном секторе. При использовании первичных и вторичных данных устойчивое развитие оценивается по трем основным категориям. В ходе работы приводятся некоторые статистические данные, а также мировая практика и контрольные показатели.

Ключевые слова: устойчивое развитие, устойчивый туризм, экономика, окружающая среда, общество.

### Introduction

Nowadays the economic activity, due to the rapid rise, altogether with an economic and cultural activity has become a global concern. Overproduction, environmental pollution, cultural deterioration in frames of globalizing world, consumerism are the few examples of problems, caused by the global industry.

Having already experienced a rise of mass consumption and its obvious negative outcomes, the world community denoted the importance of changing the course towards rational use and assistance to the recovery of the resources used for customers needs and minimizing the negative impact of the travel. Thus, the concept of «sustainability» has appeared within the global strategy of «sustainable development».

The Brundtland Commission defines sustainable development as «the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs» [1].

The use of this definition has led many to see sustainable development as having a major focus on intergenerational equity. Although reinterpreted over time, peace, freedom, development, and the environment remain prominent issues and aspirations [1].

For the first time in history the mankind faces the challenges, connected with the danger of depletion of both economy and culture. Although there always were anthropogenic and natural disasters, such as wars or floods and earthquakes, the scales of the harm inflicted never appeared to reach the level to destroy everything until the 18 century, when scientists first started to understand that the world's resources exploitation patterns can lead to irreparable loss.

The concept of sustainable development does imply limits – not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. Therefore, today, the first things to consider before undertaking any type of activities is how much it fits in the concept of «sustainability». One of the dominant views is that each succeeding generation should be at least as well-off as its predecessors. But continuing economic growth based on the principle of business as usual is unachievable [2]. So, what is to be sustained? Three main categories to be sustained were identified *Nature* (Earth, biodiversity, ecosystems), *Life Support* (resources, environment, ecosystem services), *Community* (cultures, groups, places).

Three main categories to be developed were *People* (life expectancy, education, equity, equal opportunity, and child survival), *Economy*(wealth, productive sectors, and consumption), *Society*(institutions, social capital, states, and regions). [1].



Figure 1 – Sustainable development components [1]

Following abovementioned ideas, it is logically fair to revise three components of sustainable development: environmental, social and economic.

As Kazakhstan's primary goals include socio-economic modernization and political democratization, announced in the strategy of entering the list of the 50 the most competitive countries in the world, being on the threshold of a new leap forward in its development, it is important not to abuse the correspondence of each component.

An economically sustainable system must be able to produce goods and services on a continuing basis, to maintain manageable levels of government and external debt, and to avoid extreme sectoral imbalances which damage agricultural or industrial production [3].

In Kazakhstan, the Analytical Center under the Government prepared a report on human development, which is devoted to the goals of sustainable development. In it, most of the goals are considered in the Kazakhstani context, progress in their achievement is assessed. For some of them the main directions of achievement are outlined. But Kazakhstan is by no means the most problematic country in terms of problems of sustainable development. The situation is most difficult in poor countries: sub-Saharan Africa, Central and South Asia, especially in India, where most of the world's poor are now concentrated. [4]

At the same time, the goals of sustainable development are a global initiative. All countries of the world participate in their discussion, development of common approaches. Developed countries are also actively involved in this process, for example, by participating in the financing of international institutions whose activities are related to the solution of these problems.

A key international organization that finances the achievement of the Sustainable Development Goals is the World Bank. The projects financed by him are aimed at overcoming the problems of poverty, low level of infrastructure development, poor access to water and energy resources and so on. There are more specialized organizations. For example, the Global Environment Facility focuses on financing projects to address environmental problems. Currently, the Green Climate Fund is being established within the framework of the United Nations Framework Convention on Climate Change, which will finance adaptation to climate change and reduce greenhouse gas emissions in poor countries. The European Bank for Reconstruction and Development, the Asian Development Bank, the African Development Bank are engaged in financing the solution of infrastructure, energy problems, poverty problems in the regional context. [5]

There are various indicators that measure sustainable development. If we adopt the concept of strong sustainability, then we can use the indicator of the ecological footprint – the area of productive land and aquatic ecosystems that are necessary for the production of all that humanity consumes, provided that it restores all ecosystems that were disrupted as a result of economic activity. Everyone can assess their ecological footprint on a large number of sites on the Internet, answering a dozen of the proposed questions. Naturally, the error of such measurements will be very high. Nevertheless, the ecological footprint is quite a convenient thing, since it allows us to compare in a single unit the amount of resources currently in use and the amount of resources available from the point of view of long-term sustainable nature management. At the moment, the ecological footprint of mankind exceeds the area of the planet Earth. This means that humanity is developing unstable. By 2050, the ecological footprint is expected to be already more than 2.5 Earth planets [6].



Figure 2 – National Bank [2]

According to the report, the greatest share is on oil production and its export. However, it is a known fact that economy based on the limited resources has serious risks and has to be diversified. Thus, according to the statistics of open data of US Defence Logistics Agency (DLA), the London Metal Exchange (LME) quotes, the Steel Index Agency, the UX consulting company, the total amount of proven oil reserves are estimated at 2.7 billion tonnes, or \$ 766.8 billion, which is expected to be enough for not more than 70-90 years [7].

Considering the payment balance, according to the National Bank the in the first quarter of 2016 export of services has decreased in comparison with preceding period. For example, balance of export services was -4%, the services in the field of insurance and pensions and financial services decreased up to 1/5 (-15% and -20% respectively) [8].

The environmental state is another point to evaluate. An environmentally sustainable system

must maintain a stable resource base, avoiding over-exploitation of renewable resource systems or environmental sink functions, and depleting nonrenewable resources only to the extent that investment is made in adequate substitutes [0].

One of the important documents is Concept of environmental safety, approved by Decree No. 2967 of the President of the Republic of Kazakhstan of April the 30th, 1996. This document defines the fundamental principles and priorities of domestic and foreign policy, the legal and economic instruments, and the priority directions of activity essential for ensuring and preserving sustainable environmental, economic and human development, and the prevention of disasters and industrial hazards in Kazakhstan [10].



Figure 3 – Ecological footprint

National priority within the «Strategy 2030» RK include: environmental safety, rational use of natural resources, environmental well-being of citizens and some of the problems of social ecology. However, despite the fact, that oil refers to the key export items and basis of economy, the main part of oil products is imported thus having negative impact on both economy (resource-based direction of economy) and the environment, as there is exploitation of mines, but there is no security for fuel supply at the same time.

The ecological economy traditionally allocated three functions of the environment. They are: resource function, environmental service function and sink functions. Unfortunately, all of these functions today have a negative nexus. Population exploits the resources of the environment, exploits the environment itself for certain needs and finally gets rid of the by-products. It is impossible, however, to avoid the use of the environment as a sink, so the main task to be implemented is to minimize the exhausts (waste policy and management). To point out, there is no legislative basis for the waste policy. Thus, the ecological terms have to be developed and form a background for new laws and regulations. One of the outstanding examples of many breakthroughs in ecological regulations is Japan. This country has succeeded to develop a strategy which is working effectively and has already shown significant results in environmental sustainability. Japanese were the first to introduce the «vehicle-type regulation». Many environmentalists succeeded to prove empirically that this method handled to reduce nitrogen oxides and particulate matter emissions significantly is highly-effective [11].



Figure 4 – Vehicle type regulation

Also, in Japan, the immediate harm was also taken into account. Thus, to finance the compensation to the people's health, it was decided to impose a levy on the emission of sulfur oxide from local factories. It is a de facto environmental tax though it is not hence called that and legally it may not be categorized as such. An economic penalty can be an effective regulatory tool [12].

In Japan there was a rapid reduce on emissions after this introductions. The legislative basis is also directed on environmental sustainability. Energy Saving Law (ESL) was another sparkling example of rational use of resources. It was developed to enhance energy use after the oil crisis of 1973[13].

The practical results of the work are the proposed ways development of advanced modern trends in the field of policy formation and interaction with groups of influence. In this case, corporate social responsibility, understood as the rational response of the company to the system of conflicting expectations of stakeholders, which is aimed at sustainable development of the company, can be interpreted as an element of the company's competitive strategy. In the study directions and potential areas of development in different areas. both from the point of view of forming a package of consulting services, and from the standpoint the possible focus of management activities in companies in the field of sustainability. In particular, the paper sets the task of overcoming the gap in the perception of higher and linear management, and the need to integrate into business- processes through a wider application of project management.

Other introductions include the National Appliance Energy Conservation Act (NAECA) enacted by USA. [14] It imposed energy conservation standards on several home appliance items (refrigerator, freezer, washing machine, clothes dryer water heater, etc.). Efficiency is gained through the innovations so it is crucial to efforts and investments into investigation and new inventions of the sustainable development.

The last but not the least is social facet of sustainable development. Intergenerational equity, as the justice, peace and fairness idea in relationships between different generations' representatives is the highest value and is to be achieved in economic, psychological as well sociological contexts. Therefore any manifestations of ageism, adultism, gerontophobia, ephebiphobia etc have to be avoided while the generational gap has to be minimized.[15] But in frames of global concerns, Intergenerational equity also implies the concern of the present generations over the future one. But whilst the world community allocates gender equality as one of the Millenia Development Goals, there is no specific data on intergenerational equity.

Following the revised data on three criteria of sustainability, it is important to highlight the development and active introduction of «best practices», by we mean concrete actions geared toward the conservation and responsible use of environmental resources, contributions to the social and cultural development of neighboring communities and profitability that is rooted in social responsibility. Best practices are the focus of the Global Sustainable Criteria, an international initiative to harmonize the sustainability criteria currently being applied globally by various certification programs [16].

The emphasis is on improving the competence and professionalism of the existing workforce and training programs that meet international requirements [17, p.3], and marketing research is also an extremely important factor.

Current situation in the socio-cultural sector of Kazakhstan. As of 2016, the Kazakhstani sociocultural fund comprised 224 museums, 62 theaters, 4,185 libraries, 5 zoos, 3,164 club-type culture institutions, 45 concert organizations, 112 Recreation and Entertainment Parks, and 125 organizations that display and shoot films. [18] Despite the abundance of leisure facilities, the level of their visits remains relatively low.

# Discussion

The main objective is to address acute problems: high prices, insufficient work on advertising and public relations, low level of awareness, human resources, insufficient work on rehabilitation and modernization, as well as weak interaction with the local community. Author suggest following constraints for sustainability development.

1. Prices. Social and cultural activities, without laws and regulations on the part of the state, can not provide favorable conditions for the development of the socio-cultural sphere on a local scale, since The commercial sector is profit-oriented and not involved in this process. At the same time, participation in social and cultural activities should increase. The preservation of the historical and cultural heritage and the high degree of spiritual values accumulated over the centuries by the people is becoming an important issue in the work of cultural institutions. The bodies and institutions of culture should be able to implement the proclamation of the state policy of the broad participation of man and society in the creation, distribution and consumption of cultural property

2. Advertising and public relations. Despite the inflated prices of institutions that are of great interest as entertainment, in particular, cinemas, parks and clubs continue to be popular. Museums, theaters, galleries and exhibitions, however, are less preferable for pastime, namely they should carry out the role of education and education. These institutions must introduce modern types of advertising that are more effective in the new society (via the Internet and multimedia services). In a few of them there is a marketing department or at least specialists with a sufficient set of professional and personal qualities and skills.

3. Promotion. In addition to the problem of advertising and public relations, one of the main factors that reduces the involvement of the local population in the activities of socio-cultural institutions is the general lack of awareness. Citizens from the earliest years of life should begin to visit these facilities, but at present very little attention is paid in the education system to this type of training. The subject of «regional studies», which was devoted to the study of all places of interest and recreation and cultural institutions, was excluded from the main course and today it is taught in only a few specialized educational institutions such as Kostanay State Pedagogical Institute, North Kazakhstan State University. M. Kozybaeva, Kazakh National University named after Al-Farabi, Taraz State Pedagogical Institute, etc.[19]

4. Human resources. Providing services for the public, while spending time in cultural leisure facilities meets many problems. As in any service industry, the results depend on the employees. But here in certain cases, for example, in the work of museums, the difficulty is that workers bear full responsibility for shaping the impression of the whole event, and their number is usually minimal. Thus, the way the tourist organizes his work determines the success of the whole event. Consequently, specialists in this field should be selected from among qualified and experienced people, with the provision of appropriate conditions, including financial and social ones.

5. Reconstruction and modernization work. Many of the existing culture and recreational facilities require the carrying out of urgent rehabilitation and repair work. The institution responsible for checking the status of socio-cultural organizations, the formation of an integrated system of scientific research, the implementation of archaeological research of ancient and medieval towns, villages, barrows, the creation of museums-reserves on this basis, their inclusion in the tourism infrastructure should be performed [20] problems of the optimal structure of the state institution for the protection and active use of the historical and cultural heritage, whose task is to ensure a unified a systematic way of regional state inspections, restoration organizations, the implementation of approved programs and projects in the field of historical and cultural monuments.

6. Interaction with the local population. In order to ensure effective action in any area, the subjects of this area should be

## Conclusion

Sustainable development as a new and the only vision to preserve the world resources and reach a progress has to be applied globally, i.e. in environmental, economic and social contexts. The importance of sustainable development in Kazakhstan is explained by several factors, i.e. from the point of view of a young and prospective state and from the point of not allowing the bad practices take place.

Also the limitedness of the resources is another explanation for changing the course towards sustainable development. The environmental practices are recommended to take examples of countries, which have succeeded in development and applying of the innovations which can be presented as both new inventions and new practices. Despite the fact that the former two components are seen to be more tangible and explicit, the strongest link and the most crucial step to reach sustainable development is social component, which, although has the least lightning.

## Литература

1 Роберт В. Кейтс, Томас М. Паррис и Энтони А. Лейзеровиц. 2005. Что такое устойчивое развитие? Цели, индикаторы, ценности и практика. – Р.10

- 2 Климент А. Тисделл. Рабочие документы по экономике, экологии и окружающей среде.
- 3 Джонатан М. Харрис. 2003. Устойчивость и устойчивое развитие. стр. 1
- 4 Окружающая среда и развитие Nexus в Казахстане. Серия публикаций ПРООН в Казахстане. 2004. стр.20

5 Тоши Х. Аримура Кадзуки Ивата. 2010. Меры по защите окружающей среды и сохранению энергии, проводимой Соединенными Штатами и Японией: обзор количественного анализа. – С. 69, 73

6 Затраты и преимущества внедрения лучших управленческих практик для предприятий. – стр. 1

7 Национальный банк Казахстана. Платежный баланс Республики Казахстан за 1 квартал 2014 года – Алматы. – C.66-67

8 Ариарский, М.А. Прикладная культурология. – 2001. – С. 287.

9 Габриэль Сильвестр, Социальные последствия мега-событий: на пути к рамочной программе. – 2009. – П. 1, 2.

10 Тина Бух, жители Восприятие события Таупо и Железный человек Новая Зеландия. – 2006. – С. 1.

11 Juliana Kheng Mei Soh Ms, Развитие человеческих ресурсов в секторе туризма в Азии – 2008. – С. 3.

12 Комитет по статистике МНР РК. Официальная статистическая информация. – URL: www.stat.gov.kz.

13 Концепция стратегического национального проекта «Культурное наследие» на 2009-2011 годы. Одобрена постановлением Правительства Республики Казахстан от 6 ноября 2008 года № 1016.

14 Тазим Джамал, Майк Робинсон, Справочник по туризму SAGE. – 2009 – С. 19.

15 Ричард Шарпли и Филипп Стоун. Социально-культурные последствия событий: значения, санкционированные нарушения и социальный капитал. – 2011. – С. 4, 7.

16 Энтони Вигор, Мелисса Мэн и Чарли Тимс. После золотой лихорадки Устойчивые Олимпийские игры в Лондоне – чья золотая лихорадка? Социальное наследие Лондонской Олимпиады Майк Рако – С. 34.

17 А. Басиаго. Экономическая, социальная и экологическая устойчивость в теории развития и практике городского планирования – стр. 56

18 Организация Объединенных Наций. Рамки продвижения экологической и социальной ответственности – стр. 89

19 Джон Морелли Экологическая устойчивость: определение профессионалов в области охраны окружающей среды – стр. 43

20 http://forbes.kz/stats/ostatochnyie\_yavleniya Деловой Журнал «Форбс». Остаточные явления. Сколько триллионов долларов хранит природная кладовая Казахстана

#### References

1 Robert W. Kates, Thomas M. Parris, and Anthony A. Leiserowitz. 2005. What Is Sustainable Development? Goals, Indicators, Values, and Practice. – P.10

2 Clement A. Tisdell. 2010. Working papers on economics, ecology and environment.

3 Jonathan M. Harris. 2003. Sustainability and Sustainable Development. – P. 1

4 Environment and Development Nexus in Kazakhstan. A series of UNDP publication in Kazakhstan. 2004. – P.20

5 Toshi H. Arimura Kazuyuki Iwata. 2010. Measures to Protect the Environment and Conserve Energy Taken by the United States and Japan: Review of Quantitative Analysis. – P.69, 73

6 The Costs and Benefits of Implementing Best Management Practices for Businesses. - P. 1

7 Nacional'nyj Bank Kazahstana. Platezhnyj balans Respubliki Kazahstan za 1 kvartal 2014 goda – Almaty. – S. 66-67.

8 Ariarskij, M.A. Prikladnaja kul'turologija. – 2001. – C. 287.

9 Gabriel Silvestre, The Social Impacts of Mega-Events: Towards a Framework. – 2009. – P. 1, 2.

10 Tina Buch, Residents Perception of Event Taupo and Ironman New Zealand. – 2006. – P. 1.

11 Juliana Kheng Mei Soh Ms, Human Resource Development in the Tourism Sector in Asia – 2008. – P. 3.

12 Committee on Statistics MNE RK. The official statistical information. - URL: www.stat.gov.kz.

13 Koncepcija strategicheskogo nacional'nogo proekta «Kul'turnoe nasledie» na 2009-2011 gody. Odobrena postanovleniem Pravitel'stva Respubliki Kazahstan ot 6 nojabrja 2008 goda № 1016.

14 Tazim Jamal, Mike Robinson, The SAGE Handbook of Tourism Studies. – 2009 – P. 19.

15 Richard Sharpley and Philip R.Stone. Socio-cultural impacts of events: meanings, authorised transgression and social capital. – 2011. – P.4,7.

16 Anthony Vigor, Melissa Mean and Charlie Tims. After the Gold Rush A sustainable Olympics for London – Whose Gold Rush? The social legacy of a London Olympics Mike Raco – P.34.

17 A.D. Basiago. Economic, social, and environmental sustainability in development theory and urban planning practice – P. 56

18 United Nations. A Framework for Advancing anvironmental and social responsibility - P. 89

19 John Morelli Environmental Sustainability: A Definition for Environmental Professionals – P. 43

20 http://forbes.kz/stats/ostatochnyie\_yavleniya Delovoj Zhurnal «Forbes». Ostatochnye javlenija. Skol'ko trillionov dollarov hranit prirodnaja kladovaja Kazahstana