



Implementation of a Comparative Evaluation Method of Stable Socio-economic Development

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ABSTRACT

The main objective of stable economic development is not only to become one of the highly developed countries, but also to create a society that provides equal rights to all people, respects freedom of each person and all kinds of his/her labor. On the various stages of society development, different economists have presented several views on this problem. Hence, the main objective of this article is to study the issue and to show modern ways of development. The following scientific and methodological conclusions are taken into consideration to determine the scientific value of the article:

- Theoretical descriptions of a stable economics development concept will be updated for further improvement;
- The system of financial relations development governing the activities of the local administration (region, village) will be offered by defining stability (instability) indicators;
- The offer of ways how to enhance the improvement system of stable economics service by the administration activities of Zhambul Oblast of the Republic of Kazakhstan;
- The system of stable (unstable) development indicators aimed to integrate the regional development assessment to economic system by this means and the method of calculation methodology will be offered;
- Variants of using stable development balance (stable development balance) will be enhanced in order to succeed the productive results in integration of administrative management programs.

Keywords: Stable Economics, Economic Mechanisms, Market, Human Resources, Stability and Competitiveness.

JEL Classifications: O10, O15, E21, C62, R19, R58.

1. INTRODUCTION

The economic development process is enhanced by the using the management of economical category services in accordance with the market law on world development condition.

The construction of a unified harmonious system after creating necessary conditions for free, effective functioning in the process of market reforms affect the active formation of the new economics under the market laws instead of the old economic mechanisms.

Undoubtedly, legalization of them and their inter coordination with each other takes a lot of time. However, the Herman, states that stable economic condition is identified while the economic mechanisms are not fully coordinated with each other and find no legislative mechanisms; they cannot perform their functions effectively (Herman, 1991). Thus, the functions performed by the economic categories in regions cannot be the bases for eliminating deficiencies resulting from the implementation of evaluation indicators. This is a new and unexplored direction. The evaluation of stable (unstable) socio-economic development on the basis of

these indicators and the decision of a local administration based on obtained results are the most important demands of the present time.

A successful economic policy tends to achieve social goals such as stability and justice with the lowest individual freedoms (Czech, 2006). Personal activity of each of us gets its place in the market relations as a result of various conflicts and overcoming any obstacles.

Kazhyken concludes that the emergence of stable development issue is the result of the contribution of the world community development in the same direction on global scales (Kazhyken, 2001).

The level of regional development in some areas, regions and municipalities is directly connected to their territorial features. Some of them are rich in natural resources, financial capital and sufficient human resources, while others suffer an acute lack of resources and opportunities, so they seek help the center. Thus, the economics of market relations directs every region, district and city to use their own development opportunities by increasing their responsibility. In this regard, we dare say that the main tasks at the moment are: To create interrelation for effective use of local financial resources, to provide loans, investments and government funding, development of production, to improve the quality and quantity of social services, etc.

The sustainability in economic development in a market economy, which is the main task for today, is directly related to environmental sustainability and social stability. The economic sustainability creates social stability, but it can cause environmental stability. Then, environmental instability destroys economic and social sustainability. That is, to keep stable economic development it is enough to fund environmental and social sector. And the source of this funding can only be the added value generated by the economic system. This relationship is implemented through the budget. This issue is discussed in more detail below.

So the social condition of economy tends to stability and mild changes in the level of population and consumption of energy and materials (Czech and Herman, 2004). The improvement of administration through the implementation of local functions such as regulation, management, analysis, control, guidance and planning, is one of the main issues discussed in this article. An increase of competitiveness of national economy is possible only after stable capability development in all regions (districts, cities) of a country.

2. METHODS AND APPROACHES

For a comparative evaluation of stable socio-economic development of each district, city and area, it is necessary to set, sum up and group the average growth (reduction) intensity of several statistical indicators. A socio-economic stability (instability) of a region is calculated by intensity ratio of all socio-economic development indicators of the region or the area to the number of population living there.

For example, to set the stable growth rate of districts and cities of a specific area, we find the overall growth intensity by comparing figures of the last 3 years with earlier ones, and after finding, we divide it by the number of population. The task of finding this ratio is to set stability (instability) measure of each district and the city. Through finding the overall growth intensity within the certain region, we compare each area and region. It should be noted that we have used seven statistical indicators, but it is possible to use more or less, however all figures should be the same for all districts and cities of the certain area.

For the comparative evaluation results of socio- economic development of each region, we propose a general formula for all of them:

$$BR = \frac{A_s^{pp} \pm A_{ou} \pm A_{p(l)} \pm A_{rt} \pm A_{ar} \pm A_w \pm A_{br}}{P_n} \quad (1);$$

Where:

BR_{se}^{sd} - Balance rate of the total regional socio-economic stable development;

A_s^{pp} - The amount of growth (decrease) in the number of products and services;

A_{ou} - The relative volatility of investment of fixed assets, the amount;

A_{rt} - The relative volatility of the retail trade, the amount;

A_{ar} - Average account volatility of excess of accounts receivable over the accounts payable, the amount;

$A_{p(l)}$ - Changeable amount of profits and losses in comparison with the previous years;

A_w - Changeable amount of wage funds compared with previous years;

A_{br} - The relative volatility of all budget revenues

P_n - The number of people living in indicated years.

To compare and define the variability of measurement sustainability (unsustainability) of regions and/or cities in a particular area, we use the following formula:

$$SGR = BR_{se}^{sd} - L_{e.e}^{l.g.r.c.}; \text{ or } \frac{L_{e.e}^{l.g.r.c.} \cdot E100\%}{BR_{e.e}^{s.d.area.}} \quad (2);$$

Where:

SGR- stability (instability) growth rate of regions of areas;

$L_{e.e}^{l.g.r.c.}$ - The level of stability (instability) growth of regions and cities as part of the areas.

To define the stability (instability) share (in percentage) participation of each region, we use the following formula:

$$SGR\% = \frac{L^{l.g.r.c.} \cdot e.e}{BR^{s.d.area.} \cdot e.e} \times 100\% - 100\% \quad (3);$$

3. RESULTS

Using the proposed methodical formula, we give evaluation results of socio-economic development analysis of each region and determine their average development level. For example:

$$BR_{se}^{sd} = \frac{2041.4 + 7177.8 + 1966.8 + 4008.9 + 5207.2 + 3444.5 + 5294.2 + 5291.1 + 7589 + 8514.5}{660} = \frac{50534.6}{660} = 76567.5 \text{ thousand tenge}$$

Thus, over the last 3 years in Zhambyl region, the growth rate of the socio-economic development per capita amounted to 7,657.5 thousand tenge, but if we consider that this figure is the balance of development in the areas where it is lower, we can come to the conclusion that social and economic development is lower, where this figure is above, we dare say that sustainability has already been formed.

This method of analysis is not only used to ensure further stable growth in the developed regions, but also to make effective decisions to improve the situation in lagging regions. Thus, this expert technique can be used for withdrawing the economy and social sphere from instability and for their evaluation in a period of stable growth.

In our particular case, the ways of realization of methodological decisions in management and to order the stability indicators within the region (province, district, city), formed by the implementation of market laws in reforms of economic relations, allowed to detect errors made in the analyses, to take appropriate measures, to assess the stability (instability) economics development of Zhambyl region and to define the implement results of the expert analytical methods by using the economic development stability (instability) indicators of Zhambyl region.

4. DISCUSSION AND CONCLUSION

According to the conclusions of Ninhaus's, an experienced professor from the University of Ruhr (Bahum), countries with abundant resources (including major oil exporters) are not often distinguished by their economic power and survive deep crisis from time to time. The best appropriate examples are countries such as Mexico, Venezuela, and Nigeria (Ninhaus, 2001).

Caring for future generations, for their life is the main idea of the stable development concept, and the socio-economic aspect is foreground. The reason is a real threat of depletion of human life resources.

A considerable amount of information and indicators for stable development are being formed and used in a very wide range, from simple concepts to complicated and complex ones. The meaning of the term "stable development" turns into a multi-valued, complex concept. The stable development should not be unilaterally regarded as a period of positive economic growth. In the use of the stable development concept, abstract thinking method is used and deduction should be based on many processes and indicators. In the application of abstract thinking method, occasional features and additional processes, that are not inherent to the phenomenon or object of study and its essence, keep us away from the target. However, a researcher, rejecting all unnecessary processes, penetrates into the very essence of the process and reveals its real essence.

Most modern Western theories on market economy emerged from the analysis of equilibrium. But if you rely on long-term experience, a dynamic system never remains in the equilibrium condition for a long time. According to Hiksa the concept of "stable condition" plays a major role in the modern economic doctrine. A stable condition is a special phenomenon in the dynamic system. It was formed on the basis of the immutability of human needs, the level of technological development and the amount of resources for a certain time (The U.S.A Economy in the Future (Problems and Forecasts) 1982).

In addition, the stable development theory has many contradictions with environment. For example, Kazhyken states that the main directions on the issue of ecology and environment protection are the conclusions about the need to abandon the leading idea of increasing the production and developing the final product. Such views were widely spread in the form of the concept "zero growth" in the 1970s of the last century in the United States.

Dzhanburshin proved the need for stable growth: In the twentieth century, all theoretical models have directed on the prevention of crises from time to time. New theoretical models appeared in the period of the most severe crises. That is why the development of economic theory lags behind all the time. A method of detection and prevention of errors has been appeared in the process of working. Hence, the result is insufficient use of resources and inhibition of socio-economic development. This situation can only be rectified by using the stable development concept (Dzhanburchin, 2001). In turn, Ashimbaeva writes: "Economic system change is a difficult period of social development" (Ashimbayeva, 2002). During this period, society completely changes the way of life defining the long-term objectives, intensity and proportions of development.

Kuchin says that questions of balance between society and nature were discussed in the works of Bogdanov and Bukharin in the 1920s of the last century (Kuchin, 2001). The development of society, the growth of its production capacity, the economic basis and its settings, their direct feedback and mutual influence objectively arise from active interaction between society and environment.

This provision became the foundation for the mathematical analysis by Forrester and Medouz. Koptyuk writes that the

United Nations has made important findings in understanding the issues of environment and development: Solution of environmental problems and economic development in close connection to each other, economy, developing apart from ecology, turns the Earth to the desert and place full of beggar without the economic development (Kryukov et al., 1997).

One of the main objectives of the present development stage of Zhambyl Region is to create samples of stable economic development and the conditions for its implementation in human consciousness.

Mill, a pioneer in research of the economics development and is one of the most gifted philosophers and scientists of the 19th century, wrote: The content of the organized process of orientating the economics to stable economic development is multilateral. This is based on the priorities defining the development: On planning strategic goals and objectives; on aggregation of effective forms and methods of management and regulation (Mill, 1909). The process of stable economic development lasted to use modern forms, methods and theoretical basis of management.

There are three major interconnected directions that show the meaning and content of processes to support stable economic development intensity:

- Organizational and legal support;
- Information technology support;s
- Economic support.

It is clear that these directions should be regarded separately, because, the first two of them create conditions to organize the achievement of strategic and tactic goals of the economic system and make the economy operate more efficiently. It does not matter how complex and wide the target coverage was, the mechanism of coordinated interaction with types and methods on its base is very complicated.

For the stable economic development in one particular area of the Republic of Kazakhstan, the following mechanisms are necessary:

- To maintain full employment of all able-bodied citizens and preserve price stability. In this direction, the following measures should be taken: Prevention of structural unemployment and changes in the business mentality of working population. The organization of this activity requires proper organization of financial aid, improvement of entrepreneurs' training system, revival of production development in lagging economic spheres and regions and regulation of supply and demand in the labor market;
- To increase economic role in providing jobs. This requires an effective solution of professional training issues for population in a particular direction and expansion of small and medium-sized enterprises;
- Organization of information system for providing workplaces with scientific and technical capabilities;
- To enable persons of retirement age to continue working;
- To create opportunities for women's active participation in labor, to improve the state system of staff training and retraining;

- Effective regulation of the increased demand and through effective credit and financial policies;
- Legal protection of free competition in the market, control over price changes in economic oligopolistic industries, creation of competitive conditions in trading environment;
- Stable increase of labour productivity to ensure the effective development of economic growth and infrastructural provision of the national economy efficiency;
- Stable supply of basic goods;
- Strict control over public tariffs improving the efficiency of state-owned enterprises, restructuring of unprofitable businesses;
- Constant monitoring on the commodity market trends and the price changes;
- Establishing a system of legal prices;
- Planning evidence-based policy, the product and investment export should be coordinated with the strategic goals of internal market development on the one hand, on the other, it should be ensured by the economic, organizational and legal laws and mechanisms promoting export development;
- Improvement of regulatory and legal framework to ensure the effective operation of the competitive market covering all economic sectors and spheres;
- To create an innovative environment as the main information source of competitive economy, in particular, the creation and development of innovation centers, to use the inventions in practice to produce the final product, to choose the right direction in expanding ties between science and industry, creation of conditions for attracting internal and external investments to drive innovation in the industry;
- New balance in establishing equal relations between the authorities to meet the interests of socio-economic system.

If we can ensure the implementation of these directions, we will be able to enjoy stable economic development. Objectively, the stable economic development of Zhambyl Region is the task for all social and stability indicators taken by its resolution which can be implemented in the country's economy.

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