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**MODERN PROCESSES OF MODERNIZATION OF THE ECONOMY
OF FOREIGN COUNTRIES**

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Annotation. This article examines the structure of the economy as a factor of modernization and economic growth in Kazakhstan and the leading developed countries of the world. The role of big business in the modernization process is revealed. The analysis of directions and mechanisms of modernization of the most important sectors of the economy, including the basic branches of material production and services. The role of the state in creating institutional conditions for modernization is revealed, including the place of modern state-owned enterprises and public-private partnerships in the modernization of the economy of developing countries. Conceptual approaches to the reindustrialization of the Kazakh economy are formulated.

When studying the theoretical and practical foundations of modernization, the main issue is the study of new methods of conducting modernization activities. Modernization should be comprehensive and take into account economic, social, political and cultural transformations that cannot be carried out separately from each other.

Based on the identified real problems that hinder the implementation of modernization transformations, strategic directions for their solution and long-term development are determined. These areas include: the structural policy of the state, the development of rank institutions, and the role of human capital.

Keywords: modernization, economic growth, human capital, material production, concept, structure of the economy, reindustrialization.

Introduction

Currently, the existing potential of the domestic industry is significantly inferior to the requirements of the world market, while it is the industry that increases the efficiency and competitiveness of production, plays a significant role in its rapid growth. Due to the high level of competition that has developed in the world, there is a need to constantly improve the level of production efficiency, which is achieved through the introduction of modernization in the production processes at the enterprise. At the same time, it should be especially emphasized that, despite the importance of state assistance to small innovative industrial enterprises, the focus should be on restoring and increasing the efficiency of large industrial complexes, under clear and, if necessary, strict state control [1, p.83-91]. In this regard, the solution to the problem of effective strategic development of the domestic industry is directly related to the technological modernization of industrial complexes, which currently need new modern equipment, technologies and methods for further effective development. Organizational and technological policy, in this case, acts as a response to the ongoing changes in the current socio-economic conditions of market economy.

Theoretical analysis

Modern arguments on the subject of modernization should not be identified with the theory of modernization, which emerged in the 1950s in the United States and had a strong influence on the political discourse of all subsequent decades. This American concept, designed to address the transition from «backwardness» to «modernity», was a specific product of the post-world war II era. Based on numerous simplifications, the theory of modernization treats the historical process as one-line and without alternative. It has been the subject of crushing criticism many times, including in the West.

Modernity is usually interpreted as a transition from a traditional society to an industrial one. It is based on Talcott Parsons' interpretation of Max Weber's views in the spirit of the universality of Western-style capitalism, the need for Westernization to be accepted by all countries of the world. Parsons' closest associate was Edward Shils.

Professor Craig Calhoun writes: «Regarding modernization, it is very important to understand that this is an American theory that arises precisely after the victory in World War II. It was a project of the American liberal-centrist intelligentsia. The idea was that the modernization theory should spread from America, primarily to Western Europe, where it is being developed, although it is being developed in the United States; it should be adopted in other countries. Of course, I have something to do with it, but not personally: I was too young in those days. But the Central Agency for developing the theory of modernization was the Social Science Council. That is, they were my predecessors in my post of President and many of the senior employees of my institution» [2].

Thus, the theory of modernization is a product of the era that began after the Second World War. It reflected the desire of the United States to subjugate intellectually the countries of the «third world», freed from direct colonial dependence, and if possible to include in the sphere of its ideological influence the socialist countries led by the Soviet Union [2].

According to Craig Calhoun, «this was based on the axiom that the governments and peoples of the so-called traditional countries would have to accept with enthusiasm the theoretical predictions and political prescriptions given to them by scientists from Harvard, Oxford, or Berkeley. Because it was believed that they should all want to be modern, we must reach the level of development of the modern world, it has emerged to pose the question of the dichotomy between traditional and modern world» [2].

The theory of Parsons and Shils interested the political and business circles of the United States. Huge amounts of money were allocated from public and private funds for its development. The Ford Foundation provided the most generous grants, because the business community behind it understood that countries that accepted the modernization theory would also accept American investments that promised huge profits. For politicians, it was important that this theory created a large number of jobs for experts who went as advisers to governments in the «third world».

Its creators believed that social and economic changes are one-line, and therefore less developed countries should follow the same path as more developed countries. They argued that changes are irreversible and inevitably lead the development process to a certain final - modernization. From their point of view, changes are gradual, cumulative and peaceful. They also believed that the stages that change processes go through are necessarily sequential - none of them can be skipped. Finally, they extolled progress, believing that modernization would bring about a general improvement in social life and human conditions.

Even without the theory of modernization, the West could claim leadership, mainly in most of the «third world» countries that needed economic assistance. Therefore, he could easily impose his «modernity» on them. But there was also the Soviet Union, Eastern European countries, China, Vietnam, and Cuba. They had their own theory of modernity, their own understanding of industrial society, which denied the universality of the Western model.

So an additional theory was needed to explain «who are the good guys in this world and who are the bad guys». It became the theory of «opensociety» by Karl Popper, who denounces the socialist world for undemocratic and autarky.

Results and discussion

The economic development of Kazakhstan is characterized by a contradiction: on the one hand, there is economic growth, on the other hand, there are negative changes that lead to the weakening of the most progressive elements of the economic structure.

Resolving the contradiction between today's economic growth and the introduction of progressive changes in the structure of the economy is impossible without a corresponding national strategy for structural changes. The goals of such a strategy should not be a quantitative

increase in the main economic indicators, but a qualitative shift. First, it reflects the effectiveness of economic growth and its consequences for the quality of life in the country, and secondly, a qualitative shift in the structure of technical, economic and socio-economic relations, which is subordinate to the interests of the internal structural balance of the economy and the possibility of inclusion in global technological processes based on the commodity sector.

In Kazakhstan, as you know, the structure of economic sectors was formed on the basis of the existing resource potential. The basis of Kazakhstan's economic potential at the present stage is large reserves of fuel and energy raw materials, primarily hydrocarbons. Proven oil and gas reserves in Kazakhstan according to British Petroleum amounted to 5.6 billion tenge (1.3% of world reserves). Kazakhstan ranks third in the post-Soviet space [3].

Among non-ferrous metal ores located in Kazakhstan, chromites (1st place, 45.8% of world reserves), titanium (9.2%), rhenium (7.6%), cadmium (5.5%), zinc (4.8%), as well as iron ore, molybdenum and Nickel have the largest share in global reserves (1-1,8%) [4].

The development of Kazakhstan's economy was subordinated to the interests of raw materials and food supply throughout the country, the implementation of the nuclear and space programs of the former USSR. At the same time, the role of such a structure-forming factor as the need to produce final products was poorly taken into account, the main focus was on the supply of finished products from other republics and for import. The result is a distorted "truncated" inefficient structure of the economy.

Not only has unnecessary production been washed away, which makes the structure of the economy heavier and deformed, but the structure of the national economy has become even more pronounced in terms of raw materials. Thus, despite the significant potential of the agro-industrial sector (the third part of the arable land of the CIS is located on the territory of the Republic), which can ensure the security of the Republic, the share of agriculture in GDP is declining.

Industrial production, even in the industrial era, is still the basis of the country's economic power, the core of its production and technological potential, the expansion and qualitative renewal of which is a material and technical part of the reproduction process [5]. However, the direction and intensity of structural changes in the Republic's industry demonstrate the deepening of structural disproportion towards the strengthening of the role of the mining industry.

According to statistics, more than 45% of production is accounted for by oil and gas production, 42.3% is accounted for by the manufacturing industry, which is mainly represented by the metallurgical industry (17.8%), food (7.6%), chemical products (5.8%), i.e. products of primary processing.

In 2019, the output of mechanical engineering and Metalworking increased by 1.5%. With undisputed positive success in the development of mechanical engineering as a whole, it can not cope with its function of presenting the national economy with a wide range of high-quality and competitive products.

Production of services is characterized by an increase in their share in GDP, from 54% to 62.2%, which is quite natural in market conditions, while improving the quality of services provided, but not at the expense of the price factor.

The service sector is the most diversified in the national economy. In recent years, it has been developing dynamically, new niches are being created quickly, and a large number of interconnected basic sectors are being formed, which is reflected in macro indicators. The real estate market is actively developing, and trade and intermediary activities are expanding. However, the services market shows a fairly low level of development of educational, medical, financial and investment services compared to developed countries.

The need for structural changes based on the diversification of production and the use of new technologies is confirmed by the employment of the population of the Republic of Kazakhstan in the main sectors of the economy.

A striking example is the Republic's agriculture. The share of agriculture in GDP is steadily declining: from 8.2% in 2000 to 4.6% in 2019, which indicates negative trends in its

development.

This sector employs a significant number of people, and production is only 4.6% of GDP. These data confirm the low efficiency of agriculture, which, in turn, indicates an appropriate level of labor productivity and inefficient use of human potential.

In this regard, it should be noted that the modern manufacturing industry stimulates the demand for highly skilled labor, contributes to the creation of new jobs, since each additional job in the industry creates 0.5-2 jobs in other sectors [6]. Reducing the growth rate of employment in the leading sectors of the economy can only be justified as a result of improving production efficiency by increasing labor productivity, modernizing and introducing advanced technologies, and attracting investment.

In the process of reducing the share of agriculture and manufacturing in the total employment structure in these years, they were replaced by financial, insurance, housing, household and food services. Market reforms for these professional groups are more favorable conditions for economic activity, which has led to high offers in the labor market, both at the expense of those whose preferences after graduation were in favor of these professions, and those who received a second higher education.

Investment directions determine the prospects for changing the existing sectoral structure of the economy, which significantly affects the parameters of the sectoral distribution of capital investments. Despite the decrease in the share of production in the structure of domestic investment in fixed assets during the reporting period, the effect of this factor remains.

Thus, in 2019, 35.1% of investments in fixed assets were made in this sector of the economy of Kazakhstan. Oil and natural gas production remains a priority for investment. The share of transport in which pipeline transport plays a leading role has grown significantly, due to the development of oil and gas fields and the need to deliver hydrocarbons to the end user.

There is a tendency to reduce the share of capital investment in manufacturing, although this sector of the economy has a multiplier effect for all sectors of the economy. Thus, 1 dollar of investment in manufacturing leads to a GDP growth of 1.5 dollars, and in all other sectors, except agriculture, less than 1 dollar per dollar is invested in the economy [6].

The direction and intensity of the distribution of domestic investment in other sectors during the analyzed period also had some changes. It is important to note a significant decrease in the importance of trade and the economy related to public administration. The share of the sub-sector in the production and distribution of electricity, gas and water has more than doubled. In recent years, priority funding has been allocated to projects in the field of thermal and hydroelectric power.

In General, the following main characteristics of structural changes in investment in the Republic's economy can be distinguished:

- structural changes in industrial investment have led to a decrease in their share in processing and increased production of fuel and energy, despite their crucial role in the modernization of the Republic's economy;
- extremely low investment activity in agriculture, which did not allow us to seriously change the material and technical potential of the agro-industrial complex;
- a small share of investment in public institutions, social sectors of education and health can hardly be considered a positive trend when describing the country's economic development.

Thus, all of the above makes it possible to assess the current sectoral structure of domestic investment in the Republic as unsatisfactory.

The key problem of modernizing changes in domestic industrial enterprises should be considered insufficient elaboration of the principles of increasing the modernization of Kazakhstan's society. Considering such problems in the context of modern realities, it is possible to identify an interconnected set of problems in their interaction.

It is known that scientific, technical and social progress develops in parallel, they depend on each other and actively interact. However, the increasing importance of technical means does not detract from the leading role of man. The most complex machines and mechanisms that form

the basis of technological modernization, all scientific inventions and high-tech processes, can function successfully only thanks to human labor and intelligence [3, p. 34-35].

The above suggests that, for example, the development of domestic engineering should adhere to an intensive, advanced development path, which implies a comprehensive solution to the accumulated interrelated and mutually dependent problems in the legislative, regulatory, financial, economic, educational, human resources and other areas [7]. The research made it possible to identify factors that are crucial in solving the above problems and affect the development of the innovation process.

The analysis of factors that determine the development of modernization processes in modern economic conditions has shown that the main problem of modernization of production of domestic industrial enterprises is the problem of attracting investment for the modernization of production. Among the factors that limit the investment activity of domestic enterprises, the first place is currently occupied by insufficient financial resources (68 %), the second place– the uncertainty of the economic and political situation (49%).

Practice shows that domestic enterprises lack their own financial resources to modernize production. And to attract debt capital, enterprises must show a well-developed investment project that proves the effectiveness of the invested resources, which is complicated by the lack of transparency of financing, sales, bidding and tenders [8, p.76-79]. In conditions of insufficient financial resources, both their own and borrowed, industrial enterprises do not have the opportunity to update their technological base, introduce innovations and move to a new technical level of development.

Thus, the common problems characteristic of the current level of development of Kazakhstan's industrial enterprises, derived from the key problem, are:

1. Modernization of industrial enterprises that corresponds to the directions of the economic policy of the Republic of Kazakhstan.
2. Principles and laws of building innovative models of industrial enterprises development.
3. Tools for increasing investment attractiveness of the Republic of Kazakhstan and rational distribution of investments by economic sectors.
4. Conducting a policy of maximum resource savings in conditions of low investment attractiveness.

Against the background of a deep shortage of material resources, dynamic changes in the modernization process at industrial enterprises have a negative character. A set of measures to get out of this situation aimed at optimizing the modernization policy of enterprises should include the creation of a system of maximum resource savings, the use of resource-saving technologies, and the interaction of all elements of production.

This leads to the conclusion that the modernization of industrial enterprises must be managed, and its system-forming components must be optimized [9, p. 45-46]. Among the existing ways of managing modernization, let's consider one that, due to the accelerating pace of NTP, is associated with the elasticity of the organizational management structure, which should be understood as its ability to transform to the requirements dictated by changing environmental and production conditions.

The determining influence on the strategic development of an industrial enterprise is exerted by the state of the economy, while the modernization process as the basis of organizational and technical policy proceeds with varying degrees of intensity, depending on the scale and functions of production renewal required in existing conditions.

It should be noted that any change in equipment and production technology, regardless of its causes, is always not only modernizing, that is, changing the production process. technological and institutional nature, associated usually, with a change in the relationship between the officials and structural units inside the industrial enterprises and outside and usually generates new information linkages and information flows, which in the initial phase of the upgrades are particularly fast growing and often move in a rather dynamic and sometimes even the acute phase, giving rise to problems of managerial nature, which is a function of managers at

different hierarchical levels [10, p. 89-94].

The main source of economic growth today is the modernization policy of industrial enterprises. Based on world practice, we can conclude that sustainable development of production depends on maintaining its ability to compete in the market in the long term. It is impossible to imagine a modern industrial enterprise apart from modernization.

It should be noted that the company's development strategy and current management of modernization activities are closely related to the structure and size of the company's modernization capabilities, which are the most important condition for modernization.

Given the identified barriers to carrying out modernization reforms, the following strategic directions for their future development:

- the implementation of structural policies by the state, because the state acts as the initiator and controller of modernization of economic system. It defines the Central directions of development and reform of domestic production, identifies real modernization and economic problems and redistributes resources to effectively solve existing problems.

It is difficult to overestimate the role of the state in solving modern problems of domestic industrial enterprises.

Assistance can and should be provided to those enterprises and industries that have already reached the stage of self-regulation and self-financing, and for which the state can be sure that the allocated funds will not be spent in vain.

Assistance can be expressed in the form of government orders, government loans, tax and other benefits.

However, the main direction of the state's participation in the modernization of industry is an effective monetary and structural policy, which consists in supplying the economy with a sufficient amount of non-inflationary money and in the development of infrastructure that ensures the growth of investment in enterprises, industries and intersectoral associations that can produce greater added value [11];

- organization of the institutional environment that is the basis for modernizing changes for production.

Within this framework, it is necessary to carry out investment modernization, including the creation of fundamental legal, economic, and other clear rules and laws for the functioning and interaction between market participants;

- strengthening the role of human capital as the main productive factor of economic development of society.

As E. A. Iglitskaya notes, «a high index of economic freedom is one of the basic conditions for ensuring high-quality growth of human and intellectual capital» [12, p. 323-329]. In order to carry out high-quality modernization of the Kazakh economy, comprehensive development of human capital is necessary, which, first of all, involves the creation of prerequisites and conditions for business investment in human potential.

Conclusions

The modernization process consists of the following stages: development, testing/implementation of modernization proposals in practice, their introduction into mass production. The implementation of these stages should take into account all aspects of the company's activities, including the creative (development of the program), economic (assessment of the economic effect) and process (implementation of the modernization program) components.

Therefore, enterprises that implement modernization transformations should have a well-established system for submitting, evaluating and implementing modernization proposals.

It is necessary to consider more broadly the designated stages of the modernization process, which should include: - development and further design of the modernization project; - conducting initial research and making a forecast assessment of the economic effect of the results of modernization.

Based on the forecast calculation of the project's performance indicators, its economic viability is assessed.

However, it should be noted that the calculated performance indicators are somewhat subjective, since they are largely based on expert assessment of projected sales volumes, prices for manufactured goods and raw materials, and other external factors that are beyond the company's internal control.

Therefore, a comprehensive risk assessment that allows us to draw conclusions about the sustainability of the project is a critical stage;

- implementation of the production process and launch of the modernization project;
- practical testing of the modernization process;
- calculation of the economic efficiency of the modernization project.

The effectiveness of the modernization project can be assessed from various perspectives, including technical, technological, environmental, social, and organizational.

However, the most important criterion for justifying the effectiveness of the project are economic indicators. The correct and objective assessment of the effectiveness of real investments depends on the timing of the return of capital invested by the investor and the prospects for the development of the enterprise.

The modernization process should include all the listed stages. Omitting even one of them will lead to a decrease in the quality of the entire process as a whole, which can only be evaluated after the practical implementation of the entire chain of stages. Objective assessment provides for compliance of actual indicators with planned ones. Modernization processes can be considered effective only if the planned goals are fully achieved.

However, long implementation periods and the expectation of an early return, in some cases, make it difficult to assess the effect of modernization. In this case, businesses need to use long-term forecasting and strategic planning tools.

Thus, it should be noted the importance of the role of modernization of the production process, the implementation of which requires large investments, as well as a deep organizational and technical update of domestic production using the latest achievements of Research and development activities. Modernization, as a system update of all elements of industrial production, requires constant management, the process of which is connected and interacts primarily with the innovative development of the enterprise. Modernization of Kazakhstan's industrial enterprises will allow to produce products on an innovative basis that can compete with imported goods.

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Түйін. Бұл мақалада Қазақстанда және әлемнің жетекші дамыған елдерінде жаңғырту мен экономикалық өсудің факторы ретінде экономиканың құрылымына зерттеу жүргізілді. Жаңғырту процесінде ірі бизнестің рөлі анықталды. Материалдық өндірістің базалық салалары мен қызмет көрсету саласын қоса алғанда, шаруашылықтың маңызды секторларын жаңғырту бағыттары мен тетіктеріне талдау жүргізілді. Жаңғыртудың институционалдық шарттарын құрудағы мемлекеттің рөлі, оның ішінде дамушы елдердің экономикасын жаңғыртудағы қазіргі заманғы мемлекеттік кәсіпорындар мен мемлекеттік-жеке меншік әріптестіктің орны анықталды. Қазақстан экономикасын қайта индустрияландырудың тұжырымдамалық тәсілдері тұжырымдалды.

Модернизациялаудың теориялық және практикалық негіздерін зерделеу кезінде негізгі мәселе жаңа әдістерді зерттеу болып табылады. Жаңғырту кешенді сипатқа ие болуға және бір-бірінен бөлек жүргізуге болмайтын экономикалық, әлеуметтік, саяси және мәдени қайта құруларды ескеруге тиіс.

Жаңғыртуды жүргізуге кедергі келтіретін анықталған нақты проблемалар негізінде оларды шешудің және перспективалы дамудың стратегиялық бағыттары анықталды. Бұл бағыттар: мемлекеттің құрылымдық саясатын, ранка институттарын дамытуды, адам капиталының рөлін қамтиды.

Кілттік сөздер: жаңғырту, экономикалық өсу, адами капитал, материалдық өндіріс, тұжырымдама, экономика құрылымы, реиндустриализация.

Аннотация. В данной статье проведено исследование структуры экономики как фактора модернизации и экономического роста в Казахстане и ведущих развитых странах мира. Выявлена роль крупного бизнеса в процессе модернизации. Проведен анализ направлений и механизмов модернизации важнейших секторов хозяйства, включая базовые отрасли материального производства и сферы услуг. Выявлена роль государства в создании институциональных условий модернизации, в том числе место современных государственных предприятий и государственно-частного партнерства в модернизации экономики развивающихся стран. Сформулированы концептуальные подходы к реиндустриализации казахстанской экономики.

При изучении теоретических и практических основ модернизации основным вопросом выступает исследование новых методов ведения модернизационной деятельности. Модернизация должна носить комплексный характер и учитывать экономические, социальные, политические и культурные преобразования, которые невозможно проводить отдельно друг от друга.

На базе выявленных реальных проблем, препятствующих проведению модернизационных преобразований, определены стратегические направления их решения и перспективного развития. Данные направления включают в себя: структурную политику государства, развитие институтов рынка, роль человеческого капитала.

Ключевые слова: модернизация, экономический рост, человеческий капитал, материальное производство, концепция, структура экономики, реиндустриализации.