

## **Grounding of the Introduction Necessity of Foreign Experience in Road Transport Economy Management of the Republic of Kazakhstan**

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**Abstract:** Development of road infrastructure and the whole economy determines intensity of economic connections and is one of the major terms of country's economy development. The financing of industry does not solve the existing problems in this sector. More attention must be paid on the efficiency of road transport management. S. Brushett (2005) said efforts must be concentrated on three areas - mainly on the establishment or creation of effective structure to manage the road transport programmes, also strengthening of government supervision and exploitation of innovative technology to reduce the expenses. The peculiarities of road transport management in foreign countries are considered in this article, on the basis of considered experience of the developed countries, conclusions were made concerning the expediency of introduction and possibility of the basic mechanisms and elements' use in the Republic of Kazakhstan. It is set that the developed states distribute duties effectively enough by strengthening of management process and checking of financial means system for the improvement of road coverage quality and its exploitation. Some elements of this system can be recommended for introduction in practice of management and distribution in road transport industry of the Republic of Kazakhstan.

**Key words:** Management • Road transport economy • Foreign experience • Road net • Infrastructure • Legal regulation

### **INTRODUCTION**

Functioning of different directions in transport management was investigated in scientific works of many scientists like: S.Alabyan [1, 2], G.S. Belyakov [3], V.N. Bugromenko [4], S.J. Yelisseyev [5], G.J. Mirzayants [6], G.A. Moiseyev [7] and other authors. And there are also foreign authors that investigated the problems of road transport industry of different countries like K.Sess [8], Enei [8], Munro J.M. [9], Heggie, I.G [10] and others. In spite of the breadth of problems' study of road transport management, there is a necessity of perfection of this process, in particular on the basis of foreign experience monitoring and grounding of introduction possibility in home practice. The expressions about high quality of road transport coverage management in developed countries, coming from what it is possible to talk about expedience of its approbation in the conditions of certain country are given in the works of authors.

The aim of the given scientific work is forming of suggestions on perfection of management process of the road transport economy of the Republic of Kazakhstan using the foreign experience study.

Propounding of the problem and its connection with important scientific or practical tasks. The proper functioning of transport is important direction of state administration in every country. The indexes of the economic state mainly depend on the level of highways' infrastructure development that connect territories in the middle of the country or conducting to territories of other states. Efficiency of transportation of cargo, capacity of transport, size of expenses on maintenance of cars and also image of motor transport companies and sizes of receivables from them in the budget of country depend on the quality of road transport economy management. In spite of the fact that different administrative approaches are realized in this industry in the Republic of Kazakhstan

and quality highways are built, there are many miscalculations, among that the main problem is the high cost of transport infrastructure maintenance and bad state of motorways.

The given situation testifies to the necessity of application of other approaches in management of road transport economy, which is possible by means of foreign experience study with the purpose of further introduction in practice. In many countries of the world, in particular Western Europe, East Asia, North America, the control above the state of motor transport industry has high efficiency, we can see it in the maintenance of road coverage, in the operation speed of reacting on changes in goods turnover, the timely response upon requests and wishes of public organizations connected with a transport infrastructure. Similar experience is extraordinarily important for the Republic of Kazakhstan, therefore a research theme in this article is actual for a modern theory and practice.

Exposition of basic results of research with their grounding. One of the major elements of economy of the Republic of Kazakhstan is a network of trunks and highways. Level of efficiency of its functioning and steady development are the necessary condition of providing of the economic growth, withholding of integrity and safety of state territories, improvement of public transport service and also creation of pre-conditions of entry into the qualitatively new level of life support system. A problem of support of economic indicators growth rate is among priorities in the strategic plans of country's development. The existent necessity of the operative moving of goods is a success of economy from a transport infrastructure, in particular, from highways.

In the conditions when the existent mechanisms of management show the ineffectiveness of motorways, it is wise to appeal to foreign experience of the investigated problem's regulation. So for example, Jill A. Hough, Ayman G. Smadi and John D. Bitzan (1997) [11] offer introduction of innovative methods of financing in road industry. As foreign practice of reformation of road transport economy management shows on the level of country and regions, in many developed states during the last decades funds are allocated on infrastructural projects with the purpose of stimulation of regional development [2]. It is necessary to mark that on the research results of the road coverage state in the Republic of Kazakhstan in 2012, it was set that about 70% of highways need major repairs and reconstruction that

testifies to the high degree of their accident rate. No more than 14% of the roads are in the proper state and 16% of the roads are in the state of useless for exploitation [12].

In many countries of the world the development of road transport infrastructure in accordance with the necessities of economy and people, is one of the basic functions of governmental control bodies' management. In highly developed countries priorities of creation of roadnet were accepted on the basis of state position papers that have possible parameters of roadnet development and adequate volumes of financing that allowed attaining of a perspective plan and promoting the socio-economic terms of population life.

As we know, quality of roads in Germany is high, but lately, the German roadnet goes into a decay and principal reason are a climate and overfalls of temperature [13]. But however a management mechanism of a road transport economy in Germany can be valuable enough for the Republic of Kazakhstan. In this country existent approach to the road transport economy management at the level of the state is characterized by considerable flexibility and adaptability. In addition, the local organs of management are provided with wide possibilities and totality of plenary powers at all levels of management of country's road transport economy is clearly differentiated and defined on the legislative level. In particular, the law "On the motorways of federal value" allows a considerable part of plenary powers to pass from a federal level to federal territories [5]. Thus directly at local level, problems concerning building and exploitation of state roads are accepted by the Supreme landed departments on problems of road transport economy. As a result of existence of such mechanism, building and exploitation of federal highways of Germany is provided by the Supreme landed departments.

It means that the effective functioning of country's road transport infrastructure directly depends on good organization of local authorities. If we consider possibility of similar experience in the Republic of Kazakhstan, then such situation can have both pluses and minuses. Among pluses it is needed to mark the absence of necessity of distribution of large amounts of money on financing of roads repair and building from the budget of country, because resources are mobilized at a regional level. To the negative sides of decentralization of management the belongs the necessity of control level increase above the observance of road transport legislation and intended use of funds on a roadnet. Such situation requires the special attention during approbation of the system.

Considerable attention causes a foreign experience of the legal adjusting of road transport economy management. In legislation about highways the legal frameworks of road infrastructure functioning are expounded and also the competences of the authorized government and management bodies are prescribed. For example, the road code of France at legal level regulates plenary powers of state bodies on that highways management functions are laid [7]. In the area of roads building and repair decisions are made by the administration which is responsible for road maintenance. The accepted by this public institution the events are obligatory for execution, only on condition that through some term after its publicity other organs do not pull out the objections. In the road code of France positions are prescribed for adjusting and determination of order of road transport complex functioning. According to a code, in France the system of plenary powers and state administration of road transport economy is divided into three levels.

High quality of road coverage in this country testifies to sufficient efficiency of similar control system of a road transport infrastructure. Therefore it is possible to inculcate some elements of control system functioning complex of France in the Republic of Kazakhstan. It is interesting enough a management mechanism of a road transport economy in Spain; this function is carried out by Main administration of roads, being a structural link of the Ministry of social works. The control above the state and service ability of highways in Spain is carried out by 3 basic establishments, the Central administration of road

management, regional Governments of highways in 17 territorial neighbourhoods, local governments at the level province are among them. The Central administration of road management is accountable for planning of works, realization of road building located on some territorial neighbourhoods and also in the scale of country. Governments in regions are responsible for the same questions, exceptionally for the own network of highways. At the level of provinces local governments are responsible for roads in the lines of provincial earth. As Spanish practice shows, road transport economy management has multilevel distribution on public institutions, here plenary powers of establishment of every subsequent level limit after a territorial sign. Actually every area of road has the triple regulation, what improves quality of motor car overpasses. Principal reasons of development lag of road transport economy in the Republic of Kazakhstan from international practice are in not simultaneous realization of reforms, ineffective management of road transport industries, lag of updating of the normative legal providing of roadnets' adjusting and also insufficient financing and imperfections of this mechanism.

Research materials about the state of highway funds in the USA, Israel, Japan, France, Germany etc. show that maintenance, repair and building of new roads comes true due to the facilities accumulated in highway funds [3]. Balance of money of highway funds is managed by the transport services for the use in case of necessity on the having a special purpose setting. Such politics allows to have permanent reserve of monetary resources,

Table 1: Offered elements for the construction of management system of road transport economy of the Republic of Kazakhstan\*

Elements	Characteristics
Control bodies	Multilevel control system after territorial principle with possibility of independent acceptance of decisions according to the orders of central supervisory organ in road transport coverage of country.
Normative and legal providing	The same for all subjects list of normative acts with a difference on a location and location of highways. It will allow to bring activity of road transport services to the single standards and equality of the accepted measures interpretation by repair, building or care of road net.
Multipleness of care and repair of roads, politics of building of roads	Adherence of technology and recommendations of experts on repair and care of roads. Building must be carried out within the framework of the worked out program of road transport infrastructure development.
Financing of road-transport economy management	Creation of reserves fund of monetary resources, which can be distinguished at any moment with permission of a central supervisory organ of road transport coverage of country.
A material and technical base	Permanent updating of material and technical base, novelties' study in structure industries of road transport coverage, increase of budget expenses and off-budget resources on financing of logistical support of road-transport economy.
Human resources	Bringing in of foreign specialists for educating of personnel to road transport business, bringing in of only skilled specialists to implementation of profile works, permanent in-plant training.
Innovative and project works	Planning of new roads on innovative basis, envisaging introductions of effective novelties in the areas of road building.

\* worked out by the author on the basis of [4; 6; 10; 14]

but not their absence, that provides the timely care of road coverage and its exploitation. For the Republic of Kazakhstan such approach is acceptable too, as existence of investment resources supply in road transport industry will serve for the good of national economy development, as observed in the developed countries. On the whole, coming from foreign experience, for the Republic of Kazakhstan it is possible to offer the next elements of a management system of road transport economy (Table 1).

Taking into account the described suggestions in management in the Republic of Kazakhstan it is possible to increase considerably the efficiency of highways exploitation of road transport economy and create favourable terms for development of a transport infrastructure. Because as world experience shows, from investing of funds in infrastructural projects the government of foreign countries gets not only quality results but also indirect revenues as an increase of turnover of goods, increase of carrying capacity of motorways, increase of amount of tourists, cost cutout on repair of transport.

### CONCLUSIONS

Experience of foreign countries shows that management success of road transport economy is stipulated by the debugged mechanisms of multilevel roadnet management after territorial principle, presence of the special funds of financial means that constantly have resources. The important moment is that road coverage at the level of public organs management is taken into account not as the specially taken place for transport vehicles traffic, but as one of the basic factors of national economy efficiency and special attention will be paid to it. Therefore in the conditions of home practice it is needed to change the attitude toward motorways and reform the management politics of road transport economy, referring to developed countries.

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