

## Legislative Ensuring Innovative Activity in the Republic of Kazakhstan

*Gulnara Useinova, Karlygash Useinova and Djamilya Ospanova*

Al-Farabi Kazakh National University, Almaty, Kazakhstan

---

**Abstract:** The article represents an analysis of the qualitative condition of legislation in the Republic of Kazakhstan, which regulates innovative activity and it points to the complex nature of the formation of national innovation model. The theoretical development provides the nature of innovative activity regulation with categories and concepts, principles for the construction of national innovation systems and its main components. In this article legal regulation of innovative activity in the Republic of Kazakhstan taking into account existing provisions, transformations and the taken measures of regulatory impact on the innovative sphere is considered from the state that allowed to formulate recommendations about legislation improvement in the field. The legislative normative acts of the Republic of Kazakhstan establish the most general principles, aims and tasks of innovation activity regulation, but it is necessary to define specific mechanisms and levers for their implementation.

**Key words:** Human rights and Freedoms of man and citizen % Legal support % Government % Innovation

---

### INTRODUCTION

Innovative activities - a practical use of innovative scientific and intellectual potential in mass production in order to obtain a new product that satisfies consumer demand for competitive products and services. An important feature of this work is the innovative activity - targeted support to high susceptibility of plant personnel for innovation through focused management structures and methods. Innovation itself is characterized by the acceleration of the creation of innovations and their diffusion, which contributes to the deepening and expansion of the structural changes in the economy, increase the size of the market and to meet the existing and emerging needs [1].

The importance of encouraging the innovative activity is recognized by the absolute majority countries in the world. One of the main ways of state support and encourage such an activity – state strategies. In the US President Obama’s Strategy for American Innovation is emphasized that “America’s future economic growth and international competitiveness depend on our capacity to innovate” [2, p.3].

The normative and legal regulation of innovation activities is extremely important for the provision of innovation development. A general review of the

legislative and normative acts for the innovation development of CIS countries bears witness to the fact that, despite the presence of rich foreign experience and the adoption by the CIS Interparliamentary Assembly of a model law relating to innovation development, in CIS countries specific differences in approaches to the formation of such acts exist. Therefore, in a number of countries general framework laws on innovation activities (Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan and Ukraine) have been adopted or are being developed [3, p.14]. Of those countries the most active work in this area is being done in the Republic of Kazakhstan.

To date, one of the main goals is to become Kazakhstan's our state's 50 most competitive countries of the world. President of the Republic of Kazakhstan Nursultan Nazarbayev has rightly pointed out that Kazakhstan - a successful state with its own face, its features and its position. [4] Since its independence, Kazakhstan has surprised the world community for innovation in public administration, education, health, financial and many other areas of society and the state. Kazakhstan has the world's first nuclear-free strategy, led by the OSCE, the SCO has become a member in 2012, won 51 seats among the most developed countries in the world, will hold the World's Fair - \*EXPO 2017", which will give a new impetus to the development of our economy,

is scheduled to resume the "Great Silk Road "program - " Western Europe - Western China ". The new strategy of development of Kazakhstan-2050 aims to address global and vision designed to respond to the current challenges and create the conditions for the formation of a strong and competitive economy, sound social policy, high-tech industrial sector.

**The Main Part:** Address of the President of the Republic of Kazakhstan not simply determines by messages the policy direction and by means of the subsequent extensive discussions of ideas of the Message among the people it consults on the people and its offers considers in the specific actions. According to article 49 of the Constitution the Parliament of RK is the supreme representative body of the Republic which is carrying out legislative functions [5]. The parliament of RK is one of the main parts of an institutional component of the constitutionalism, one of important parts of the mechanism of fixing, providing and security of human rights and the citizen [6]. The new structure of Parliament, its extended competences, the increased opportunity more deeply to reflect will of the people allow to create more perfect laws adequate to new conditions of development of economy, making legal bases of achievement of its competitiveness in the world market, capable to provide economic independence of our country, our state and meeting the requirements and to calls of the modern world [7]. Parliaments in foreign countries also carry out various functions, have the various volume of competence. But, as a rule, all of them to some extent carry out function of fixing, expansion and protection of the rights and freedoms of citizens, especially through the legislation.

Before giving a description of the regulatory framework of the state innovation policy of Kazakhstan is considered appropriate to give some examples of regulatory innovation in foreign countries. In Germany, there is no special law providing comprehensive promotion of innovation. Economic policy in Germany at the present stage of development is based on a comprehensive program of the Strategy for the development of high (Information Technology) 2020, adopted in 2007 [8]. The strategy is aimed at the development of information and communication technologies as a key driver of innovation, includes measures to strengthen the ties between industry, R & D sector and the market, as well as measures to support small innovative enterprises. The strategy covers five through 17 and Sectors of national innovation policy [9].

In order to ensure innovation and development of high-tech industries and the implementation of research and development in the United States has adopted a number of laws, authorizing funding for special programs and the use of market mechanisms: the Law on the Organization and priorities for science and technology policy defines the principles of the national policy on science and technology, Act of the Stevenson-Wydler Technology Innovation (1980) states that technology and industrial innovation are central to the economy and welfare of American citizens are aimed at improving the lives of citizens, increasing the productivity of public and private sector, etc. Act Baia Share ( in 1980), is a major in the field of intellectual property, as well as for financial support by the state science and innovation has developed two programs - Small Business Innovation Research SBIR program and the transfer of technology to small business STTR [8]. In 2006, the U.S. adopted a program promoting technological competitiveness ACI, aimed at promoting innovation and technological development and to strengthen its leading position in the global technology market [10].

In a series of basic strategic five-year plan, in 2006, Japan had developed a document "Innovation Initiative - 25", which defines a "comprehensive development areas", each of which is formed around innovation and human reflect the main trends of the modern world [11]. The document identified 60 breakthrough technologies, presents different scenarios of innovative development, based on the work of the Scientific Council of Japan and the National Institute of technological foresight science and technology policy. [5] Japan is still behind the U.S. and major Western European countries in the product innovation breakthroughs, so it has a dual strategic objective: to strengthen the capacity to develop new products and maintain a certain superiority in the field of production technologies.

Currently, innovation in Kazakhstan is regulated by the following legal acts: the Act of "Science", the Law "On innovation activity" program on forced industrial-innovative development of Kazakhstan for 2010 - 2014 years, the Law of the Republic of Kazakhstan "On state support for industrial innovation ", providing measures of state stimulation of industrial and innovation. The Strategy-2050 President of Kazakhstan NursultanNazarbayev instructed the Government to develop a detailed plan for the next phase of industrialization. According to the President, "the world has entered a period of global mega-changes. Center of the global economy is rapidly shifting towards the

Asia-Pacific region ". [1] Claiming new course of development of our country by 2050, the Leader of the Nation of Kazakhstan gave a clear signal - to be among the 30 most developed countries of the world.

The law of the Republic of Kazakhstan "About the state support of innovative activity" establishes legal, economic and organizational bases of stimulation of innovative activity in the Republic of Kazakhstan and defines measures of its state support. The purpose of the state support of innovative activity is the creating favorable conditions for development of innovative activity.

The basic principles of the state support of innovative activity are: 1) observance of national interests at implementation of innovative activity; 2) priority of innovative activity for increase of competitiveness of national economy and ensuring national security; 3) equality of subjects of innovative activity when receiving the state support; 4) economic efficiency and productivity of the state support of subjects of innovative activity; 5) complexity and the systemacity providing continuous interaction of subjects scientific and scientifically - technical activity and subjects of business for the organization of innovative activity; 6) ensuring innovative activity with highly qualified personnel. [12].

#### **The State Support of Innovative Activity Is Carried out in the Main Directions:**

- C Stimulation of innovative activity by creation of organizational and economic conditions, including investments providing attraction for realization of the state innovative policy;
- C Definition of priorities of innovative development;
- C Formation and development of innovative infrastructure;
- C Participation of the state in creation and introduction of innovations;
- C Advance of domestic innovations on foreign markets;
- C The international cooperation in the sphere of innovative activity, including a transfer of technologies.

#### **The State Support of Innovative Activity Is Carried out in the Main Forms:**

- C Participation in creation of specialized subjects of innovative activity;

- C Creation, coordination of activity and further development of existing national institutes of development;
- C Implementation of innovative projects at the expense of budgetary funds;
- C Granting innovative grants on the conditions determined by the budgetary legislation of the Republic of Kazakhstan and Law;
- C The organization of staffing of innovative activity, including by training in bases of innovative management;
- C Creation of the necessary organizational, legal and economic conditions providing attraction of investments for realization of a state policy in the field of innovative activity.

For implementation of effective state innovative policy of the state, the Government of the Republic of Kazakhstan develops the main directions of a state policy in the field of innovative activity and takes measures for its realization. The authorized body in the field of innovative activity develops the state, industry (sectoral) programs aimed at the development of innovative activity and drafts of regulations on stimulation of innovative activity. Local executive bodies realize the regional programs aimed at the development of innovative activity within the powers and provide them legal and organizational support.

The state has the right to participate in creation of specialized subjects of innovative activity. Physical and (or) legal entities can be founders of specialized subjects of innovative activity. Local executive bodies and also the legal entities created with participation of the state for assistance to innovative activity can take part in authorized capital of specialized subjects of innovative activity. Technological business - incubators carry out the following kinds of activity: granting on terms of the contract is material - the technical base necessary for creation of innovations; granting on terms of the contract of works and the services necessary for registration of demands for obtaining security documents on objects of intellectual property; granting on terms of the contract of works and the services necessary for preparation of the innovative project, including rendering assistance in preparation of the technician - an economic justification of the innovative project and documents for financing of the innovative project; rendering assistance in attraction of investments for implementation of innovative projects;

rendering assistance in the organization of subjects of the small and average business which is carrying out innovative activity.

Science and technology parks carry out granting on terms of the contract financially - technical base, including granting office rooms and production bases, access to laboratory equipment, communications and other objects necessary for implementation of the innovative project, including stages of carrying out is skilled - design development, tests for certification and standardization of new technological processes, goods (works, services) and the beginnings of a mass production of goods (works, services); training in bases of innovative management; creation of conditions for involvement of the organizations providing consulting services to subjects of small and average business, located in the science and technology park territory; advisory councils can be created.

Innovative funds carry out the following primary activities: 1) financing of creation and introduction of innovations; 2) search and attraction of financial means for realization by subjects of small and average business of innovative activity; 3) rendering marketing, advisory and administrative services to subjects of innovative activity. Innovative funds are obliged to book audit of annual financial statements.

The national innovative fund is the commercial organization in the form of the joint-stock company created on the decision of the Government of the Republic of Kazakhstan as which only shareholder the national management company acts.

The purpose of activity of National innovative fund is increase of the general innovative activity in the country, including assistance to development of hi-tech and knowledge-intensive productions. Tasks of National innovative fund are: 1) not control participation in authorized capital of innovative funds and the investment funds which are carrying out financing of creation and introduction of innovations; 2) financing of creation and introduction of innovations by individual not control share in authorized capital of the invested companies and (or) financial leasing; 3) development of innovative infrastructure; 4) advance of domestic innovations on foreign markets; 5) development of the international cooperation in the field of transfer, loans and developments of innovative technologies, their commercializations and introduction.

For Kazakhstan and for any other country, to stay the course of building an economy based on knowledge, particular importance is the development of scientific and

engineering capability. In this regard, important areas are the development of the research sector, the funding of research and development, skill level researchers.

Global experience demonstrates the need for decentralization of financial support for innovative projects. [9] It is very important to enable the region to participate in the formation of regional innovation policy and financing. The need to develop inter-regional competition in obtaining budgetary funding, which will be the development of innovative capacity of regions. In order to ensure high rates of annual growth rates of innovation development in market conditions requires deliberate government policy, not only in innovation and science and technology, but also in the socio-economic sphere. Evidence of this can act as the fact that the Head of State of Kazakhstan was proclaimed a course for Kazakhstan in the 30 developed countries, the adoption of a number of important documents - a state program of development of the country's infrastructure, the adoption of the program of development of agriculture and a number of other documents relating to the social, educational, science and health.

For legislative ensuring implementation of the Program of National innovative system the Law of the Republic of Kazakhstan "Was adopted about the state support of innovative activity", providing measures of the state stimulation of innovative activity [12]. The law established main objectives, the principles, the directions and forms of the state support of innovative activity, participation of the state in creation of specialized subjects of innovative activity, such as science and technology parks, technological business incubators and innovative funds is regulated. Within development of financial infrastructure in 2003 it is created and the fund which main objective is increase of innovative activity and assistance in development of hi-tech and knowledge-intensive productions functions National innovative. Now the Fund is a part of the state holding JSC National Welfare Fund Samruk-Kazyna which main objective is management of system of the state institutes of development of the Republic.

Institutes of development carry out financing of projects at all stages of a design cycle and also give information and institutional support: Center of marketing and analytical researches, Center of engineering and transfer of technologies, Fund of development of business "Damu"

For effective functioning of the mechanism of commercialization of research and development in Kazakhstan the network of national and regional science

and technology parks is created. The purpose of their creation is formation of industrial complexes in the most important perspective branches of economy and creation of productions with the high value added, the advanced technologies based on use and innovations. Further development of science and technology parks in Kazakhstan is urged to solve problems of strengthening of ties of science with production, introductions of modern technologies, labor productivity increases in the industries and, as a result, productions of hi-tech and competitive production.

### CONCLUSIONS

Legislative innovating states were the subject of research. Actual problems of governance (regulation) innovation are reflected in the works of these scholars in constitutional law: Aitkhozhina, Amandykovoy, Ascheulova, Ayupova, Baymahanova, Baymahanovoy, Duisenova, Zhanuzakovoy, Zhirenchina, Zimanova, Kopabaeva, Kotova, Kubeeva, Malinowski, MamonovNurpeisov, Sabikenova, Sapargalieva, Sartaeva, Chernjakova, Shaikenova.

And individual experts in the field theory of law and philosophy of law, dedicated to innovation, their nature and content. These are works of scholars such as Dosaliyev, Ibraeva, Kenzhaliev, Userov, Kuandykova, etc.

A special place among the works is fundamental monograph Kim V. "Creation era ", dedicated to the analysis of political and constitutional and legal views of the First President of the Republic of Kazakhstan N. Nazarbayev. [9] In this work, Kim V. reveals the main ideas expressed by the President, shows their practical importance, the sources and terms of Kazakhstan's model of a stable society, the role of the Leader of the Nation of Kazakhstan in integration processes in Eurasia and the integration of sovereign states in the former Soviet Union.

At the present stage of development of administrative law in the context of accelerated development of this innovative project theme was reflected in the works of authors such as Alibaeva, Zhetpisbaeva, Zhatkanbaevoy, Podoprigora, Sabitov, Taranova, Taytorinoy, Uvarov, etc.

Significantly to the development of human rights issues was made by well-known scientists from Kyrgyzstan as Beyshembiev, Mukambaeva, as well as such well-known scholars from Uzbekistan, as Mukhamedzhanov.

Work on governance innovation and the legal status of the subjects of these activities should be noted authors such as: Avtomomov, Ayvazyan, Alehin, Bachilo, Vedeneev, Gordeeva, Lazor, Lange, Lapaeva, Piskotin, Petrov, Rassohin, Rassudovsky, Ring, Soyfer, Supataeva, Starilov, Fedkin, Fil and a number of other scientists.

Kazakhstan has chance to pass own way to innovations most successfully and to stand in a row with world leaders of innovations. For this purpose Kazakhstan has to provide overall performance of all components of the NIS elements. For successful realization of these tasks taking into account tendencies of development of innovations in the country and in the world for Kazakhstan the following recommendations are developed: to strengthen system of interaction of all elements of innovative infrastructure; it is necessary to continue practice of quality standard of activity of government bodies and development institutes; to strengthen a role of universities and the research centers, by strengthening of their ability to transform ideas to innovative projects and to focus the work on requirements of industrial sector.

### REFERENCES

1. Esenova, G.Z.H., S.T. Ziyadin and A.K. Ibrayeva, 2011. Prospects of development of innovative activity in Kazakhstan.//the International Economic Forum. pp: 5.
2. A Strategy for American Innovation, by National Economic Council, Council of Economic Advisers and Office of Science and Technology Policy. The White House Publishing, Degember, 2011. pp: 3.
3. Recommendation to Strengthening the Role of Innovation Enterprises of the Countries of Commonwealth of Independent States, by the Division for Certain Countries in Europe and Asia of WIPO// World Intellectual Property Organization, 2012. pp: 14
4. Address of the President of the Republic of Kazakhstan - the Leader of the nation N. Nazarbayev to the people of Kazakhstan "Strategy "Kazakhstan-2050": new political policy of the taken place state", 2012. Astana, Akorda, 2012.
5. Constitution of the Republic of Kazakhstan, 1995. August, pp: 30.

6. Kim, V.A., 2005. Creation era. Analysis of socio-political and constitutional and legal views of the First President of the Republic of Kazakhstan. Almaty. pp: 448.
7. Kusainov, D.O. and D.A. Ospanova, 2012. Improvement of institute of popular representation Republic of Kazakhstan. European Science and Technology: materials of the III international research and practice conference, Vol. II, Munich, October 30<sup>th</sup> - 31<sup>th</sup>, 2012. / publishing office Vela Verlag Waldkraiburg. Munich. Germany. pp: 243-246.
8. Research, Innovation and Technological Performance in Germany, 2011. BMBF. Report. Berlin 2011. pp: 190.
9. The report on tendencies of development of innovations in the world and in RK: JSC NIF, Center of analytical maintenance of innovative processes, 2011. pp: 200.
10. Leontyev, B.B., 2011. Innovatsionaya of the politician of the USA. / Portal of 9000 Innovations Magazine. - 1 3 (10) May. pp: 7.
11. Kiselyov, V.N., D.A. Rubvalter and O.B. Rudensky, 2011. Innovative policy and national innovative systems of Canada, Great Britain, Italy, Germany and Japan//Bulletin "Innovative Systems of Foreign Countries". pp: 71.
12. Law of the Republic of Kazakhstan, 2006. 23.03. pp: 135-III. "About the state support of innovative activity"