

MANAGEMENT

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METHODICAL APPROACHES TO IMPROVE THE PROCESS OF MAKING STRATEGY-RELATED DECISIONS IN MANAGING THE REDUCTION OF CORRUPTION

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Abstract

Corruption is a systemic threat to the security of the Eurasian economic Union (EEU), threatens stability and hinders the ongoing economic and social reforms, the creation of investment unattractiveness, multiplatinum growth of crimes in the sphere of legalization of crimetion of income and the financing of terrorism. Of the five countries participating in the EEU for a major share in the total gross domestic product of Russian Federation (84%) and Kazakhstan (11%) [1], in materials which were tested methodological approaches proposed in the article.

Keywords: level of corruption, legalization of income, structure of corruption crime, anti-corruption service, clusters of corruption

The study for the Russian Federation was estimated close statistical relationship between the level of corruption and the legalization of income obtained by criminal means, the correlation coefficient of 0.91, coefficient of regression of level of corruption on the level of legalization of income obtained by criminal means was 1.1 [2].

According to statistics of the Committee on legal statistics and special records of General Prosecutor's office of the Republic of Kazakhstan for the period from 2012 to 2014 revealed 4630 corruption crimes is an average of about 1 thousand crimes a year[3]. The structure of corruption crimes in the Republic of Kazakhstan is represented in Fig.1

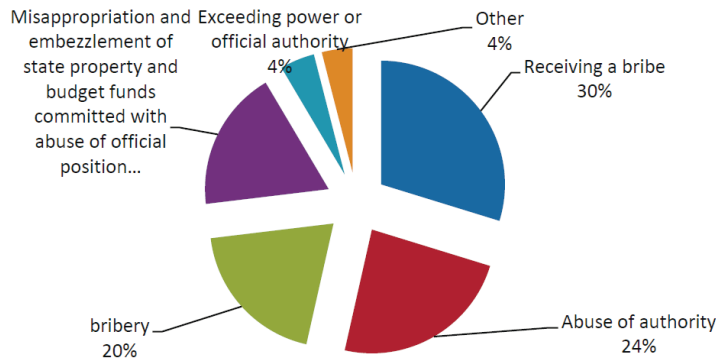


Fig 1. Quantitative structure of corruption crimes in the Republic of Kazakhstan.

The most corrupt spheres in 2015 in the Republic of Kazakhstan were:

- public procurement;
- activities of internal Affairs bodies;
- land tenure and licensing;
- customs and tax area [4].

The main corruption offences in terms of the total damage in monetary terms are: Abuse of power -42%, Bribery -24%, Fraud -9%, Forgery -9%, Misappropriation or embezzlement of entrusted other people's property -7% [5,9].

Strategic decisions in the management of lower levels of corruption based on the assessment of corruption risks and develop preventive measures to mitigate them[8] . As a tool for corruption risk assessment in the context of regions of the Republic of Kazakhstan we applied the matrix, constructed on the basis of rating of corruption crimes in the sphere of corruption using data from the anti-corruption service of the Republic of Kazakhstan for 5 months of 2015 year.

For the analysis the following areas of corruption were highlighted :

- Irregularities in the implementation of government programs (GPs)
- intervention in small and medium enterprises (SME)
- government procurement (Gpt)
- taxation (Tax)

- land area (Land)
- education (Edu)
- healthcare (HC)
- agriculture (AC)
- construction sector (Con)
- the activities of the investigative bodies of internal Affairs (Police)
- administrative activities (road) police (RP)
- the activities of customs authorities (Cust)

The results of estimating the overall risk of corruption in the regions of the Republic of Kazakhstan are presented in table.1. Applied methodological approach - matrix of ratings of corruption in the spheres of corruption in the regions allows us to give a collective assessment of the corruption risk in the regions of the Republic of Kazakhstan.

Study of impact on the sphere of corruption the level of unemployment in the regions was carried out using the rate of unemployment, calculated by the number of registered unemployed [6,10].

Further identified correlation of unemployment rating summary - ratings of corruption risks in the regions of the Republic of Kazakhstan (table 2)

Further studies were related to determination of the coefficient of correlation of unemployment with separate spheres of corruption, was obtained the significant results , presented in table.3

The ethical status of the population of the regions of Kazakhstan and anti-corruption culture were studied on the base of statistical relationship between population and the number of corruption crimes (Fig.6).

Sectoral and regional structure of the rating of corruption given the opportunity to identify regions with a high risk of corruption. Five leaders are in South Kazakhstan region (SKO), Zhambyl region, Astana, Akmola region, Kyzylorda region (Table 1.)

Assessment of Regional severity rating of corruption crimes has shown a leadership role in the capital region. The most serious corruption, taking place with the participation of heads of regional level, which are geographically in the Metropolitan area.

Visually, the extreme points of the ranges are closely correlated (fig.2), however, the whole range of the rating of corruption risk (response) and rate of unemployment (factor) correlation coefficient is 0.54, visible correlation.

This result is hardly acceptable in the strategic management of reducing the overall risk of corruption, reducing unemployment, it is impossible to linearly reduce the level of corruption [11].

Determined noticeable correlation coefficients (more than 0.5 on a scale of Cedoca):

- an inverse relationship between the unemployment rate (factor) and the level of corruption intervention in SMEs (response). Conclusion from the

analysis - the reduction of unemployment and increase of employment in small and medium business leads to growth of corruption risks (Fig.3).

- a direct link between the unemployment rate and the level of corruption risk in the tax area. Conclusion: the increase in unemployment affects the detection of corruption crimes in the tax sphere (Fig.4).

Table 1- Rating of corruption risks

Region/scope of corruption	GPs	SME	GPI	Tax	Land	Edu	HC	AC	Con	Police	RP	Cust	Total	rating
Akmola oblast	3	4	11	3	12	9	4	11	2	9	8	10	86	4
Aktobe oblast	9	5	5	4	15	13	13	7	8	13	14	7	113	10
Almaty oblast	5	9	7	4	1	8	15	9	14	10	5	4	96	6
Almaty	16	13	16	5	16	11	5	12	11	6	2	3	118	13
Astana	4	14	13	1	3	10	12	5	9	4	4	3	82	3
Atyrau oblast	10	8	8	11	13	4	1	16	4	16	16	11	118	14
East Kazakhstan oblast	6	6	3	6	9	3	14	13	3	15	11	8	97	7
Zhambyl oblast	2	15	4	7	10	5	8	10	7	2	7	2	79	2
West Kazakhstan oblast	15	10	12	10	7	15	3	6	6	13	13	12	110	9
Karaganda oblast	12	16	10	12	10	6	9	14	15	11	12	13	135	16
Kyzylorda oblast	11	2	10	13	11	2	6	2	5	12	6	14	86	5
Kostanay oblast	1	11	1	8	6	16	16	1	12	5	15	107	107	8
Mangystau oblast	13	1	14	14	14	7	10	15	13	14	9	15	125	15
Pavlodar oblast	14	3	9	15	4	12	11	16	7	7	3	16	114	11
North Kazakhstan oblast	8	7	15	16	8	11	10	4	10	3	10	9	115	12
SKO	7	12	6	2	2	1	2	3	1	8	1	6	51	1

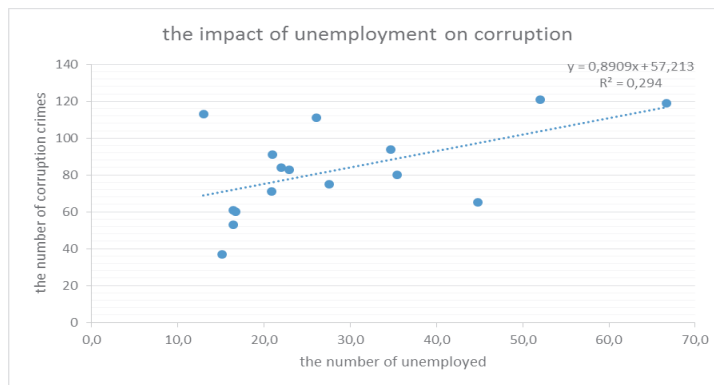


Fig. 2. The statistical link between unemployment rates and level of corruption.

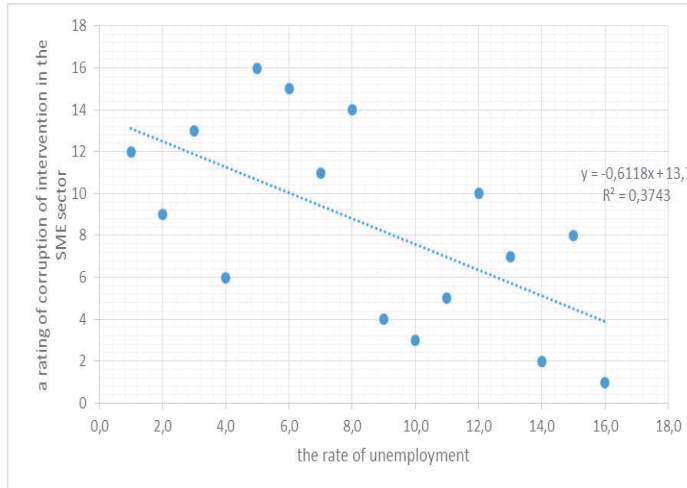


Fig.3. An inverse relationship between the unemployment rate (factor) and the level of corruption intervention in SMEs

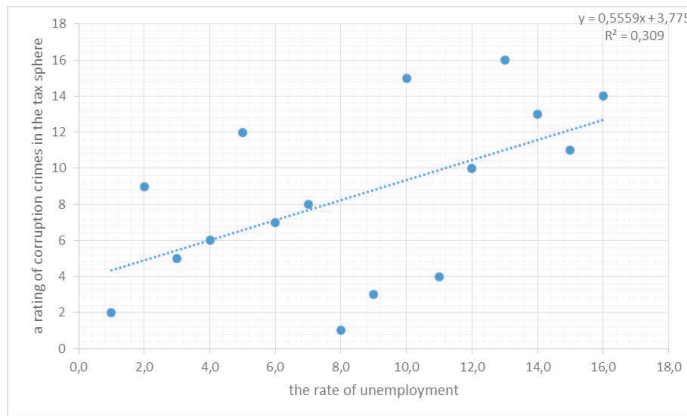


Fig.4. A direct link between unemployment rate and level of corruption risks in the tax sector.

Table 2 shows the calculated coefficients of pair correlation of the twelve spheres of corruption on the basis of which it is possible to identify clusters of corruption in the Republic of Kazakhstan. The following clusters are:
 Cluster "Corruption-related crimes in state programs, fiscal and public procurement";

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Reverse cluster "Corruption in business, tax area, land relations and OVD;

Cluster "Corruption crimes in public procurement, agriculture, state-owned programs and education";

Cluster "Corruption crimes in the tax sphere, the customs service, construction, government programs";

Cluster "Crimes of Corruption in land relations, traffic police, police, sector of agricultural economy";

Cluster "Corruption in the education sector, the construction sector, the sphere of governmental procurements", it should be noted the inverse significant correlation of education and Police;

Cluster "Corruption in the health sector and the construction sector to the level of object relations", it should be noted the inverse moderate relationship with corruption crimes in the sphere of the state-owned procurement and public sector programs;

Cluster "Corruption crimes in the sphere of agriculture, OVD, land relations and state procurement;

Cluster "Corruption crimes in the field of construction, health, education, taxing the field";

Cluster "Corruption crimes in the sphere of the police, agriculture, land relations, to-struction and maintenance of the police", there is a notable inverse correlation with education and entrepreneurship;

Cluster "Corruption in traffic police, land relations, agriculture and customs service.

Table 2 - Cluster analysis of corruption

	GPs	SME	GPT	Tax	Land	Edu	HC	AC	Con	Police	RP	Cust	unemployn
unemployment	0.311765	-0.61176	0.188235	0.555882	0.461765	0.188235	-0.22647	0.088235	-0.00882	0.179412	0.423529	0.252941	1
RP	0.126471	-0.19118	-0.30598	0.379412	-0.21765	0.220598	-0.03824	-0.39412	0.052941	0.005882	0.341176		0.252941
Top	-0.00882	-0.09118	-0.21176	0.255882	0.379412	0.273529	0.061765	0.308824	-0.04706	0.270588		1	0.423529
Police	0.141176	-0.48824	-0.26471	0.088235	0.341176	-0.54118	0.079412	0.476471	-0.13529		1	0.270588	0.005882
Con	0.273529	0.079412	0.270588	0.494118	-0.21765	0.455882	0.541176	0.023529		1	-0.13529	-0.04706	0.052941
AC	0.211765	0.011765	0.376471	0.120588	0.464706	-0.28529	-0.17647		1	0.023529	0.476471	0.308824	-0.39412
HC	-0.36765	-0.05	-0.33529	-0.01176	-0.26765	0.291176		1	-0.17647	0.541176	0.079412	0.061765	-0.03824
Edu	0.073529	0.011765	0.332353	0.108824	0.008824		1	0.291176	-0.28529	0.455882	-0.54118	0.273529	0.220598
Land	0.294118	-0.35882	0.147059	0.023529		1	0.008824	-0.26765	0.464706	-0.21765	0.341176	0.379412	-0.21765
Tax	0.461765	-0.39412	0.129412		1	0.023529	0.108824	-0.01176	0.120588	0.494118	0.088235	0.255882	0.379412
GPT	0.482353	0.061765		1	0.129412	0.147059	0.332353	-0.33529	0.376471	0.270588	-0.26471	-0.21176	-0.30588
SME	-0.21765		1	0.061765	-0.39412	-0.35882	0.011765	-0.05	0.011765	0.079412	-0.48824	-0.09118	-0.19118
GPs		1	-0.21765	0.482353	0.461765	0.294118	0.073529	-0.36765	0.211765	0.273529	0.141176	-0.00882	0.126471

Cluster "Corruption crimes in the customs service, tax service, traffic police, it should be noted a moderate inverse correlation with agriculture.

Recognized clusters reflect the complex interwoven structure of corrupt relations and national-cultural peculiarities.

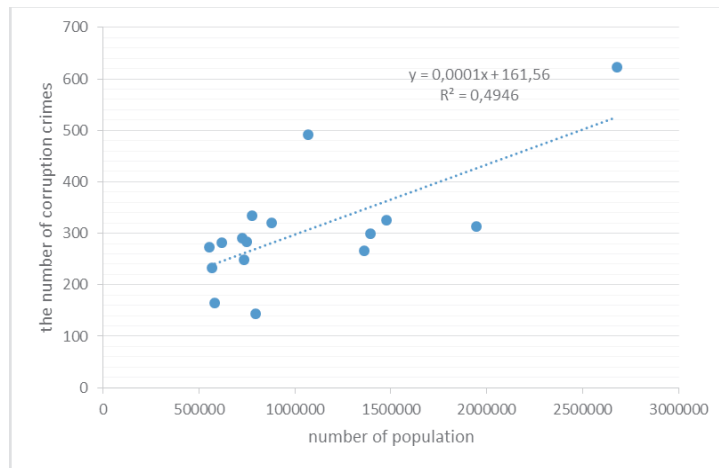


Figure 5. Analysis of anti-corruption ethics.

High power direct connection (Fig.5) says about the moral and ethical homogeneity of the population of the regions of Kazakhstan and confirms the results of sociological research on the necessity of anti-corruption educational work with the population in the Russian Federation, without which measures to reduce corruption are unlikely to be effective [7]

In the process of research has confirmed the low anti-corruption ethics of entrepreneurs in Kazakhstan (Fig.6).

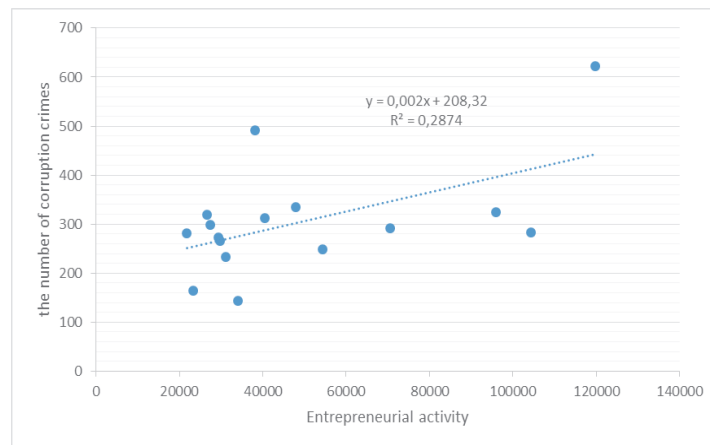


Figure 6. The statistical relationship between corruption and entrepreneurial activity

In the regions of Kazakhstan there is a pronounced buyer's market-entrepreneur of corruption services.

Targeted effects on reducing corruption in the process of making strategic management decisions necessary to conduct the ranking of facilities management in the spheres of corruption to assess corruption risks at the proposed rating matrix, a causal connection based on simple econometric models, to identify the cluster of corruption when described the methods of legal approach and state anti-corruption ethics of population control objects.

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