THE DEVELOPMENT POTENTIAL OF THE CITIES IN THE REPUBLIC OF KAZAKHSTAN

Rakhila RAKHMETOVA
Turan-Astana University, 010000, 29 Dukenuly street, Astana, Kazakhstan
rakhmetova@rambler.ru

Karlygash ZHAKENOVA
NARXOZ University, 050035, 55 Zhandossov street, Almaty, Kazakhstan
karlygash.zhakenova@gmail.com

Nurlybek ISSABEKOV
NARXOZ University, 050035, 55 Zhandossov street, Almaty, Kazakhstan
issabekov@gmail.com

Regina ANDEKINA
NARXOZ University, 050035, 55 Zhandossov street, Almaty, Kazakhstan
andekinaregina@gmail.com

Aigul TAZABEKOVA
NARXOZ University, 050035, 55 Zhandossov street, Almaty, Kazakhstan
aigul.tazabekova@narxoz.kz

Abstract
This study aims at analyzing the level of the social and economic condition and potential of urban development for the further creation of a strategy for the development of territories in the Republic of Kazakhstan. The presented study shows the general results of the matrix analysis of statistical data describing the level of the economic development and social field in 40 Kazakhstan cities. The results of the study allowed the author to group the cities under study and formulate the following conclusions:

- The Republic of Kazakhstan is described by a complex three-level territorial and urban structure.
- Most of the cities surveyed are described by low potential, but the economy is described by stable and sustainable development. The strategy of enhanced development of the economic and social fields is the most suitable development strategy for this group of cities.
- As a result of the study, a small group of the least socially and economically developed cities has been identified. Most of them are mono-cities with inactive or partially operating backbone enterprises.

Development of such settlements should be aimed at reducing the mono-dependence of the economy, creating conditions for the development of multidisciplinary production, including stimulating entrepreneurial activity, infrastructure support, creating an education system, etc.
Keywords: urbanization, cities, mono-cities, socioeconomic development, potential, urban policy.

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

1. INTRODUCTION

Both developed and developing countries are currently experiencing unprecedented growth in urbanization through economic development, industrialization and mass migration. According to the UN, half of humanity (about 3.5 billion people) currently live in cities (OON 2017).

Cities are drivers of economic growth throughout the world because they concentrate most of production and consumption, and urbanization transforms the structure of the nation's economic and social development.

Unlike most developing countries, the process of urbanization in the Republic of Kazakhstan has developed at a moderate pace during the years of independence. The cities of Kazakhstan were formed in the Soviet years as a result of industrialization, discovery and development of mineral resources and virgin lands, as well as the transport construction. The number of cities grew from 19 to 82 from 1920 to 1983. The prevalence of small towns became a characteristic feature of urban development.

Most modern cities in the Republic of Kazakhstan were created and developed during the Soviet period, and this process was subordinated to the interests of the policy of locating productive forces within the framework of the unified economic complex of the USSR. After the collapse of the Soviet Union in 1991, the economy of the Republic of Kazakhstan was an agrarian-industrial economy with a predominantly rural population. The chosen model of political and economic reforms had a significant impact on the decline in the urban population in the country. For example, the level of urbanization decreased from 54.8% to 50.3% in the period of 1990-2001 (Center for economic research 2013). However, there has been an increase in the urban population in the Republic of Kazakhstan over the past 15 years; its level in the total population of the country has reached 57% by 2017.

Kazakhstan is currently going to enter the top 30 most developed countries with 70% of the urban population by 2050. This is why one of the most important tasks of the state policy of Kazakhstan is to ensure sustainable, socially-focused growth and prosperity of cities.

The most important stage in the development of urban programs for the balanced development of the Republic of Kazakhstan is an assessment of their economic potential (Ablova 2015). It must be noted that most of the programs for the development of urban areas in the Republic of Kazakhstan are currently formed without a scientifically grounded assessment of urban areas and identification of efficiency factors for the use of available resources.

Methodological problems providing for the comprehensive assessment of the economic potential of cities with the purpose of using its results in the development of a program of urbanization in the Republic of Kazakhstan become of particular relevance.

2. LITERATURE REVIEW

Methodological aspects of assessing the economic potential of cities and regions are widely explored by both domestic and foreign authors.

Issues of planning the urban development for the purpose of forming active urban processes in Asian countries are explored by Hu H., Geertman, S. и Hooimeijer, P. (Hu, Geertman, & Hooimeijer 2016), You, H. и Yang, X (You & Yang 2017), Shahraki A.A. (Shahraki 2017).

Issues of sustainable development of modern cities were considered in the papers of Zhang, X. and Li H. (Zhang & Li 2018), Klecha L. and Gianni F. (Klecha & Gianni 2018); Freeman R., McMahon C., Godfrey P. (Freeman, McMahon & Godfrey 2017), Albertí J., Balaguera A., Brodhag C., Fullana-i-Palmer P. (Albertí et al. 2017)

Analysis of sensitivity to methodological changes in the assessment of the cities' sustainability based on groups of indicators presented in the paper of Rajaonson J. and Tanguay, G.A. (Rajaonson & Tanguay 2017) is of particular interest.

Exploring the theoretical and methodological approaches to assessing the economic potential of cities allows identifying the two most common methods: indicator and matrix ones.

Indicative methods for calculating the level of sustainable development of urban areas are proposed in the papers of Sun X., Liu X., Li F., Tao Y., Song Y. (Sun et al. 2017); Loureiro I., Pereira E., Costa N., Ribeiro P., Arezes P. (Loureiro et al. 2018); Abedini A. and Karimi R. (Abedini & Karimi 2017).

In the work of Sun X., Liu X., Li F., Tao Y., Song Y, a methodology for monitoring sustainable urban development is presented which is based on a 22-indicator system that takes into account both socio-economic development and the construction of the environmental infrastructure.

According to Loureiro, I., Pereira, E., Costa, N., Ribeiro, P., Arezes, P., cities should be analyzed as working systems with the same needs and requirements in terms of safety and welfare that are considered for other systems. The methodology presented by the authors for calculating the Sustainable Development Index at the municipal level includes indicators of the so-called "professional level" in the city model.

In their applied study, Abedini A. and Karimi R. analyzed the factors affecting the sustainable development of urban areas. On the basis of the two-stage F'ANP model, calculations of composite indicators were made, based on which the zones of the livability of an individual zone urban area were identified.

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

Assessment method using matrix analysis is used in the papers of Yi Z., Liu G., Lang W., Shrestha A. and Martek I. (Yi et al. 2017); Reddy B., Harsha Y., Lingeshwaran N., Asadi S.S. (Reddy et al. 2017); Halepoto I.A., Sahito A.A., Uqaili M.A., Chowdhry B.S. and Riaz T. (Halepoto et al. 2015).

Yi Z., Liu G., Lang W., Shrestha A. and Martek I. disclose strategic approaches to managing sustainable development of urban areas in developing countries. Their study determines the influence of subjective attitudes of people on the actions of stakeholders. Based on people's ideas about the effects of urban renewal, the SWOT analysis was conducted and six potential strategies were identified that could support the development of the Chinese city of Shenzhen. One of the first studies using the strategic tool SWOT to identify the gap between existing resources and the prerequisites for the transformation of the "smart city" is the work of Halepoto, IA, Sahito, AA, Uqaili, MA, Chowdhry, BS, Riaz, T. The authors identified three strategic phases in the process of "smart city" transformation that are related to each other and depend on multicriteria and various parametric factors. Based on the SWOT analysis, an integrative structure is constructed to explain the interrelationships and the impact of these "smart city" transformation factors. A significant contribution to the systematic analysis of the transformation of a smart city on the basis of a matrix assessment of strength, weakness, opportunities and threats to the urban structure was made by Reddy B., Harsha Y., Lingeshwaran N., Asadi S.S. As a result of their study, the authors identified the most preferable sectors for creating and developing a "smart" city.

At the same time, the insufficient use of matrix methods in a comparative analysis of the potential of cities in Kazakhstan must be noted. The methodological aspects of the matrix assessment of the socioeconomic development of the territories require further development (Alberti et al. 2017).

3. METHODS

Matrix assessment was carried out to group the cities by development potential. To do so, statistical data describing the socioeconomic situation were collected for 64 cities. However, only 40 out of 64 cities were selected for grouping due to the lack of unified statistical indicators for cities.Indicators were chosen based on the papers of Professor A. Khodynskiy "Matrix for assessing the possibilities of urban development and municipal formations" and papers of a number of Russian researchers, including Vedenskaya E.G. "Largest cities in the territorial and economic system of the Russian south: economic factors, potential, priorities and development mechanisms in the context of globalization".

A. Khodynskiy relied on the following indicators when analyzing the possibilities of urban development:

- change in the population;
- change in the population characteristics (wealth, education, age);

- change in living conditions – living standards; amount and characteristics of housing, technical infrastructure, medical care, education, entertainment, culture, security, sports, household services; social
- change in the number of objects and assets outstanding city;
- change in the value of fixed assets located in the city;
- change in the number of public facilities;
- increase in the number of business units, mainly services;
- significance of the global product, production in the city;
- city income;
- number of employees, labor productivity per employee;
- income per household;
- city ranking;
- productivity of the city area per 1 square meter.
- Videnskaya E.G. attributed the following to major socioeconomic indicators:
- population;
- average annual number of employees at organizations;
- volume of manufactured products;
- turnover of retail trade;
- commissioning of residential buildings;
- investment in fixed assets.

15 indicators were used in this paper to define the overall state of the socioeconomic development of cities (data for 2015 were selected), which described them as per the following socioeconomic features:

- population, thousand people (at the year-end);
- employable population (thousand people);
- total birth rate;
- total death rate;
- unemployment rate (percentage);
- commissioning of residential buildings (sq. meters);
- subsistence minimum (average per capita) tenge;
- average monthly wage (tenge);
- retail turnover (million tenge);
- volume of industrial production (goods and services) (million tenge);
- investment in fixed assets (million tenge);
- arrears in payroll at large and medium-sized enterprises (thousand tenge);

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

- number of operating legal entities (pcs);
- number of enterprises with innovations (pcs);
- total income of organizations providing services in the field of tourism (thousand tenge).

The authors used a hundred-point grading scale to assess the socioeconomic status of cities. One hundred points were assigned to a city with a high indicator (for example, birth rate), while cities with lower indicators were assigned fewer points depending on their percentage. This method was borrowed from the practice of the Cambridge University School of Science, which developed a quantitative approach to analyzing the state of social well-being. In order to compare cities and identify their socioeconomic status, a number of indicators, such as:

- population, thousand people (at the year-end);
- employable population (thousand. people);
- commissioning of residential buildings (sq. meters);
- volume of industrial production (goods and services) (million tenge);
- investment in fixed assets (million tenge);
- arrears in payroll at large and medium-sized enterprises (thousand tenge);
- number of operating legal entities (pcs);
- number of enterprises with innovations (pcs); and
- total income of organizations providing services in the field of tourism (thousand tenge)
- were processed per capita in these cities. Meanwhile, such indicators as:
- total birth rate;
- total death rate;
- unemployment rate;
- average monthly wage (tenge); and
- retail turnover and subsistence level

were quite comparable, and their analysis required no additional processing. For example, the absolute rate of commissioning of residential buildings will be significantly higher in large cities compared to small cities. When calculating this indicator per capita, the data will be quite comparable for comparison, regardless of the city size. It must also be noted that due to the lack of data for some cities on such indicators as:

- number of operating legal entities;
- number of enterprises with innovations;
- total income of organizations providing services in the field of tourism, regional data were used in the analysis, except Astana and Almaty.

However, these figures were processed as well. For example, the aggregate income of organizations providing services in the field of tourism was found per capita in relation to the indicators of the region, and the number of enterprises with innovations was found in relation to the number of operating legal entities at the levels of the region as well. D. Mlichynsk-Hyde uses a similar technique as a method of research in his paper "Range and Methodology of Research on Intensification of Urban Activities", as well as Marek Rabij in his article "Ranking of Polish Cities: Where to Live? Where to work?" in "Newsweek" journal. Indicators such as population and the number of operating legal entities were used only for obtaining other indicators and were not used in the comparative analysis. Therefore, the number of indicators was reduced to 13. However, clarification of whether high wages were the cause of high subsistence minimum (the indicators for the average monthly wage were defined in relation to the subsistence minimum) led to an increase in the number of indicators up to 14. Due to this, the maximum score in the comparative analysis was 1,400 points.

4. URBAN POLICY OF THE REPUBLIC OF KAZAKHSTAN

The Republic of Kazakhstan is described by a complex three-level territorial urban structure (Figure 1).

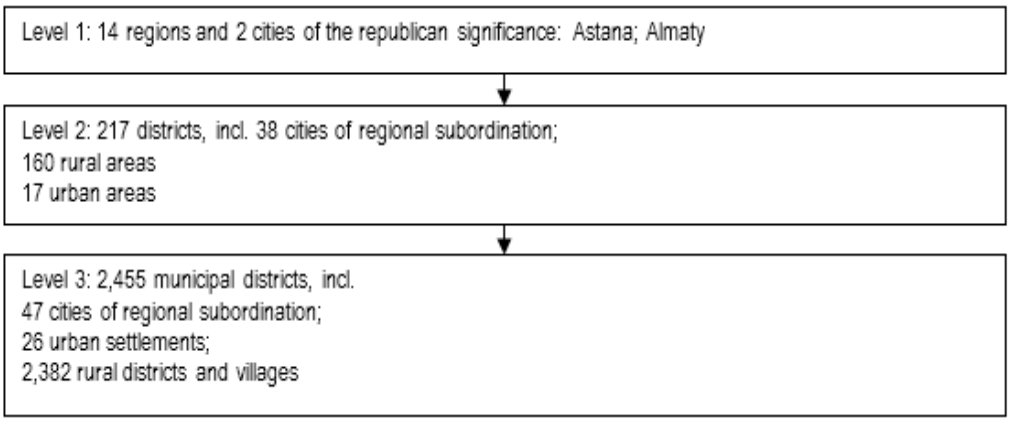

FIGURE 1 - TERRITORIAL URBAN STRUCTURE OF THE REPUBLIC OF KAZAKHSTAN

Once gaining independence, the cities have developed in two directions in the Republic of Kazakhstan. The first direction is the development of the cities of republican significance Astana and Almaty as major financial, cultural and commercial centers of the country with great potential. Having the state significance, these cities fulfill the guiding, fundamental function in the development of Kazakhstan and its economy. The second direction is the formation of the backbone of regional centers and development of the local economy.

Two stages of the development of the cities can be defined since the moment of gaining independence by the Republic of Kazakhstan. There was a sharp deterioration in the socioeconomic status of cities during the first stage (1991-2001). The population of the country decreased by 9.1% over this period,

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

and the demographic decline was more pronounced in cities. The level of urbanization had decreased from 55% to 50.3%.

The second stage (2002 till present) was described by economic growth and stabilization of the annual rates of demographic growth at the level of 1.4%-1.5%. The economic growth allowed the state to provide financial assistance to large and small cities, which in turn led to an increase in the number of urban population and an increase in the level of urbanization, which reached 57.4% by 01.01.2017.

Despite the growth of urbanization processes, the share of urban population in the Republic of Kazakhstan is significantly inferior to that of most OECD countries. For example, Astana, Almaty and Shymkent with the suburbs accounted for only 19.6% of the total population by 01.01.2016, while this figure averaged 48.6% (OECD 2017) in OECD countries and 59% in China. This circumstance ensures the possibility of increasing the concentration of population and economic activities in large urban centers.

Kazakhstan belongs to countries with the dispersed settlement and a small number of densely populated regions. The most populated city of Kazakhstan is its "southern capital", Almaty. 1,703.48 thousand people, or 16.9% of the urban population of the country, currently live on its territory with the area of 682 sq. km.

Astana is the second largest city in terms of population and the first in terms of territory (801.6 sq. km.) in the Republic of Kazakhstan. Over the past decade, the population of Astana had increased more than 1.5 times and reached 872,655 people by 01.01.2017 (Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan 2016). Almaty and Astana accounted for 33.4% of GDP in 2016, which was due to a large number of enterprises engaged in the manufacture of products with high added value.

27 out of 86 cities in the Republic of Kazakhstan currently have the status of a mono-city (10 large and 17 small), where about 1.5 million people reside, or 16% of the total urban population of the republic. Large mono-cities such as Ekibastuz, Rudnyi, Temirtau, Kentau and Karatau were created back in the times of the Soviet Union when exploration of new mineral deposits and creation of the oil, chemical, metallurgical and coal industries were a major driving force of urbanization.

After the collapse of the USSR, backbone enterprises in most mono-cities that specialized mainly in the extractive industry and fisheries ceased to be in demand, which led to a deterioration in their socioeconomic situation (Karimova, Alisheva & Tursynova 2016).

Key problems in the development of modern mono-cities in the Republic of Kazakhstan include the decline or loss of competitiveness of the backbone industries, poor transport infrastructure, low wages, unemployment and degradation of the social environment.

5. RESULTS OF ANALYZING THE SOCIOECONOMIC POTENTIAL OF THE RK CITIES

Data from 40 cities were analyzed in this paper, including cities of national significance, and the socioeconomic status of cities and their potential development were assessed. According to the assessment results, three groups of cities were identified, where the first group was described by the lowest socioeconomic development potential, the second was described by the average potential, and the third group was described by its highest level. It must be noted that 34 out of 40 analyzed cities failed to score 50% of the maximum possible score. It can be assumed that there is a high disproportion in development in the cities under study, where a leader for a particular indicator strongly dominates in relation to other cities. Following the results of this method, the cities were divided into three groups (low, medium and high). A group of cities with a low development potential (below 600 points) included 19 out of 40 analyzed cities. They are shown in Figure 1.

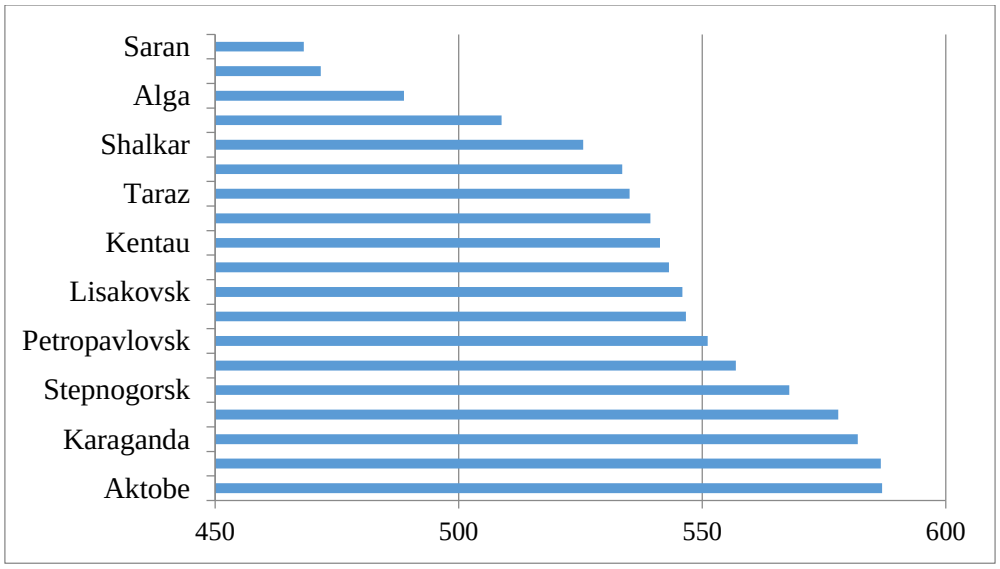

FIGURE 1 - GROUP OF CITIES WITH LOW DEVELOPMENT POTENTIAL
Note: The figure was compiled based on data from the Department of Statistics

The second subgroup from 540 to 600 points included Kentau (South Kazakhstan region), Semei (East Kazakhstan region), Lisakovsk (Kustanai region), Satpaev (Karaganda region), Petropavlovsk, Bulaevo (North Kazakhstan region), Stepnogorsk (Akmola region), Kurchatov (East Kazakhstan region), Karaganda, Temirtau and Aktobe.

A group of cities with an average development potential included cities that scored 600 to 700 points. Their number is 15 cities (Figure 2).

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

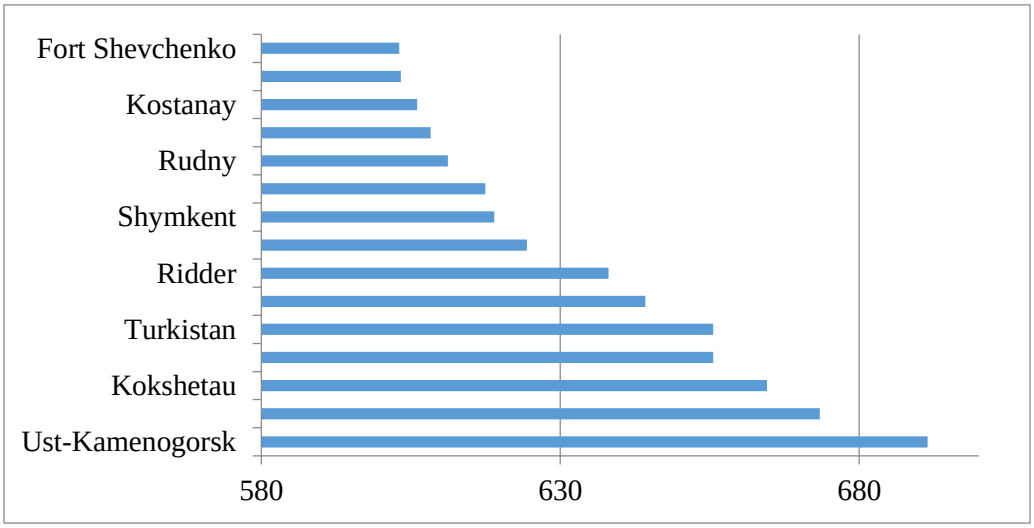

FIGURE 2 - GROUP OF CITIES WITH AVERAGE DEVELOPMENT POTENTIAL
Note: The figure was compiled based on data from the Department of Statistics

The following cities scored between 600 and 700 points in this group: Fort-Shevchenko (Mangistau region), Pavlodar, Kostanai, Zhezkazgan (Karaganda region), Rudniy (Kustanai region), Taiynsha (North Kazakhstan region), Shymkent, Kapshagai region), Ridder (East Kazakhstan region), Taldykorgan (Almaty region), Turkestan, Ekibastuz (Pavlodar region), Kokshetau, Zhanaozen (Mangistau region) and Ust-Kamenogorsk.

Only six cities formed a group with a high development potential (700 points and above) (Figure 3). As it was said above, a group of cities with high development potential was formed by cities that scored over 50% points. For example, Almaty scored 703.39 out of 1,400 possible, Aksai scored 749.42, Aktau scored 755.88, Kyzylorda scored 776.38, Atyrau scored 830.18, and Astana scored the highest – 910.64.

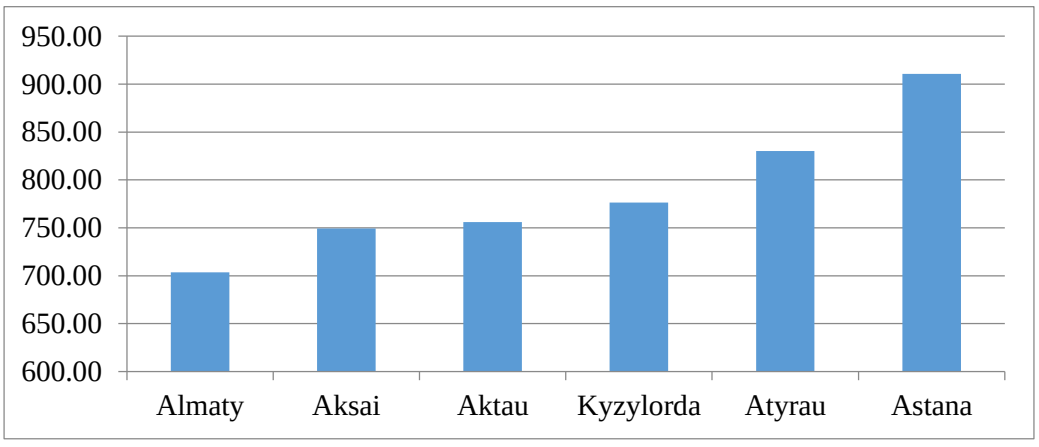

FIGURE 3 - CITIES WITH HIGH DEVELOPMENT POTENTIAL
Note: The figure was compiled based on data from the Department of Statistics

In the authors' opinion, the results are quite expected, since the vast majority of these cities are in the most favorable conditions for the development of the urban economy. For example, Astana is the capital. Large investments are poured into the urban economy. Almaty has a special status. Aktau, Atyrau and Kyzylorda are located in the oil-producing region of the country. Oil companies are the backbone enterprises of these cities. Aksai is the only mono-city in the six cities of the first group. This city also specializes in oil and gas production.

The above analysis indicated the state of cities on the basis of 14 indicators describing the socioeconomic situation of cities in general. However, in the authors' opinion, it was advisable to consider some aspects of social development. 7 out of 14 available indicators were used to do so:

- ratio of the employable population to total population;
- total birth rate;
- total death rate;
- unemployment rate;
- commissioning of residential buildings;
- amount of the subsistence minimum; and
- ratio of wages to the subsistence minimum.

The previous method of assigning points was used in the analysis. In this case, the maximum level could reach 700 points. This analysis showed an insignificant level of disparity between cities compared to the previous indicators discussed above. For example, out of 40 cities under study, 34 cities were able to score more than 50% of points. Cities that did not overcome this barrier were Bulaevo – 322.28, Shakhtinsk – 327.22, Saran – 339.79, Taiynsha – 344.15, Tekeli – 346.92 and Stepnogorsk – 349.12. These were the same cities that scored the least in the previous analysis.

Cities that had scored 350 to 400 points were Temirtau, Lisakovsk, Semei, Rudniy, Karaganda, Petropavlovsk, Pavlodar, Taraz, Zhezkazgan, Alga, Kostanai, Ust-Kamenogorsk, Kentau, Ekibastuz, Uralsk, Satpaev, Ridder, Shalkar and Kurchatov.

Cities that had scored 400 to 560 points were Khromtau, Kapshagai, Turkestan, Kokshetau, Almaty, Shymkent, Taldykorgan, Aktobe, Fort Shevchenko, Atyrau – 480.11, Kyzylorda – 491.19, Aksay – 499.13, Zhanaozen – 518.33, Aktau – 531.81 and Astana (558.67). Zhanaozen joined the leaders by receiving the highest score for three social indicators. Astana was the absolute leader, as in the previous case.

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

Economic components were analyzed in a similar way. This analysis was based on 7 indicators:

- average monthly wage;
- retail turnover;
- volume of industrial production;
- investment in fixed assets;
- arrears in payroll;
- number of enterprises with innovations in relation to the number of operating legal entities; and
- total income of organizations providing services in the field of tourism.

Results of the analysis by economic indicators revealed that only two cities managed to score more than 50% points. They were Astana – 351.96 and Atyrau – 350.08. Ust-Kamenogorsk was the closest to these cities – 312.81 points. The least score was got by Alga – 111.78, Saran – 128.43, Shalkar – 128.46 and Khromtau – 133.25.

The results of the analysis are graphically presented as a matrix in Figure 4.

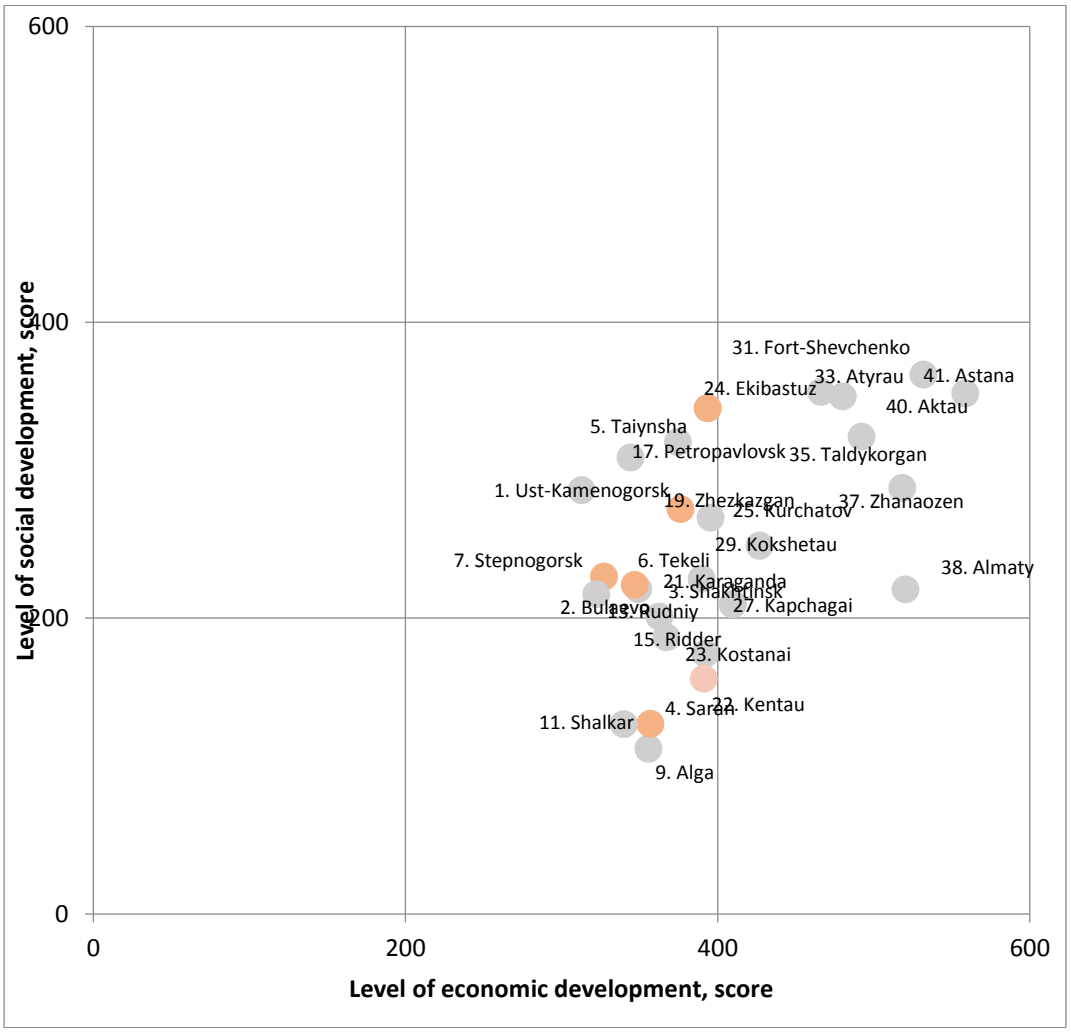

FIGURE 4 - MATRIX OF THE SOCIOECONOMIC DEVELOPMENT POTENTIAL OF THE KAZAKHSTAN CITIES

The obtained data revealed that the overwhelming majority of Kazakhstan cities did not meet even the lowest requirements for living standards at that moment, which made their development as an economic and cultural center difficult.

The obtained results confirmed the existence of a wide gap in the development of the economies of the cities in the republic. For example, while the socioeconomic indicators showed a 31.61 percentage point gap between the highest and lowest indicators (a gap between Astana and Saransk (Karaganda region), the analysis of economic indicators showed a 34.31 percentage point gap. It was the gap between Astana and Alga (Aktubinsk region).

As such, the conducted analysis allowed identifying the discrepancy between the economy of most modern cities of the republic and the demands of a market economy, as well as the fact that the data on the set of indicators describing the social development of cities turned out to be higher than the indicators from the economic set.

6. DISCUSSIONS

The presented methodology involving the matrix assessment of the socioeconomic development potential of cities in the Republic of Kazakhstan allows identifying three groups of cities and the key areas for their further development.

Group 1 is cities of the advanced innovation development: Astana, Aktau, Almaty, Atyrau, Zhanaozen, Taldykorgan and Fort-Shevchenko. The development of the cities in this group can be described as "high-tech development", i.e. should be focused on innovation-driven growth, supporting high-tech industries, training highly professional personnel for innovative companies, attracting young professionals, supporting small and medium-sized enterprises and intensively developing the social sphere.

Comparatively strong positions of this group of cities are secured by a sufficiently high level of education of the population and the comfort of the living environment, along with some other indicators. From the point of view of fiscal performance, the most justified expenditure for this group of cities is the financial support of science-intensive investment projects requiring high professional training of specialists.

Group 2 is cities of enhanced development of the socioeconomic field. This is the most numerous group (28 cities), the economy of which is described by a stable state. At the same time, in the event of an unfavorable situation on the market for products of the backbone enterprise, the mono-cities that make up this group, such as Ekibastuz, Kentau, Stepnogorsk, Shakhtinsk, Zhezkazgan, etc., can face acute social phenomena caused by the release of labor resources.

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

Despite the insufficiently high level of socioeconomic development of the cities in this group, the long-term trend of their development looks steadily stable. The available potential is clearly not used in full. First of all, this is due to a weak system of territorial planning, outdated infrastructure that does not meet the growing needs of the population, weak administrative management, insufficient qualification of local administrations, legal nihilism, as well as the political and social indifference of the local population.

Most cities that fall into this group have no problems with attracting the medium-skilled workforce for the implementation of industrial investment projects. The strategy for the city development in this group should be based on increasing the efficiency of local enterprises and increasing the competitiveness of their products, attracting competent administrative personnel, encouraging the intensive development of entrepreneurship, strengthening the education sector, creating favorable investment climate, and improving the efficiency of public administration.

Establishing the key points for the growth of the urban economy is the most important factor in the economic development of this group of cities. The method for their definition should include two sets of methods: expert analytical and public. Neglecting at least one of them condemns the city (as an economic system and as a society) to move along the previous or adjusted though insufficiently efficient trajectory (Ilyina 2013).

Group 3 is cities of depressive type (Alga, Ridder, Shalkar, Saran, etc.) They are the least developed cities in social and/or economic terms with a small population.

This group mostly includes mono-cities with inoperative or partially operating backbone enterprises and those that lose valuable personnel and are approaching the state of "demographic death". The outflow of young and highly professional personnel due to lack of prospects leads to ceasing the natural reproduction of the workforce, reducing the number and aging of the population. Within a few years, these cities may find themselves in a situation when the aging population in the retirement age will no longer carry out active economic activities and pay taxes to the local budget. This will lead to an increase in the subsidies to this group of cities, i.e. the state will have to allocate budget funds to maintain the infrastructure of urban life support, payment of pensions, etc. until the complete extinction of economic life in the settlement. The main task of the state, in this case, is to anticipate such extremely complex and dangerous social situations. Conditions for the development of small and medium-sized businesses must be created as the main factor for diversifying the economy of cities.

Further research should be aimed at developing a methodological basis for assessing the potential of urban development at the macro level. A comparative analysis of the development of the cities of the Republic of Kazakhstan and the former union republics is of certain research interest.

Currently, at the level of individual countries, similar studies of urban development are carried out. For example, in Russia, since 2012 the Agency "SGM" has been compiling the Rating of Sustainable Development of the Cities of the Russian Federation in order to identify the leaders and outsiders of sustainable development. This rating allows to determine the growth potential and is aimed at increasing the competitiveness of Russian cities. The assessment of sustainable urban development is based on the analysis 42 statistical indicators that characterize the city in three main categories: the state of the economy, urban economy, the social sphere and the environmental situation.

The results of the study showed that in Russia, as well as in Kazakhstan, there is a strong differentiation in the level of economic development in different regions and cities of the country.

The group of leaders included 20 cities in Russia. Similar to the Kazakhstan group of city leaders, it consisted of the capital cities, cities-millionaires, dynamically developing regional centers, oil and gas industry centers.

The composition of the group of outsiders of Russian cities is similar to a group of outsiders of Kazakhstani cities. These are mainly monocities, old industrial centers that have not received the official status of a single-industry town but have similar social and economic problems.

At the same time, in spite of the considerable similarity of the economies of Russia and Kazakhstan in the complex consideration of the main factors of their development, their social and economic potential differs substantially and requires additional comparative analysis.

7. CONCLUSIONS

As such, the results of exploring the socioeconomic potential of the cities in the Republic of Kazakhstan allow making the following conclusions:

- Out of 40 surveyed cities in the republic, 47.5% have low development potential, and 37.5% have average potential and only 15% have high development potential. The leading cities have more diverse competitive advantages: advantageous geographical and natural resource position, the concentration of financial resources, more attractive living conditions, better-developed infrastructure.
- At the same time, the economy of most cities in the Republic of Kazakhstan is currently described by stable and sustainable development. The most appropriate strategy for this group of cities is the strategy of enhanced development of the economic and social areas.
- State authorities need to solve a number of problems that constrain the economically and socially focused development of cities. Efforts of the authorities should be aimed at the

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018

formation of human capital and infrastructure support for the development of cities, including the construction and modernization of infrastructure facilities for the promising development of the industry and comfortable habitat for the population.

REFERENCES

Abedini, A., & Karimi, R. (2017). Assessing the livability of cities based on F'ANP method (Case study: 15 Areas of Urmia City). *Journal of Environmental Studies*. *42*(4), 735-752

Ablova N.O. (2015). Sovershenstvovaniye opredeleniya ekonomicheskogo potentsiala goroda i metodov yego otsenki v kontekste ustoychivogo razvitiya regionov Rossii [Improvement of definition of the city's economic potential and methods for its assessment in the context of sustainable development of Russian regions]. *Economics and modern management: theory and practice: collection of articles from proceedings of the XLVIII International research-to-practice conference. Part II.* Novosibirsk: SibAC.

Albertí, J., Balaguera, A., Brodhag, C., & Fullana-i-Palmer, P. (2017) Towards life cycle sustainability assessment of cities. A review of background knowledge. *Science of the Total Environment*. *609*, 1049-1063

Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan. (2016). Official statistical data. Population. Bulletins for 2016. http://stat.gov.kz/faces/publicationsPage/publicationsOper/homeNumbersPopulation/publBullS14-2016?_afrLoop=8261046485120673#%40%3F_afrLoop%3D8261046485120673%26_adf.ctrl-state%3Dvsppyydmk_4

Freeman, R., McMahon, C., & Godfrey, P. (2017). An exploration of the potential for re-distributed manufacturing to contribute to a sustainable, resilient city. *International Journal of Sustainable Engineering*. *10*(4-5), 260-271.

Halepoto, I.A., Sahito, A.A., Uqaili, M.A., Chowdhry, B.S., & Riaz, T. (2015). Multi-criteria assessment of smart city transformation based on SWOT analysis. *National Symposium on Information Technology: Towards New Smart World, NSITNSW*. 7176412.

Hu, H., Geertman, S., & Hooimeijer, P. (2016) Market-Conscious Planning: A Planning Support Methodology for Estimating the Added Value of Sustainable Development in Fast Urbanizing China. *Applied Spatial Analysis and Policy*. 1-17.

Karimova A.B., Alisheva M.B., & Tursynova T.T. (2016) Problemy monogorodov v Respublike Kazakhstan [Problems of mono-cities in the Republic of Kazakhstan]. *Bulletin of science and creativity*. *8*(8), 58-62.

Klecha, L., & Gianni, F. (2018) Designing for sustainable urban mobility behaviour: A systematic review of the literature. *Smart Innovation, Systems and Technologies*. *80*, 137-149.

Loureiro, I., Pereira, E., Costa, N., Ribeiro, P., & Arezes, P. (2018) Global city: Index for industry sustainable development. *Advances in Intelligent Systems and Computing. 600*, 294-302

OECD (2017). OECD Urban Policy Reviews: Kazakhstan: (Russian version). Paris: OECD Publishing. http://dx.doi.org/10.1787/9789264274624-ru.

OON. (2017) Ustoychivyye goroda i naselennyye punkty [UN. Sustainable cities and settlements]. http://www.un.org/sustainabledevelopment/ru/issues/prosperity/cities/

Rajaonson, J., & Tanguay, G.A. (2017). A sensitivity analysis to methodological variation in indicator-based urban sustainability assessment: a Quebec case study. *Ecological Indicators*. *83*, 122-131

Razvitiye monogorodov Rossii [Development of mono-cities in Russia] (2013), In D. E. Ilyina I.N. (Ed.). Moscow: Financial University.

Reddy, B., Harsha, Y., Lingeshwaran, N., & Asadi, S.S. (2017). A critical SWOT analysis for smart city planning: A model study from Eluru city Gopala Krishna. *International Journal of Civil Engineering and Technology*. *8*(4), 1506-1513.

Shahraki, A.A. (2017). Regional development assessment: Reflections of the problem-oriented urban planning. *Sustainable Cities and Society*. *35*, 224-231.

Sun, X., Liu, X., Li, F., Tao, Y., & Song, Y. (2017). Comprehensive evaluation of different scale cities' sustainable development for economy, society, and ecological infrastructure in China. *Journal of Cleaner Production. 163.* S329-S337

Urbanizatsiya v Tsentralnoy Azii: vyzovy, problemy i perspektivy [Urbanization in Central Asia: challenges, problems and prospects]. (2013). *Center for economic research. Analytical report*. Tashkent.

Yi, Z., Liu, G., Lang, W., Shrestha, A., & Martek, I. (2017). Strategic approaches to sustainable urban renewal in developing countries: A case study of Shenzhen, China. *Sustainability (Switzerland). 9*(8), 1460

You, H., & Yang, X. (2017). Urban expansion in 30 megacities of China: categorizing the driving force profiles to inform the urbanization policy. *Land Use Policy*. *68*, 531-551.

Zhang, X., & Li, H. (2018). Urban resilience and urban sustainability: What we know and what do not know? *Cities. 72*, 141-148.

Theoretical and Empirical Researches in Urban Management
Volume 13 Issue 4 / November 2018