

THE INTERNATIONAL STANDARDS AND THE KAZAKHSTAN LEGISLATION IN THE SPHERE OF SOCIAL RESPONSIBILITY OF BUSINESS

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Abstract

Today social responsibility of business is recognized the major making long-term strategy of a sustainable development of the country. In this regard the considerable attention is paid to advance of ideas of corporate social responsibility, creating favorable conditions for socially responsible behavior of the enterprises. In 2008 at the first Forum on social responsibility of business, the head of state Nursultan Nazarbayev set qualitatively new level of inclusion of business in the solution of major problems of development of society and in this regard charged to continue work on formation of the favorable environment stimulating increase by subjects of business of corporate social responsibility. Signing in 2008 of the Agreement between the Ministry of Labor and Social Protection of the population of RK and the large companies on advance of the principles of the Global contract of the UN in the sphere of the social and labor relations became the important instrument of development of social responsibility of business. For the first time business structures assumed obligations for observance of requirements of national laws, the principles of 12 ratified Conventions of the International Labor Organization (ILO) which are directed on freedom of association and recognition of the right for the conclusion of collective agreements, elimination of all forms of forced labor, including, child labor, elimination of discrimination in the sphere of work and employment. Today in Kazakhstan many elements of world practice of maintaining corporate social responsibility are used.

Keywords: Business, social responsibility, Kazakhstan legislation, standards of OECD

Introduction

Social responsibility in any kind of business is difficult and ambiguous concept which causes various and is frequent even opposite judgments. By definition such responsibility consists in carrying out business and the account thus by the organization not only personal mercantile interests, but also public. That is the organization assumes a role of responsibility for improvement of welfare of society, and it not only improvement of quality of life of the workers, but also all modern society. Also such responsibility includes due positive impact on all subjects of business, including suppliers, customers, shareholders, employees of other enterprises and all other parties public business of the sphere.

For the last decades the social role of business, its influence on human rights, and therefore need and an obligation of the state to protect these rights from violations and its negative influence significantly increased. At the same time the number of campaigns and claims against business in connection with human rights violation increased (Introduction, 2014). The highest level of such violations – 28% - is observed in the Pacific Rim, the lowest – 3% - in Europe. Most of all from activity of the companies their employees and local communities long (for 45%); a share of end users among what rights are violated in connection with business actions, makes 10%. Most "harmful" are the extracting and retail trading companies.

Therefore the question is actual, what preventive and correcting measures of the state have to undertake to cope with these problems. At least, the states have to give methodical help to the companies, regarding a solution of the problem of negative consequences for human rights; to provide existence of extrajudicial and judicial remedies for citizens (workers, consumers, clients and interested parties) as whom business activity has an adverse effect; to integrate questions of business activity in aspect of human rights as the ministries and departments which interact with business and regulate business activity; and to seek to eliminate any possible gaps in regulation or policy which can disturb performance of their duty to provide protection against violation with business of human rights (The report, 2013). In a broader sense, the international organizations declare the requirement to the states to provide observance of the principle of the rule of law and acceptance of anti-corruption measures which are understood as the factor promoting a positive contribution of business to life of society and a sustainable development.

As for business, each company in each branch has duties in the field of human rights. The companies have to observe human rights, at least, without allowing tortures, discrimination, sexual harassments, to protect health and safety, to guarantee freedom of associations, creation of labor unions, a freedom of speech, personal privacy, etc. Achievement of the state

in the field of protection of human rights is adoption of the relevant legislation, introduction ought the politician, distribution of voluntary initiatives, and also recognition of that the companies bear responsibility for observance of human rights. But these measures didn't provide full compliance with human rights from the companies. Therefore more careful checks, transparency, means of protection for victims and other mechanisms of the accountability that ensures more functioning for civil society, the governments, the international organizations, and also the companies are required. It has special value in the new and developing economies as the negative behavior often leads to an erosion of a favorable business environment. Due to the opening by these countries of own markets and arrival on them new foreign investments, there is a real opportunity for investors to introduce, from the very beginning, the behavior models promoting providing a sustainable development.

In June, 2011 Council for human rights of the UN approved the Guidelines of business activity in aspect of human rights (further – the Guidelines of the UN) developed by the Special representative of the UN Secretary General, professor John Ruggie. These principles are the international standard on which the policy of the state and business structures in aspect of business and human rights has to be based. The guidelines of the UN are developed for the purpose of their introduction, proceeding from three main frames (three-pillar Framework) – protection, observance and remedies (Protect, Respect and Remedy) which include:

1. An obligation of the state to protect human rights from encroachments of the third parties, including business.
2. Corporate responsibility to observe human rights.
3. Need of ensuring wide availability of effective remedies of legal protection with all state and non-state institutes to affected persons in case of violation by business of their rights.

The guidelines of the UN uniting in themselves 31 principles provide steps (measures) for the states promoting business structures to observe human rights; provide the plan of action for the companies how to operate risk from negative influence on human rights; offer a set of criteria for interested parties for an assessment of observance of human rights by business structures. It means that responsibility for creation of a healthy business environment lies on all participants of "process". The governments perform a duty to protect international recognized the law and to improve functioning of the markets through appropriate management, fair regulation and transparency.

The governments perform a duty to protect international recognized the law and to improve functioning of the markets through appropriate management, fair regulation and transparency. The enterprises bear responsibility for

observance of the principles of responsible behavior of business (corporate social responsibility) which has impact not only in the enterprise, but also on society in general. Workers and civil society have to be active and are structurally involved in process, and also to play a key role in providing the accountability. At the same time, the international organizations can serve as a forum for dialogue, mutual exchange of experience, establishment of standards, the analysis and providing recommendations about improvement of policy in this sphere.

Ways of integration of the Guidelines of the UN in the different countries can be the most different. The states can provide to the enterprises the general management (grant) about business and observance of human rights through, for example:

1) distribution of the Guidelines of the UN and mechanisms of their introduction;

2) legislation and other ways of administrative regulation.

Some states have a legislation which directly obliges business to respect human rights in certain spheres: discrimination, work, environment, corporate responsibility, property right and access to land resources, right for private life, consumer protection, corruption, etc.

The majority of the states develop the National plans and other similar documents directed on a formulation of comprehensive policy on introduction of the Guidelines of the UN and also analyze the existing legislation regarding existence of gaps and definition as far as it (legislation) is able to solve problems, arising in the sphere of business activity in aspect of observance of human rights (The report, 2013).

Concerning calls (problems) which complicate introduction and observance of the Guidelines of the UN, are that on a bigger measure arise in the developing states. Often treat such calls: shortage of effective sanctions in the legislation, mechanisms of implementation of precepts of law, judicial mechanisms of protection, resources, and desire to observe these principles.

Need of introduction and observance of the Guidelines of the UN in the legislation and practice of the Republic of Kazakhstan it is caused, first, by membership of Kazakhstan in this organization and a capture on itself the corresponding obligations, and secondly, the existing problem of negative influence of business on human rights in the conditions of the prompt economic growth of the country.

Besides, since fall of 2011 the Government of the Republic of Kazakhstan carries out active work on the entry of Kazakhstan into the Organization for Economic Cooperation and Development (OECD).

Membership in this organization gives opportunity of access to the best practice of public administration and introduction of the advanced standards, promotes increase of investment appeal of the country and

depreciation of attraction of financial resources abroad. Accession of the Republic of Kazakhstan to OECD assumes reduction of standards of the national legislation in compliance with standards of the organization.

One of such standards are the Guidelines of OECD for the Multinational Enterprises (The recommendation about responsible business in the context of globalization) (The guidelines, 2011). Besides, for Kazakhstan OECD prepared the review of a situation and the recommendation about introduction of the principles of responsible business (responsible business conduct) (Responsible, 2014).

In Kazakhstan human rights need protection, including against encroachments of the state. One of the serious reasons is the low level of awareness of citizens on the rights, mechanisms of their realization and protection, including about the Guidelines of the UN and OECD. Many enterprises still not up to the end understand degree of the responsibility while citizens can't understand what and how many resources are available to them to ensuring the rights.

Also the state should use the various tools motivating business to respect human rights. First of all, the principles of observance of human rights need to be introduced in activity of the state corporations. Observance of these principles needs to be made one of criteria at a choice of the contractor on execution of the state orders. One more way – to demand from the companies to specify in reports existence or absence the politician and strategy in the field of corporate responsibility.

As for the third group of the Guidelines of the UN – ensuring availability of effective remedies of legal protection – that their realization directly depends on efficiency of extrajudicial mechanisms of protection of the rights which functioning, in fact, is a little productive in Kazakhstan.

Thus, need of introduction of the Guidelines of the UN and OECD, as well as development of institute of responsible business in Kazakhstan is dictated by deeper integration into the world community, presidency in OSCE in 2010, the forthcoming accession to the World Trade Organization and OECD, and also with realization of a new political policy Kazakhstan till 2050 aimed at providing entry into number of 30 most competitive developed countries of the world (The message, 2012).

The countries which observe the specified principles, encourage a positive contribution which business can bring in a sustainable development and try to minimize potential difficulties in which business of structures can result activity (Introduction, 2014). They meet expectations of the states in understanding that such responsible business and help the enterprises will be convinced that their activity answers policy of the state.

The Main Results of the Research

Today the government of Kazakhstan carries out active work on the accession to the Organization for Economic Cooperation and Development (OECD). Kazakhstan seeks to receive the status of the constant observer in four committees of OECD (Committee on investments, Committee on policy in the fields of education, Committee on agriculture and Committee on the industry, innovations to business) that will give opportunity to develop and carry out more effective economic policy of the country. For obtaining such status, and also for accession of Kazakhstan to OECD it is necessary to satisfy the corresponding conditions and recommendations of this organization that includes reduction of the legislation of RK in compliance to standards of OECD.

It is known that in October, 2005 the review of OECD of Kazakhstan by results of which to the country 34 recommendations were made was carried out. These recommendations concern economic development of the country, and also development of new provisions and the legislation, for example, as the National plan of action in the field of business and human rights which will promote development of the state. Very important as for member states, and the states seeking to enter OECD observance and introduction in a state policy and practice of the Guidelines of OECD (The guidelines, 2011) for the multinational enterprises is

– the recommendations addressed by the governments to the multinational enterprises about standards of responsible behavior to which the companies have to adhere voluntary in such spheres as: transparency and disclosure of information, employment and labor relations, human rights, environment, fight against bribery and corruption, interests of consumers, competition and taxation. These principles are urged to provide activity of these enterprises according to policy of the governments for strengthening of a basis of mutual trust between the enterprises and societies in which they work to help to improve external investment climate and to raise a contribution of the multinational enterprises to a sustainable development (The guidelines, 2011).

It was already mentioned that in 2011 Council of the UN for human rights approved the Guidelines of the UN in the sphere of business activity in aspect of human rights which became the universally recognized norm directed on the prevention and elimination of negative impact of business activity on human rights. Following these principles, the state is obliged to protect human rights, to provide protection against human rights violations by the third parties, including the enterprises.

The guidelines of the UN formed the basis of the concept of the Guidelines of OECD which offer standards of conscientious practice according to the current legislation and world-wide recognized standards. In

the countries where internal laws and provisions contradict the principles and standards of the Guidelines of OECD, the enterprises have to look for ways to consider the principles and standards in full, but not to put them as opposed to the domestic legislation. For the Guidelines of OECD exact definition of the multinational enterprises isn't required. These enterprises work in all sectors of economy. As a rule, they represent the companies or other legal entities created in more than one country, and connected in such a way that they can coordinate in common the activity in the different ways.

It is also necessary to emphasize that the Guidelines of OECD are closely connected with standards and the principles of the ILO, including also those standards of Conventions of the ILO.

Provisions of the Guidelines of OECD, the Head (Section) V precisely displays the relevant provisions of the Declaration of the ILO of 1998 on the fundamental labor law and freedoms, and also the Tripartite declaration of the principles of the ILO of 1977 concerning multinational corporations and social policy (reconsidered in 2006). The declaration of the ILO of 1977 fixes the principles in the sphere of employment, training, working conditions, and also relations of production when the Guidelines of OECD cover themselves all main aspects of corporate behavior.

Concerning RK it should be noted that the sphere of responsible business (OVB – RBC – responsible business conduct) is one of priorities of a state policy. Testifies to it, as well as official statements of the President of Kazakhstan (in particular, the Message to the people of Kazakhstan. Strategy "Kazakhstan-2050", December, 2012), and increasing participation of business in support of the purposes of a sustainable development. Also the acceptance fact in 2012 Board of the Kazakh independent investment fund "Samruk-Kazyna" of the Program of social responsibility, which directed on the social and labor relations, training and development, providing safe working conditions, ecological safety, and also expenses of social projects is important (Responsible, 2014).

In January, 2008 at the Forum of social responsibility of business to Zhezkazgan the Head of state of the Republic of Kazakhstan Nursultan Nazarbayev founded annual competition on social responsibility of business "Paryz" for definition of a contribution socially oriented business of structures of Kazakhstan in advance of the principles of the Global contract of the UN in the sphere socially - the labor relations, moral encouragement of their efforts, demonstration of high efficiency of development of system of social partnership on the example of the best enterprises. The purpose of carrying out competition is stimulation of subjects of private business to the solution of social problems, both for the workers, and for society in general.

Also at the Forum between the Ministry of Labor and Social Protection of the population, socially oriented business by structures the

Agreement on advance of the principles of the Global contract of the UN in which the main indicators of internal and external social responsibility of business are defined is signed: compensation; protection and safety of work; vocational training, retraining, professional development; quota of employment of youth; obligatory preventive treatment of workers; conducting transparent business; system development and techniques of management of corporate ethics and social reporting. Today the Atameken Union, the Eurasian corporation of natural resources, the Union of producers and exporters of Kazakhstan, and also more than 1058 enterprises of the republic joined this Agreement National economic chamber of Kazakhstan.

Thus, the companies have essential obligations for implementation of acts of RK. Besides, OVB assumes the activity of business which is beyond the social obligations ordered by the law. And in this plan the role of state regulation is extremely important for the purpose of motivation and creation of conditions for manifestation of social responsibility of business.

Guidelines of OECD and legislation of RK

As the Guidelines of OECD fix standards of responsible behavior which the companies have to adhere voluntary in certain spheres, it is expedient to analyze as far as they are displayed in the legislation of RK.

II. General political policy

"The enterprises have to consider fully the established policy in the countries in which they work, and to consider opinions of other interested parties" (The guidelines, 2011).

Providing observance of this principle, the enterprises have to execute a number of requirements, namely:

1. To promote economic, ecological and social progress for the purpose of achievement of a sustainable development.
2. To respect international and recognized human rights concerning those people who suffered from their activity.
3. To encourage strengthening of local potential on the basis of close cooperation with local community, and also development of activity of the enterprises in the internal and external markets.
4. To encourage formation of the human capital, in particular, by creation of workplaces and assistance of vocational training for employees.
5. To abstain from search and acceptance of the exceptions which aren't provided by legislative or standard and legal base.
6. To support the good principles of corporate management.
7. To develop and apply the effective self-regulating practices and control systems which promote the relations of trust and mutual trust between the enterprises and societies in which they work.

8. To carry out educational work for workers, including by means of programs of training.

9. To abstain from discrimination or disciplinary actions concerning workers who submit conscientious reports on the practices contradicting the law, the Guidelines or policy of the enterprise.

10. To carry out a complex assessment of activity taking into account risks.

11. To avoid rendering an adverse effect on the questions relating to the Guidelines by means of own activity, and to eliminate such influence if it occurs.

12. To try to prevent or soften negative impact if it didn't promote such influence when influence is nevertheless directly connected with their activity, products or services, business relations. It isn't necessary to shift responsibility from the legal entity causing negative impact to the enterprise with which he does a business.

13. In addition to elimination of adverse effects to encourage business partners to apply the principles of responsible business compatible to the Guidelines.

14. To interact with the relevant interested parties for providing real opportunities for the accounting of the points of view concerning planning and decision-making on projects or other activity which can significantly affect local communities.

16. To abstain from any illegal participation in local political activity.

The legislation of RK fixes OVB bases in certain normative legal acts. These and other norms define "the general political policy" for the enterprises which work in Kazakhstan.

The labor Code of RK consolidated norms:

- the concerning developments of social partnership – system of relationship between workers, employers, government bodies – aimed at providing coordination of their interests concerning regulation of the labor relations (chapter 29 of Section 4 of the Code);

- the concerning conclusions of collective agreements, industry agreements between employers and workers (chapter 30 of Section 4 of the Code).

The law RK "About Private Business" of January 31, 2006 proclaimed the voluntary right of the businessman to apply in the activity of a measure of social responsibility of business by realization or participation in implementation of projects in social, economic and ecological spheres (article 8 of the Law). Social responsibility of business is defined as a voluntary contribution of subjects of private business to development of society in social, economic and ecological spheres (point 2 of article 1 of the Law) (The law about Private Business, 2006).

It should be noted one of very important problems in approaches to definition of the concept "social responsibility of business" (SOB) of the legislation to RK and its understanding in practice. Proceeding from legislative definition (point 2 of article 1 of the Law RK "About Private Business"), this concept as a rule, is associated with charity of the enterprises. Besides, it is unclear, whether such charity is voluntary, or it is obligatory. In practice deposits of the enterprises seldom are voluntary and investors often perceive OVB (SOB) as a charitable tax. For example, many enterprises in the extracting sector, according to the contractual obligations, are obliged to offer percent from their capital expenditure for social projects. These means come to management of the regional authorities (akimats) within budgets of regional development. Some enterprises have limited opportunities in a choice and implementation of such projects. It can result in difficulties in the ratio of these projects with corporate strategy of OVB as they can not correspond to risks which the enterprise identified (Responsible, 2014).

The documents which don't have legislative force, having advisory nature are state standards of RK which form regulatory base for the organizations seeking to improve the activity in the field of social responsibility. Treat such documents:

1. State standard of RK "Social responsibility. Requirements" (CT PK 1352-2005 (SA 8000:2001, Mod)) - is developed for advance of corporate values in questions of social employer's liability, promotes distribution of the requirements to social responsibility of the organization accepted on a global scale.

2. State standard of RK "Systems of management of professional safety and labor protection. Requirements" (CT PK 1348-2005 (OHSAS 18001:1999, mod)) - regulates policy and the purpose of the organization in the field of professional safety and labor protection and an assessment of its activity in this area, both the third-party organizations, and the organization.

3. The international ISO 26000:2010B Standard - contains the principles which are the cornerstone of social responsibility, recommendations about integration of socially responsible behavior into activity of the organization and about interaction with interested parties are made, and also the main subjects of social responsibility and expectation of interested parties recognized today concerning actions of the organizations are systematized (Ongarbayev, 2015).

III. Disclosure of information

"The enterprises have to guarantee granting timely and exact information on all vital issues, the concerning their activity, structure, a

financial position, results of activity, property and management" (The guidelines, 2011).

This information has to be open for the enterprise in general, and, if necessary, on activities or geographical areas. The policy of disclosure of information at the enterprise has to be adapted for character, the size and location of the enterprise, taking into account the accepted expenses, a trade secret and other competitive questions.

The principles provide types of information (information materials) which have to be opened. The list of such information isn't exhaustive and includes information materials on:

- a) to financial and operational results of activity of the enterprise;
- b) to the purposes of the enterprise;
- c) property on large equity stakes and votes, including on structure of group of companies and the relations in group, and also on control strengthening mechanisms;
- d) to policy of remuneration for board members and the main officials, and also information on board members, including qualification, selection process, the management in other enterprises and whether each board member independent of board is;
- e) to operations with the related parties;
- f) to the predicted risk factors;
- g) to the questions concerning workers and other interested parties;
- h) to structure and policy of management, in particular, contents of any code of corporate management or policy and their implementation.

Annual audit has to be booked by the independent, competent and qualified auditor to provide an external and objective guarantee to board and shareholders that the financial statements fairly reflect a financial position and results of activity of the enterprise in all essential relations.

This principle provides transparency of the enterprises for improvement of public understanding of their activity, and also their interaction with society and environment. More and more the enterprises understand importance of disclosure of information on the efforts to integrate social and ecological aspects of the activity into the business activities.

Disclosure and the reporting helps to satisfy need for transparency of business and increase in mutual trust between the enterprises and interested parties.

For Kazakhstan ensuring transparency still is a relative call. The enterprises have to play an important role in fight against opaque schemes which conduct to bribery and corruption. For the purpose of transparency increase, the Law on joint-stock companies (article 4-1, 79) (The law about Joint-stock Companies, 2003) of May 13, 2003 and the Law on accounting and financial statements of February 28, 2007 (The law about accounting,

2007) were added with requirements to provide (to open) corporate information in annual reports.

According to the Law "About Accounting and Financial Statements", annual accounting reports from the organizations of public interest and the large companies, in particular, in the extracting sector, have to be prepared according to the International Financial Reporting Standards (IFRS), statements have to be included the description of any conflicts of interests in these. Nevertheless, disclosure of information on non-financial information, for example, of social and ecological indicators, remains on a voluntary basis.

It should be noted that in October, 2013, the complaint was shown to Kazakhstan by the Initiative of transparency of the extracting branches (EITI) which is directed on assistance of transparency of the income in the oil and gas industry. It is the culmination of process which began in 2005 when the government, the enterprise (foreign and national) and civil society signed the Memorandum of Understanding (MU) obliging the parties to implement EITI. This obligation was underlined in 2010 in the Law "About a Subsoil and Subsurface Use" (article 76) of June 24, 2010 that obliges to satisfy all companies memorandum conditions, and also to confirm this performance in the auditor report. The new memorandum obliging the parties to implement EITI was signed on October 9, 2013. Such actions testify to the RK positive direction how OPB at the conceptual level is understood. It is important that disclosure and the reporting fit into broader efforts of OPB to make the contribution to a sustainable development and inclusive growth (Responsible, 2014).

IV. Human rights

"The states are obliged to protect human rights. The enterprises are obliged, within international and recognized human rights, the international obligations for human rights of the countries in which they work, and also the relevant national laws and rules, to respect human rights" (The guidelines, 2011).

Treat such obligations of the enterprises:

1. To respect human rights, that is they have to avoid infringement of human rights and other persons and have to consider negative impacts of human rights on faces with which they conduct activity.
2. Within the activity not to cause or promote negative impact on human rights and to prevent such influence when it happens.
3. To look for ways for prevention or mitigation of negative impact on human rights which results directly from their economic activity, production or services even if they don't participate in these consequences.
4. To pursue commitment policy to respect of human rights.

5. To carry out a complex inspection of human rights according to their volume, character and a context of activity and weight of risks of negative impact of human rights.

6. To provide or cooperate by means of lawful processes in restoration of negative impact on human rights where they define that they brought or promoted these influences.

The main guarantor of observance of social norms in the Republic of Kazakhstan is the Constitution of RK in which human rights on life are affirmed, freedom, inviolability of advantage, a freedom of speech and conscience, freedom of associations, etc. (articles from 12 to 23), and also the main obligations of business (article 24 of the Constitution of RK) which guarantee the right of everyone for freedom of work, a free choice of a kind of activity and a profession, the right for the working conditions meeting safety requirements and hygiene, on remuneration for work without any discrimination, and also on social protection against unemployment, prohibition of forced labor, recognition of the right for individual and collective labor disputes with use of the ways of their permission established by the law, including the right for a strike, a right to rest.

V. Labor and relations of production

"The enterprises have to, within the current legislation, rules and the developed labor relations, practice of employment and applicable international labor rules to respect the labor law of workers" (The guidelines, 2011)

This principle provides a number of requirements rules which have to observe the enterprises for the purpose of providing the labor law of workers, namely:

1. Concerning the right for association:

a) to respect the right of workers to establish or enter into labor unions and the representative organizations for their own choice;

b) to respect the right of workers to have the labor unions and the representative organizations for their own choice recognized for conducting collective negotiations and to start, individually or through associations of employers, constructive negotiations with such representatives for the purpose of reaching an agreement on terms and working conditions.

2. Concerning abolition of forced labor:

a) to promote effective abolition of child labor and to take the immediate and effective measures providing quickly prohibition and eradication of the worst forms of child labor;

b) to promote elimination of all forms of forced or obligatory labor and to take adequate measures for providing that forced or obligatory labor wasn't applied in their activity.

3. Concerning discrimination in the sphere of work:

a) to be guided in all the activity by the principle of equal opportunities and the relation in the field of work, not to discriminate the workers concerning work and employment, except for cases when selectivity concerning characteristics of the worker promotes creation of government policy which promotes bigger equal opportunities of employment or is related to inherent requirements of work.

4. Concerning the right for conducting collective negotiations and for information:

a) to give such opportunities for representatives of workers who can be demanded for assistance in development of effective collective agreements;

b) to provide information to representatives of workers which is necessary for constructive negotiations under the terms of work;

c) to provide information for workers and their representatives who allows them to receive a reliable and objective picture of activity of the subject or, if necessary, the enterprise in general.

5. To promote consultations and cooperation between employers and workers and their representatives on the questions representing mutual interest.

6. Concerning conditions and compensation:

a) to observe standards of employment and the labor relations which aren't less favorable, than that are observed at the similar enterprises in the country of residence;

b) to provide the highest level of a salary, privileges and working conditions within a state policy if multinational corporations carry out the activity in developing countries where comparable employers can not exist;

c) to take appropriate measures for safety and occupational health in the activity.

The legislation of RK provides legal guarantees and mechanisms of implementation of the labor law of citizens which, unfortunately, not in all cases conform to the international standards, including recommendations, are fixed in the Guidelines of OECD.

VI. Environment

"According to laws, regulations and administrative practice in the countries in which they work, and taking into account the relevant international agreements, the principles, the purposes and standards of the enterprise have to consider properly need of environment protection, public health and safety, and in general to conduct the activity so that to promote more sustainable development" (The guidelines, 2011).

In particular, the enterprises have to:

1. To establish and support systems of ecological management of the relevant enterprises, including:

a) to collect and estimate information on environment, health and safety of consequences of their activity;

b) to establish the purposes for improvement of ecological indicators and use of resources;

c) to carry out regular monitoring and an inspection of progress of the purposes of environment, health and safety.

2. In view of concern about cost, a trade secret and protection of intellectual property rights:

a) to provide to the public and workers information on potential influence of environment, health and safety of activity of the enterprise.

b) to attract to adequate and timely communication and consultations with society that directly depends on environment, health and a security policy of the enterprise and their realization.

3. According to scientific and technical knowledge of risks where there is a threat of serious damage to environment, to health and safety of the person not to use absence of full scientific confidence in quality of the reason for a delay of acceptance of economically effective measures for the prevention or reduction of such damage.

4. To support plans for prevention, mitigation and control of serious influences on ecology and damage to health as a result of their activity, including accidents and emergency situations, and also mechanisms for the immediate reporting in competent authorities.

5. Constantly to seek for improvement of corporate ecological indicators at the level of the enterprise.

6. To provide adequate education and training of workers in the field of environment protection and labor protection, including concerning the treatment of dangerous materials and prevention of ecological accidents.

7. Assistance to development of ecologically significant and economically effective state policy.

The review of the UN of a state of environment of RK of 2008 notes increase in environmental problems in regions where oil and gas, in connection with activities for getting of resources and construction of pipelines, roads, the railroads and plants is made. Besides, systems of monitoring of environment can't adequately reflect the current ecological situation, because of shortage of resources for monitoring systems concerning air pollution and water. Therefore the actual environmental pollution isn't displayed in ecological statistics.

Despite it, Kazakhstan actively pursues policy on environment protection that is displayed in the relevant normative legal acts. So, the Ecological code of RK adopted on January 9, 2007 meets the international

standards; governs the relations in use and reproduction of natural resources at implementation of the economic and other activity connected with use of natural resources and impact on environment.

Besides, the Strategic plan of the Ministry of environmental protection and water resources for 2011-2015 is accepted⁸⁶. It is directed on improvement of conditions of quality of environment and taking measures of more sustainable development. The priorities specified in the Strategic plan, in particular, are improvement of water resources management, the address with waste and reductions of emissions.

In May, 2013, the Concept of transition of the Republic of Kazakhstan to "green economy"⁸⁷ with intention to invest 1% of GDP a year in green technologies is accepted. Kazakhstan also participates in regional ecological initiatives, such as the Initiative "Astana Zelyony Bridge" for an exchange of the best practices of management and realization of green growth, and also the member of the Water Plan of Astana on 2012-15 for the solution of the serious problems connected with water and water resources. Kazakhstan is also the member of the OECD Working group on implementation of the Action program on environment protection (Responsible, 2014).

There are three spheres – water, the earth and air – to which the enterprises have to pay special attention in Kazakhstan.

VII. Fight against bribery, bribery and extortion

"The enterprises shouldn't directly or indirectly, offer, promise, give, or demand bribes or other illegal advantage for implementation or preservation of economic activity or other illegal advantages. The enterprises have to resist also the petition of a bribe and extortion" (The guidelines, 2011).

In particular, the enterprises have to:

1. Not to offer, not to promise or not to provide excessive monetary or other benefit to the state officials, employees or partners in business. Besides, the enterprises shouldn't demand, agree or accept excessive monetary or other benefit from the state officials, employees or partners in business.

2. To develop and accept adequate mechanisms of internal control, ethics and observance of programs and measures for the prevention and the identification of bribery developed on the basis of an assessment of risks concerning an individual financial condition of the enterprise, in particular,

⁸⁶ Approved by the Resolution of the government of the Republic of Kazakhstan, February 8, 2011, No. 98

⁸⁷ Approved as the Decree of the President of the Republic of Kazakhstan of May 30, 2013, № 577.

the risks of bribery facing the enterprise (for example, its geographical and industrial sector of activity).

3. To forbid in the programs or measures of internal control of the company, ethics and programs providing observance legislative and regulations to forbid or interfere with use of insignificant payments which are, as a rule, forbidden in the countries where they are made, and if such payments are made, to display them in the account book and in financial reports.

4. In view of special risks of bribery which the enterprises face to be convinced that documents on complex check, concerning employment, and also need and regular control of agents are properly made, and also that remuneration of agents is corresponding and suitable only for the services provided in the lawful way.

5. To increase transparency of the activity in fight against bribery, the petition for a bribe and extortion.

6. To promote understanding and observance of corporate policy, programs and measures of internal control and ethics, and also the programs providing observance legislative and regulations on fight against bribery, extortion of a bribe by employees by means of the corresponding distribution of such programs or actions and on the basis of training programs and disciplinary procedures.

7. Not to do illegal donations to candidates for the state positions, to political parties or other political organizations.

In 2013 Kazakhstan occupied 140 of 177 places on the World Index of Perception of Corruption (Transparency International Corruption Perception Index). On poll of the enterprises by the World Bank in 2011, 45% of the enterprises in Kazakhstan bribe (expect gifts from them) to receive the state contract when expect certain informal contributions from 34% for this purpose that "everything was made" (Responsible, 2014).

For the purpose of corruption counteraction Kazakhstan takes a number of measures by means of development and deployment, various anti-corruption tools. So, on March 31, 2011 the Government of RK approved the Industry Program for counteraction of corruption in RK for 2011 – 2015 (The industry, 2011). At the institutional Government level created the Commission at the President of Kazakhstan concerning fight against corruption and fight RK Agency with economic and corruption crime (Financial police) as which prevention of corruption and anti-corruption policy enters.

The basic principles of fight against corruption, types of the offenses connected with corruption and also conditions of occurrence of responsibility are defined by the Law RK "About Fight Against Corruption" of July 2,

1998. Besides, the bill of corruption counteraction is under consideration of Parliament of RK (June, 2013).

The main problems are at the level of introduction of policy of counteraction of corruption. There are problems with transparency of judicial system, Department of Internal Affairs, Customs administration, in protection of the property rights, and also in registration of the land plots and registrations of construction licenses.

VIII. Interests of consumers

"During the work with consumers, the enterprises have to work according to rules of honest business, marketing and advertising and have to take all reasonable measures for ensuring quality and reliability of goods and services which they provide" (The guidelines, 2011).

The enterprises have to:

1. To be convinced that goods and services which they provide, conform to all standards of health care and safety of consumers coordinated or demanded under the law.

2. To provide the exact, checked and accurate information to allow consumers to make reasonable decisions, including information on the prices and, if necessary, on the contents, safe use, ecological characteristics, maintenance, storage and the order goods and services.

3. To provide to consumers access to fair, simple in use, to timely and effective pre-judicial mechanisms of settlement of disputes and legal protection, without excess expenses or restrictions.

4. Not to do representation or inaction, or to be engaged in any other practice which misleads, is roguish or unfair.

5. To support efforts on assistance to education of consumers in areas which are connected from their business activity.

6. To respect private life of consumers and to take the appropriate measures for safety of personal data which they collect, store, process or extend.

7. Fully to cooperate with public authorities on prevention and fight against deceptive practice of marketing, and also to reduce or prevent the serious threats for health and safety of the population or environment following from consumption, use or the order goods and services.

8. To take into account at application of the above-mentioned principles i) needs of vulnerable and unfortunate consumers and ii) specific problems which electronic trading can create for consumers.

The rights of the consumers who are one of the main recipients of services of the companies are defined and protected by the Law RK "About Consumer Protection" from May 4, 2010 which defines legal, economic and

social bases of consumer protection, and also measures for providing consumers with safe and qualitative goods (works, services).

IX. Science and technologies

The enterprises are obliged:

1. To make efforts for that their activity was compatible to science and technology, strategy and plans of the countries in which they work, and as required to promote development of local and national innovative capacity.

2. To accept, as far as possible, in the course of the economic activity, practice which allow to transfer and quickly to extend technologies and a know-how taking into account protection of intellectual property rights.

3. If necessary, to perform works on development of science and technology in host countries for satisfaction of local requirements of the market, and also to employ the personnel of the host country for scientific and technical potential and to encourage their training taking into account commercial requirements.

4. To provide licenses for use of the rights for intellectual property or at a different way to transfer of technology on reasonable conditions and as it should be which promotes long-term and steady outlook of development of the host country.

5. For a commercial purpose to develop communications with local universities, the public research institutions, and also to participate in joint research projects with the local industry and branch associations (The guidelines, 2011).

X. Competition

The enterprises are obliged:

1. To carry out the activity according to all applicable laws and rules of the competition.

2. To abstain from the conclusion or implementation of anti-competitive agreements between competitors, including agreements on establishment of the price; falsifications of the auction (tenders of arrangement); to establishment of output restrictions or quotas; on division of the markets by distribution of clients, suppliers, territories or the line of trade.

3. To cooperate with authorized bodies on control of the competition, among other things and according to the applicable law and the corresponding guarantees, by means of expeditious granting the fullest replies to the requests about information, and taking into account use of the

available tools, such as refusal of confidentiality, in case of need, for assistance to effective cooperation between investigating authorities.

4. Regularly to promote awareness of employees on importance of observance of all applicable laws and rules of the competition, and, in particular, to training of the top management of the enterprise for questions of the competition (The guidelines, 2011).

This principle is displayed in the Law RK "About the Competition" of December 25, 2008 which purposes are protection of the competition, creation of conditions for effective functioning of the commodity markets, ensuring unity of economic space, free movement of goods and freedom of economic activity in the Republic of Kazakhstan (article 1).

XI. Taxation

1. It is important that the enterprise carried out a contribution to public finances of host countries by timely payment of tax obligations.

2. The enterprises have to consider internal revenue service and observance of the tax law as an important element of their supervision and wider control system of risks. In particular, the board of the enterprise has to accept tax strategy of risk management for the purpose of definition and an assessment of the financial, regulatory and reputation risks connected with the taxation (The guidelines, 2011).

The duty of timely payment of tax obligations is provided in the Code of RK "About Taxes and Other Obligatory Payments in the Budget" (The tax code) of December 10, 2008 which contains norms on payment of taxes and other obligatory payments in the budget and governs the relations arising between the state and the taxpayer at execution of tax obligations.

The tax code of RK provided measures for stimulation of business for participation in social projects. So, taxpayers have the right for reduction of income tax at a rate of the total amount which isn't exceeding 3 percent from the taxable income to such types of expenses as: the cost of the property donated to the non-profit organizations and the organizations which are carrying out activity in the social sphere, the sponsor's and charitable help (article 133 of the Code).

Non-profit organizations (article 134) and the organizations which are carrying out activity in the social sphere (article 135) are exempted from payment of this tax. Business firms can also use privileges, transferring property (article 133 of the item of 1 items 1), performing works and services noncommercial the companies, giving sponsor's and charitable help (article 133 of the item of 1 items 1), paying training of natural persons with which labor contracts (article 133 of the item of 1 items 3) aren't signed yet.

Also tax law provided privileges on a value added tax: for the organizations employing physically disabled people (article 248 of item 13)

for the organizations which are carrying out the activity in the social sphere (article 253) for the organizations connected with medical and veterinary care (article 254) and for the non-profit organizations rendering certain social and religious services (article 252).

The organizations employing physically disabled people significantly save on taxes, including, on a social tax, because of application of the lowered rate – 4,5% (a rate for all usual companies of 11%) (article 358 of item 3).

For calculation of corporate income tax for subsoil users privileges in the form of tax deductions are also provided: deductions on expenses on elimination of consequences of development of fields (article 107) and deductions on the subsoil user's expenses on training of the Kazakhstan shots and development of the social sphere of regions (article 112).

The code of the Republic of Kazakhstan "About taxes and other obligatory payments in the budget" (The tax code) provided measures for stimulation of business for participation in social projects. So, taxpayers have the right for reduction of income tax at a rate of the total amount which isn't exceeding 3 percent from the taxable income to such types of expenses as: the cost of the property donated to the non-profit organizations and the organizations which are carrying out activity in the social sphere, the sponsor's and charitable help (article 133 of the Code).

Also since January 1, 2009 measures for stimulation of business in the form of decrease in a rate of corporate income tax (article 147 of the Code) are provided (The Code, 2008).

Conclusion

As it was already mentioned, in April, 2014 OECD published the report "Responsible business in Kazakhstan" which basis was formed by the Guidelines of OECD as standards for introduction RK. In the report some shortcomings of the legislation and practice of RK concerning OVB, and also recommendations to the enterprises are specified as it is possible to improve a situation and to overcome difficulties of introduction of standards and the principles in practice. These recommendations are displayed in this subparagraph of research, as a basis of mechanisms of improvement of the legislation and practice in the sphere of OECD (The guidelines, 2011).

Earlier it was mentioned that one of essential barriers in providing OVB in Kazakhstan is absence of knowledge among interested persons (parties) of rules by which business structures, knowledge of human rights and special instruments of their providing, including the Guidelines of the UN and the Guidelines of OECD have to be guided. Set of business structures still don't understand fully the responsibility while interested

persons don't understand, how many and what resources are available to them to be sure that their rights are observed.

Investors and the enterprises, in turn, also want to understand that from them it is expected in the concrete environment in which they work in order that capable to be most effective to make the contribution a sustainable development and inclusive growth through observance of the principles of OPB.

For improvement of the legislation and practice of introduction of the Guidelines of OECD it is expedient:

1) To develop and approve the State program (The national concept) of development of responsible business or corporate social responsibility. It is necessary to involve all interested parties in this work (authorities, representatives of the enterprises, public organizations, etc.).

2) To create or authorize the special coordinating body responsible for policy of introduction of OVB (in Kazakhstan there is no understanding of uniform such body), and also a regional network in the sphere of policy of OVB which could coordinate the general policy at the regional level.

3) First of all, to authorities, and also public organizations to carry out educational campaign for illumination of a perspective of OVB, need of development and deployment of policy for this for the sphere.

4) To authorities and the enterprises to involve civil society in process of selection and introduction of social projects which are financed by the enterprises, providing thereby openness of this process.

5) To organize dialogue between the enterprises and local authorities to understand their expectations and requirements, and also to promote transparency of receipt of funds (contributions) from the enterprises to social projects.

6) To provide an obligation of the enterprises to open exact, reliable, timely information about the activity, structure, finance, profitability, property and management at the legislative level.

7) To toughen control of performance of the ecological legislation, and also actively to introduce the Concept of transition of RK to "green economy".

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