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**STATE SUPPORT AND REGULATION OF ENTREPRENEURSHIP
AS FACTORS OF EMPLOYMENT DEVELOPMENT**

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ABSTRACT

The purpose is to study the issues and main directions of state support and regulation of entrepreneurship in terms of factors affecting the development of productive and rational employment of the population in Kazakhstan, the study of some aspects of entrepreneurial education.

Research methodology. Used methods of macroeconomic analysis, statistical and graphical methods of economic research, a institutional analysis are used. The methodological basis of the study was the Concept of state regulation of entrepreneurship until 2020, State programs in the field of support and development of entrepreneurship and SMEs, in the field of employment, data from the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan.

Originality /value of research. The research focus was on the consideration of topical issues and directions of state support and regulation of entrepreneurship, from the point of view of exogenous factors of the macroeconomic policy of the state, affecting the development of entrepreneurship, employment and solving unemployment problems.

Research results. State support of entrepreneurship has a powerful regulatory impact not only on the development of entrepreneurship and its business activity, but, above all, it is a necessary tool for maintaining and developing productive employment of people, rational employment of the population of both macroregions and the country as a whole.

Keywords: entrepreneurship, state regulation, regulatory impact, state support, small and medium business, small and medium business, state program, productive employment.

КӘСІПКЕРЛІКТІ МЕМЛЕКЕТТІК ҚОЛДАУ ЖӘНЕ РЕТТЕУ ЖҰМЫСПЕН ҚАМТУДЫ ДАМУДЫҢ ФАКТОРЛАРЫ РЕТІНДЕ

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АНДАТПА

Зерттеудің мақсаты. Қазақстанда халықты нәтижелі және ұтымды және жұмыспен қамтудың дамуына әсер ететін факторлар тұрғысынан кәсіпкерлікті мемлекеттік қолдау мен реттеудің мәселелері мен негізгі бағыттарын зерттеу, кәсіпкерлік оқытудың кейбір аспектілерін қарастыру.

Зерттеу әдіснамасы. Макроэкономикалық талдау әдістері, экономикалық зерттеулердің статистикалық және графикалық әдістері, институционалдық талдау әдістері қолданылды. Зерттеудің әдістемелік негізін 2020 жылға дейінгі кәсіпкерлік қызметті мемлекеттік реттеу Тұжырымдамасы, кәсіпкерлікті және ШОБ қолдау мен дамыту саласындағы, халықты жұмыспен қамту саласындағы мемлекеттік бағдарламалар және ҚР Статистика комитетінің деректері құрады.

Зерттеудің бірегейлігі / құндылығы. Зерттеушілік фокус макроэкономикалық саясатының экзогендік факторлары тұрғысынан кәсіпкерлікті мемлекеттік қолдау мен реттеудің өзекті мәселелері мен бағыттарын қарастыруға шоғырланды, яғни кәсіпкерлікті дамытуға, халықтың жұмыспен қамтылуына және жұмыссыздық проблемаларын шешуге әсер ететін мемлекеттің саясаты.

Зерттеу нәтижелері. Кәсіпкерлікті мемлекеттік қолдау кәсіпкерлікті дамытуға және оның іскерлік белсенділігіне қуатты реттеушілік ықпалға ие, бірақ ең алдымен адамдарды нәтижелі жұмыспен қамтуды қолдау мен дамытудың, халықты ұтымды жұмысқа орналастырудың қажетті құралы болып табылады, макроөңірлерде де, бүкіл елде де.

Түйін сөздер: кәсіпкерлік, мемлекеттік реттеу, реттеуші ықпал, мемлекеттік қолдау, ШОБ, мемлекеттік бағдарлама, нәтижелі жұмыспен қамту.

ГОСУДАРСТВЕННАЯ ПОДДЕРЖКА И РЕГУЛИРОВАНИЕ ПРЕДПРИНИМАТЕЛЬСТВА КАК ФАКТОРЫ РАЗВИТИЯ ЗАНЯТОСТИ

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АБСТРАКТ

Цель исследования. Исследование вопросов и основных направлений государственной поддержки и регулирования предпринимательства с точки зрения факторов, влияющих на развитие продуктивной и рациональной занятости населения в Казахстане, изучение некоторых аспектов предпринимательского обучения.

Методология исследования. Использованы методы макроэкономического анализа, статистический и графический методы экономических исследований, институциональный анализ. Методологическую основу исследования составили Концепция государственного регулирования предпринимательской деятельности до 2020 года, Государственные программы в сфере поддержки и развития предпринимательства и МСБ, в области занятости населения, данные Комитета по статистике РК.

Оригинальность / ценность исследования. Исследовательский фокус был сосредоточен на рассмотрении актуальных вопросов и направлений государственной поддержки и регулирования предпринимательства, с точки зрения экзогенных факторов макроэкономической политики государства, влияющих на развитие предпринимательства, занятости населения и решение проблем безработицы.

Результаты исследования. Государственная поддержка предпринимательства имеет мощное регуляторное воздействие не только на развитие предпринимательства и его деловой активности, но и прежде всего, является необходимым инструментом поддержания и развития продуктивной занятости людей, рационального трудоустройства населения как макрорегионов, так и страны в целом.

Ключевые слова: предпринимательство, государственное регулирование, регулирующее воздействие, государственная поддержка, МСБ, государственная программа, продуктивная занятость.

INTRODUCTION

Currently, the business sector is one of the most significant, strategically important and priority sectors of the national economy. Ensuring the sustainable economic development of the country as a whole depends on the state and level of development of private entrepreneurship and, above all, small and medium-sized enterprises. It is this sector of the economy that has enormous potential for solving many problems affecting the economic growth of the state, such as undeveloped competition, inefficient use of material and intangible resources, the dependence of domestic demand on imports, unemployment, poverty and several others.

The role of small and medium-sized enterprises in the development of employment, the rational use of labor resources, in the diversification of the economy and the achievement of industrial development of production is important. It is developed entrepreneurship that is the foundation of the innovative and productive nature of the development of the national economy as a whole.

Effective state regulation of entrepreneurship plays a huge role in its development, and state support for entrepreneurship is also of particular macroeconomic importance. The interaction of business entities and the

state is aimed at creating favorable conditions for the development of entrepreneurship and society, stimulating entrepreneurial initiative in the Republic of Kazakhstan.

Consideration of these significant issues and problems is very important in the context of the interaction of the state and business at the present time. This explains the relevance of the research topic.

State support of private entrepreneurship in the country is a complex of state measures to stimulate the development of private entrepreneurship, creating favorable legal, economic conditions for implementing entrepreneurial initiative in the Republic of Kazakhstan. Special attention is paid to the state support of subjects of small and medium-sized businesses in various fields and industries, especially in strategically important sectors of the national economy.

Government regulation of business activities on a par with the investment policy, policy of development of infrastructure and human capital, credit and financial policy is part of an overall economic development policy of the state.

In this study, the authors used the following methods and obtained the main results:

a) macroeconomic analysis:

- analysis of the implementation of state programs to support employment and entrepreneurship;
- the level of employment in absolute and relative values;
- analysis of economic structures that create jobs;
- indicators for creating jobs, quantitative indicators of the self-employed population.

b) statistical method of economic research:

c) institutional analysis to identify the main problems, objects and structures that have a direct impact on the employment of the population of Kazakhstan.

The research focus is on studying the directions of state support for entrepreneurship and its relationship with employment policy. The implementation of state policies to support entrepreneurship and employment is analyzed as part of the implementation of state programs. The current research problems and possible solutions are outlined. Measures of state support for productive and rational employment are considered.

THE MAIN PART OF THE STUDY

In modern market conditions, entrepreneurial activity is one of the most important, socially significant and priority areas of development of the national economy. The state and dynamism of the development of entrepreneurship and, above all, small and medium-sized businesses, depend on the sustainable economic development of the country as a whole. This sector has enormous potential to solve many problems affecting economic growth of the state, such as insufficient competition, inefficient use of material and non-material resources, dependence of domestic demand on imports, unemployment, poverty and several others.

The important role of small and medium enterprises in diversifying the economy and achieving high rates of industrial production development. It is entrepreneurship that is the Foundation of the innovative and productive nature of the development of the national economy as a whole.

The legal, economic and social conditions and guarantees of freedom of entrepreneurship in the Republic of Kazakhstan are determined by the "Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015" (as amended and supplemented on January 19, 2019), and also regulates social public relations that arise in connection with business interaction and the governments, including state regulation and entrepreneurship support [1].

Successful development and implementation of the balanced state policy in the advanced industrial countries depended directly and depend on some starting factors. These factors include first and foremost, the controllability of the system of bodies of power, their efficiency and professionalism, the continuity of the political course of States at the highest level, the existence of a developed system of institutions of civil society, an effective system of open reporting and accountability of authorities, the lack of fusion of the interests of big business and government in specific sectors of the economy.

Review of international research on this issue suggests that a professional business education plays a decisive role in the development of human capital and also serves as one of the key factors of economic growth. In modern conditions of dynamic development of small and medium-sized businesses, high business activity of

economic entities of the country are very important to the development of entrepreneurship education, since it is this segment of the educational market is responsible for the preparation of entrepreneurial and managerial skills, able to ensure the growth and competitiveness of the economy.

18 APR 2014 the Government of Kazakhstan approved the Concept of state regulation of entrepreneurial activities till 2020 (hereinafter - the Concept). The concept defines the vision, basic approaches to state regulation of business activities and aims to ensure the comprehensiveness of reform in this direction until 2020.

According to the world Bank, Kazakhstan is different from most of the countries of the Commonwealth of Independent States, however, that some radical reforms were successfully carried out in the first years of independence. In this sense, Kazakhstan has some similarities with the countries of Central Europe and China. The success of these reforms, the availability of natural resources led to economic growth and welfare. However, it is too early to say that Kazakhstan's economy is fully liberalized and the conditions for doing business are comparable with the best world samples. In other words Kazakhstan, like other countries in the third model, received a median equilibrium, although the point of this balance is in a better position than neighboring States [2].

According to the Committee on Statistics of the RK, dated April 1, 2020, the number of small and medium-sized enterprises in the Republic Kazakhstan is as follows: in the Republic of Kazakhstan, for a total of – 1 318 518; in Akmola region – 44 094; in Aktobe region – 59439; in Almaty region – 121362; in Atyrau region – 49389; in the West Kazakhstan region – 42254; in Zhambyl region – 67769; in Karaganda region – 87220; in Kostanay region – 51674; in the Kyzylorda region – 46268; in Mangystau region – 52400; in Pavlodar region – 44868; in the North Kazakhstan region – 29575; in the Turkestan region – 141099; in the East Kazakhstan region – 86124; in Nur-Sultan – 135382; in Almaty – 190015; in Shymkent – 69586 existing small and medium-sized businesses.

According to the Committee on Statistics of the Republic of Kazakhstan, the number of operating small and medium enterprises as of December 1, 2019 increased by 7.8% compared to January 1, 2018. The share of individual entrepreneurs in the total number of small and medium-sized enterprises amounted to 64.7%, the share of legal entities of small business - 19.1%, the share of peasant and farm enterprises was 16%, legal entities of medium-sized enterprises amounted to 0,2%.

The number of operating small and medium-sized businesses, as of October 1, 2019, amounted to 1335.6 thousand enterprises. As of October 1, 2019, the number of employees involved in SMEs amounted to 3319.5 thousand people.

Output of products (goods and services) by SMEs in January-September 2019, amounted to 21051,4 billion tenge. Key performance indicators of SMEs are presented in table 1.

Table 1 – Key performance indicators of SMEs in the Republic of Kazakhstan

	2016	2017	2018	October 1, 2019
The number of operating small and medium-sized enterprises, thousand units				
Total	1106,4	1146,0	1241,3	1 335,6
Including :				
- small and medium enterprises	192,4	211,4	233,9	252,8
- individual entrepreneurs	736,1	747,1	809,1	870 125
- peasant or farm enterprises	177,9	187,5	198,3	212 692
The number of employees in small and medium enterprises, thousand people				
Total	3166,8	3190,1	3321,9	3 319,5
Including :				
- at small and medium enterprises	1602,2	1663,2	1726,2	1651,0
- individual entrepreneurs	1288,2	1240,9	1315,2	1 372,9
- in peasant or farm enterprises	276,4	286,0	280,5	295,6
Production output by small and medium-sized enterprises, billion tenge				
Total	19609,0	23241,1	26473,1	21051,4
Including :				
- small and medium enterprises	17053,5	20533,9	23390,8	18323,3
- individual entrepreneurs	1511,7	1554,7	1765,0	1631,4
- peasant or farm enterprises	1043,8	1152,5	1317,3	1096,7
Note – Compiled by the authors based on the source [3].				

These indicators testify to the positive dynamics of growth in the number of employees at small and medium-sized enterprises, as well as an increase in the output of all small and medium-sized enterprises.

According to the statistics Committee of Kazakhstan, in 2019 on types of economic activities in the structure of employment in SMEs is as follows (all employed in SMEs – 100 %):

1. In the wholesale and retail trade, repair of motor vehicles and motorcycles – 29,3 %;
2. Industry – 10,3 %;
3. In agriculture, forestry and fisheries – 12,6 %;
4. In the construction sector – 8,8 %;
5. In the field of real estate transactions – 5,0 %;
6. In the field of transport and storage – 5,9 %;
7. In providing other types of services to 28,1 %.

It is important to note the fact that the share of employment in small and medium businesses, total employment in 2018 in the Republic of Kazakhstan, accounted for 37.6 %. This figure for the past 10 years has increased by 9.8 %.

In accordance with the Concept of the state policy of employment in the Republic of Kazakhstan, the main goal of the employment policy is to achieve full, productive and freely chosen employment, reduce unemployment and maintain it at a socially acceptable level, create legal, economic and organizational conditions for the functioning and regulation of the labor market. In achieving this goal, one of the main tasks are:

- state support and active stimulation of the development of small and medium-sized private enterprises, creating additional jobs, incl. and by attracting foreign capital;
- pursuing financial and tax policies consistent with employment policies that support the stimulation of the creation of additional jobs;
- improving the sectoral structure of the economy through the creation of new ones, reforming unpromising industries, including privatization, reorganization, reprofiling and a number of others.

According to the Committee on Statistics, the number workforce aged 15 years and older in the IV quarter of 2019, based on the results of a sample survey of employment, amounted to 9.2 million people. The economy of the Republic employed 8.8 million people. The employment rate for the population aged 15 years and older was 66.8 % and decreased by 0.2 % compared to the fourth quarter of 2018. The number of unemployed is 441.4 thousand people, and the unemployment rate is 4.8%.

In addition, in recent years, reforms in areas such as starting a business, paying taxes, protecting investors. In particular, over the past period the amended standards of the state services in state registration and re-registration of legal entities, optimised tax reporting forms. Recently, Kazakhstan introduced some elements of the analysis of the regulatory influence of normative legal acts. So, to ensure the quality of development of normative legal acts, assess their impact on the regulated sector and reduce corruption risks, was introduced for assessing the socio-economic impact of new draft legislation, which is largely based on a model of regulatory impact analysis.

Regulatory tools are a means of action against business entities, including the forms and means of state regulation of business under article 81 of the Entrepreneurial Code. A regulatory impact analysis is the analytical procedure for mapping the benefits and costs from imposed regulatory tool, and related requirements, allowing to assess the achievement of the objectives of state regulation in the future. The purpose of the regulatory impact analysis is to increase the efficiency and effectiveness of the state policy regarding the use of specific regulatory instruments through the evaluation of alternative management approaches to achieve certain goals or solve clearly defined problems. In accordance with the Code, the basic principles of interaction of business entities and the state are:

- 1) legality;
- 2) freedom of enterprise;
- 3) equality of subjects of entrepreneurship;
- 4) the inviolability of property;
- 5) fair competition;

- 6) balance the interests of consumers, businesses and the state;
- 7) transparency of activities of state bodies and accessibility of information;
- 8) the effectiveness of state regulation of entrepreneurship;
- 9) encourage entrepreneurship and ensuring its protection and support;
- 10) support of domestic producers of goods, works, services;
- 11) prohibition of illegal state interference in the affairs of business entities;
- 12) limited state involvement in business activities [1].

On May 24, 2018 was signed the Law «On amendments and additions to some legislative acts of Kazakhstan on the issues of improving regulation of entrepreneurial activities». The main goal of the changes is a liberalization of the law in regulating business. The act provides for the reduction of public control functions by almost 30%. An important role for the institution of preventive control, which will alert the offense. Only the Law introduces about 1,000 amendments to the codes 14 and 109 of the laws. The direction of these transformations corresponds to the main strategic course of the country - this is the creation of the most favorable conditions for the development of entrepreneurship [4].

In the development of the Law direct participation of the national Chamber of Entrepreneurs of Kazakhstan «Atameken» (hereinafter – NCE «Atameken»). «Atameken» is a non – profit organization representing an Alliance of businesses established to ensure a favourable legal, economic and social conditions for implementing entrepreneurial initiative and the development of mutually beneficial partnerships between the business community and the public authorities of the Republic of Kazakhstan, as well as stimulate and support activities of associations of individual entrepreneurs and (or) legal entities in the form of an Association (Union). The national Chamber created with the purpose of forming an institutional framework for growth and further development of entrepreneurship in Kazakhstan.

8 Oct 2013 in 14 regional centers of Kazakhstan and cities of Astana and Almaty was created by the regional chamber of entrepreneurs (RCE). The main objectives of the RCE are the following: sustainable growth and development of entrepreneurial activity in all regions of the country; in order to take into account the interests of entrepreneurs in the development and implementation of state policy in the field of entrepreneurship, ensuring institutional conditions, improving mechanisms of state support and interaction between the state and business in the relevant region of the country [5].

The Law «On amendments and additions to some legislative acts of Kazakhstan concerning improvement of regulation of business activity» of NCE «Atameken» included the following proposals:

1. Deregulation of business.
2. Front reduction of all types of costs for businesses.
3. The reform of informational tools.
4. Improvement of Kazakhstan's positions in the World Bank rating «Doing Business».
5. Audit to identify rules that hinder competition.
6. Increased responsibility of business [6].

Great attention from the state is paid to supporting businesses in various fields and sectors of activity, especially in the industrial sector of the economy, export-oriented and import-substituting industries, as well as socially significant and strategically important areas. In accordance with the Business Code, under the state support of private enterprise refers to a set of government measures to stimulate the development of private entrepreneurship, creating favourable legal, economic conditions for implementing entrepreneurial initiative in the Republic of Kazakhstan.

State support of private enterprise includes the following main types:

- 1) financial and material support;
- 2) infrastructure support;
- 3) institutional support consisting in the creation and development of financial institutions supporting the development of private enterprises, research institutes with the state bodies to study the problems and develop proposals for the development of private entrepreneurship;
- 4) information support, namely, information-analytical, educational and methodological, scientific and methodological support of entrepreneurship.

The main directions of state support of private entrepreneurship in Kazakhstan are the following:

- 1) small and medium enterprises;
- 2) agriculture and non-agricultural business activities in rural areas;
- 3) industrial-innovative activity;
- 4) special economic zones;
- 5) investment activity;
- 6) entrepreneurship domestic producers of goods [1].

For quality policy implementation necessary to develop its institutional portion in accordance with best international practices. In accordance with the recommendations of the world Bank requirements on procedures for rulemaking in part the adoption and revision of regulations, compliance issues and other procedures of the state bodies in implementation of this Concept assume the existence of a monitoring mechanism. International practice shows that since the early 1980s with the development and implementation of new requirements and procedures regulatory policies of the developed countries began to create the structure of the so-called regulatory oversight.

For example, in the United States of America in the structure of the office of management and budget (Office of Management and Budget) in 1980 created the office of information and regulatory Affairs (US Office of Information and Regulatory Affairs). In 2005, the UK created a Directorate for better regulation (The Better Regulation Executive). The Advisory Council on administrative barriers in the Netherlands (Adviescollege Verminderende Administratieve Lasten) was established in 2000. The Council for better regulation Sweden (Regelradet) was established in 2008 and started to operate in 2009. In Germany the national Council for control of rules (Nationaler Normenkontrollrat) was established in 2006. Similar councils also exist in Mexico, Australia, Japan. In some countries the functions of the regulatory oversight performed by the departments of the ministries. In Denmark it is the Department better regulation of the Ministry of Finance in Finland's Bureau of legislative inspection of the Ministry of justice, France is the Service quality and simplification of the Finance Ministry. In Greece, Belgium, Ireland and Korea this departments office of the Prime Minister. In almost all countries of the Organization for Economic Cooperation and Development except the United States of America, signing on regulatory oversight are Advisory in nature [7].

In different countries these bodies subsequently evolved and adapted to the effective synergy with the public administration. So, today, there are some differences in the tasks assigned to these bodies, the functions they perform, and their structure and place in the system of public administration.

RESULTS AND REASONING

The state policy in the field of regulation of small and medium-sized enterprises in the country is aimed at such goals as the formation through the development of small enterprises of the middle class, which will be based on the creation of high-tech industries with high added value.

To strengthen the interaction between the state and entrepreneurs, by Decree of the President of the Republic of Kazakhstan dated April 9, 2014 No. 791, the Council of National Investors was created under the President of the Republic of Kazakhstan. The main tasks of the National Investor Council are:

- 1) Development of recommendations and proposals on improvement of normative legal base of the Republic of Kazakhstan on issues of entrepreneurship; creation of the conditions stimulating development of market economy and attraction of domestic investments in the economy;
- 2) Consolidation of activities of private entrepreneurs and their associations operating in the Republic of Kazakhstan;
- 3) Consideration and discussion of other important issues in the field of entrepreneurship and investment policy [8].

For the development of entrepreneurship in the Republic of Kazakhstan, the state has established a number of public institutions the field of entrepreneurship support. One of the main such institution is a Joint-stock company entrepreneurship development Fund «Damu» (hereinafter – the Fund «Damu»), which was created on the basis of the decision of the Government of the Republic of Kazakhstan from April 26, 1997 №665 «About creation of Fund of development of small entrepreneurship».

The Fund «Damu» has more than 20 years of experience in supporting small and medium business in Kazakhstan. Until 2010 the majority of participants in the programs of Fund «Damu» has received financial support under the programs of conditional placement of funds in second tier banks. Implementation of the programs of conditional placement of funds played an important role in reducing the General level of interest rates on loans granted to small and medium enterprises [9].

However, small and medium business in Kazakhstan continues to experience some difficulties to overcome, which required a consistent work to further improve the financial support mechanisms and improve the effectiveness of regional development programs, the elimination of administrative barriers and enhance industrial innovation capacity and the development of entrepreneurial education.

As already mentioned, the state regulation of entrepreneurship pays more attention to the development of entrepreneurial training. One of the operators in the implementation of this direction is the «Damu» Fund and the main directions in the study of entrepreneurship on the part of the Fund are:

- 1) Online training for beginners and existing entrepreneurs;
- 2) The training Program Support of existing business «Asyldar»;
- 3) Training of top management of small and medium enterprises.

I. Online training is conducted by «Damu» Fund through the implementation of a distance learning system for beginners and existing entrepreneurs.

II. The training program is «Support existing businesses» at the moment is successfully completed. Participants in this program were private businesses that were selected to participate in the Project by the decision of the Independent Commission. Under this training program were implemented in such directions:

1. Diagnostics of a condition of participating in the Project, identifying the strengths and weaknesses of the Participant of the Project, identifying problems hindering the development of the company.
2. Development roadmap development Project Participant by results of the diagnostics.
3. Development and implementation of the action Plan within the Strategy business development Project Participant by the selection of types of support from among the following:

- 1) expert consulting;
- 2) training support;
- 3) foreign missions;
- 4) recommendations for obtaining financial support.

Funding for this Project was carried out at the expense of own funds of the «Damu» Fund, personal funds of Participants of the Project (up to 50% of the costs for diagnostics, training, and peer support).

III. Training of top management of small and medium enterprises. The aim of teaching entrepreneurs the following:

- Training of top managers of the latest models and the conduct of business;
- Improving the competitiveness, survival and sustained growth of companies;
- Increase the entrepreneurial level of business from the public [9].

The entrepreneurial goal of the «Damu» Fund in its activities is to provide financial and non-financial support to SMEs, to support the sustainable development of micro-, small and medium-sized business entities in the country using systemic, effective methods of state support.

Types of financial support from «Damu» Fund:

- soft loans through second-tier banks as part of targeted programs for regions and individual industries, microcredit through microcredit organizations;
- reduction in interest rates on loans for the development of entrepreneurship provided by banks;
- provision of a partial guarantee in order to secure bank loans;
- subsidizing - reduction of interest rates on business development loans issued by banks;
- guarantee - the provision of a partial guarantee as collateral for bank loans.

Types of non-financial support are provided in Entrepreneur Service Centers:

- free seminars and master classes in specialized areas of business;
- free consulting and service support in the most important areas of business and government programs to support small and medium-sized businesses.

Currently in Kazakhstan to promote business development, entrepreneurial training, and state support of entrepreneurship, including youth and women's entrepreneurship implemented a series of public programs, for example:

1. *Unified Program* of support and business development «Business Road map – 2020» is a program for the issuance of state grants and loans, reducing payments on the loan, loan guarantee and training of entrepreneurs, aims to support the development of small and medium business in Kazakhstan. The goal of this program is a steady and balanced growth in the development of regional entrepreneurship, the creation of new and permanent jobs at enterprises, and the preservation of existing jobs. The implementation period 2015-2019 [10].

2. *The program* of development of productive employment and mass business for the years 2017-2021 «Enbek», whose aim is the promotion of productive employment and the involvement of citizens in entrepreneurship. One of the goals of the Program is learning the basics of entrepreneurship. In the framework of this direction is the entrepreneurship training project «Bastau Business». The entrepreneurship training courses are unemployed persons registered in employment Centres and self-employed persons with entrepreneurial potential, members of agricultural cooperatives, as well as persons living in rural settlements and small cities of Kazakhstan. Participants in the program who are studying entrepreneurship in the context of this Project are provided by state-support tuition, stipends and travel [11].

3. *The program* of development of monotowns for 2012-2020, aimed at the sustainable socio-economic development of single-industry towns in the medium and long term.

4. *Program* «Grant funding». Government grants are available to small businesses, including young entrepreneurs, budding entrepreneurs, as well as women, the disabled and persons over the age of 50, on a gratuitous and irrevocable basis for new business ideas in priority sectors of the economy and manufacturing in the program. Under this program, state grants are provided without branch restrictions [9].

5. *Program* to create Mobile SCE. Mobile SCE (ICPC) is a specially-equipped buses that travel to rural areas to ensure information and advice to support entrepreneurs in remote areas.

6. *The program* on creation of business service Centers in the regional centers. The entrepreneurs service centers is a full package of consulting services in the mode of «one window», training, workshops and seminars on the most topical business issues.

Also, for the purposes of the business education in Kazakhstan is implementing the Project «Business Advisor» who teaches entrepreneurs how to start their own business or to optimize already-established company. During the training the entrepreneurs receive the knowledge to create their own business, marketing, human resources management, legal basics of business and finance. Training is currently conducted by professional teachers and trainers in 209 districts and cities of Kazakhstan [5].

Public policy in the Republic of Kazakhstan concerning regulation of private business is focused primarily on the formation of the middle class, through the development of small entrepreneurship based on the creation of new high-tech industries with the highest added value.

Examples of the relationship between enterprise development and productive employment is the implementation of the program of development of productive employment and mass business for the years 2017-2021 «Enbek» and ending in the current year, the successful Program «Business Road map – 2020». Program productive employment «Enbek» plays the most important macro-economic role and important socio-economic importance.

The main goal of the Program «Enbek» is to promote productive employment of the population and involve citizens in entrepreneurship. Let's take a closer look at some of the indicators and results of Program implementation.

Let us consider the statistical indicators for the results of the Program:

1. The unemployment rate for the first quarter of 2019 is 4.8 % (in 2021 – no more than 4.8 %).
2. The share of labor resources with basic, secondary, general and primary education as of July 1, 2019, is 14.6 % (in 2021 – no more than 20 %).
3. The proportion of unproductively employed (out of self-employed population) as of July 1, 2019, is 9.3 % (in 2021 – no more than 10 %).

4. The growth of actively operating small and medium-sized enterprises as of 01 Jan 2019, is 1241 thousand SMEs, the growth rate for the first half of 2019 is 110.3 % (in 2021 – an increase is expected to be of at least 10 %) [12].

One of the objectives of the program of development of productive employment, «Enbek» is the entrepreneurship training in accordance with the second direction of the Program «The Development of mass entrepreneurship». In the framework of this direction is the entrepreneurship training project «Bastau Business». The operator of the project «Bastau Business» is the Ministry of national economy of the Republic of Kazakhstan. The entrepreneurship training courses are unemployed persons regardless of registration with the employment Centres and self-employed persons with entrepreneurial potential, members of agricultural cooperatives, as well as in rural settlements and small cities of Kazakhstan. For example, in 2017 the number of participants in the project «Bastau Business» amounted to 15 thousand people. It should be noted that Program participants undergoing entrepreneurship training under this project are provided by state-support tuition, stipends and travel. Upon completion of training, participants receive a certificate on completion of entrepreneurship education and training participation in this project [11].

As part of the second direction of the «Enbek» Program, the Ministry of Labor and Social Protection of the Population, through subsidiaries of NH «KazAgro», provides loans / microcredits to implement business projects in rural populated areas and small towns of Kazakhstan. Loans are unemployed, self-employed, budding entrepreneurs, agricultural cooperatives, members of the anchor societies. The Ministry of agriculture in the framework of «Enbek» participates in the project «Bastau Business» teaching business skills to aspiring entrepreneurs. Education is free, providing scholarships for the training [13].

Due to the launch in 2010 of the state program «Business Road map – 2020» has broadened the range of tools to support entrepreneurship through «Damu» Fund. In particular, it began subsidizing interest rates on loans to small and medium business credit guarantee of small and medium business, and also launched a large-scale implementation of training programmes and consultancy support for small and medium businesses. It is worth noting the fact that in 2015 the operator of non-financial support in the framework of the common program «Business Road map – 2020» is the NCE «Atameken». In this regard, the national Chamber starting in 2015 started the implementation of the following projects: «Business Advisor», «Business-Growth», «Business communication», «Senior seniors», «Business-Nasikhat», «Support Centers in single-industry towns», «Support Centers in small towns and district centres».

The main results of realization of «Business Road map – 2020» are:

- implementation of nearly 9 thousand projects;
- creation of 392 thousand jobs;
- direction on training and retraining of about 150 thousand people, of which about 50 % are employed;
- employment of more than 192 thousand people to social jobs and workplaces under the youth practice.

Wide application in the framework of active forms of employment assistance (social workplaces, youth practice, retraining and improvement of professional skill) contributed to enhancing citizens of the target population, and the level of youth unemployment (4.1 percent) was first recorded at the level below the General level of unemployment in the country [12].

CONCLUSION

State support of entrepreneurship has a direct impact on the employment and solving the unemployment problem. Small and medium businesses, and larger companies, with favorable conditions for stable functioning in a competitive environment, not only retain employment, but also in the expansion of production create new jobs, thus providing more productive employment in General.

Thus, the significant contribution of small and medium enterprises in manufacturing value added and job creation due to the current sectoral structure of production, which, in turn, is determined by the availability of natural resources, technologies and production scales.

A developed business sector is the basis for sustainable economic development in any country, which contributes to increasing productive employment and improving the volume and quality of gross domestic production.

Currently, state programs continue to be implemented, that are aimed to: improve the employment system of the population of Kazakhstan; prevent the growth of unemployment; promote the growth of productive employment; improve the quality of the workforce; protect the national labor market.

The considered main measures and methods of state support of entrepreneurship, which are especially actively implemented within the framework of the «Enbek» program for the development of productive employment and mass entrepreneurship, are of great macroeconomic importance in solving the problems of employment, employment and entrepreneurship development.

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SUMMARY

The main purpose of the article was to study the main goals and directions of state support and regulation of entrepreneurship as factors that directly affect the development of productive and rational employment of the population. Priority measures and methods of state support and regulation of entrepreneurship implemented within the framework of state programs in the Republic of Kazakhstan are considered.

ТҮЙІНДЕМЕ

Мақаланың негізгі мақсаты халықты нәтижелі және ұтымды жұмыспен қамтуды дамытуға тікелей әсер ететін факторлар ретінде кәсіпкерлікті мемлекеттік қолдау мен реттеудің негізгі мақсаттары мен бағыттарын зерттеу болды. ҚР-да мемлекеттік бағдарламалар аясында жүзеге асырылатын кәсіпкерлікті мемлекеттік қолдау мен реттеудің басым шаралары мен әдістері қарастырылды.

РЕЗЮМЕ

Основной целью статьи было исследование основных целей и направлений государственной поддержки и регулирования предпринимательства как факторов, непосредственно влияющих на развитие продуктивной и рациональной занятости населения. Рассмотрены приоритетные меры и методы государственной поддержки и регулирования предпринимательства, реализуемые в рамках государственных программ в РК.

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TRANSFER PRICING IN THE REPUBLIC OF KAZAKHSTAN: MAIN PROBLEMS OF STATE REGULATION AND CONTROL

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ABSTRACT

Purpose of research – to investigate the current development trends of transfer pricing state regulation system in the Republic of Kazakhstan and to consider the prospects for system improvement.

Methodology. Comparative analysis of foreign and Kazakh approaches to control transfer pricing. Assessment of best practices based on the analysis of normative documents, statistical data, scientific publications, materials of seminars and conferences.

Originality /value of research. The author examines the basic approaches of transfer pricing regulation in the world practice and in the Republic of Kazakhstan, analyzes the specifics of legal regulation of the researched sphere in Kazakhstan. On the basis of the analysis recommendations on optimization of state regulation and control are developed.

Research results. The existing regulatory framework of transfer pricing and the practice of its application in Kazakhstan do not contribute to increasing the initiative of business, do not stimulate foreign economic activity, restrain the inflow of foreign investments and modern technologies into the country. It is necessary to change the approaches to regulation at the basic level and focus it on building partnerships between the state and business. One of the key tasks is to harmonize the norms of domestic legislation with the generally accepted international principles of regulation.

Keywords: transfer pricing, transfer prices, government regulation, tax optimization, three-level reporting, price range, differential, offshore zones.