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**GOVERNMENT REGULATION AND MANAGEMENT  
OF ENTREPRENEURSHIP IN KAZAKHSTAN**

**K. Bodaukhan<sup>1</sup>, B. Zh. Bolatova<sup>2</sup>, M. Zh. Zharylkassinova<sup>3</sup>,  
B. Z. Zhumagaliyeva<sup>4</sup>**

<sup>1</sup>Seifullin Kazakh Agrotechnical University, Nur-Sultan, the Republic of Kazakhstan

<sup>2</sup>K. Zhubanov Aktobe Regional State University, Aktobe, the Republic of Kazakhstan

<sup>3</sup>Narxoz University, Almaty, the Republic of Kazakhstan

<sup>4</sup>Kazakh-Russian International University, Aktobe, the Republic of Kazakhstan

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**ABSTRACT**

*Purpose of research.* Study of current issues of state regulation and business management in Kazakhstan. Currently, the business sector is one of the most important, strategically important and priority sectors of the national economy.

*Methodology.* The article uses macroeconomic, statistical, and behavioral approaches. The article focuses on the study of the regulatory impact of the state on business, the principles and methods of state regulation of entrepreneurship, and the main priorities of state support for entrepreneurship.

*Originality /value research.* Is the identification of existing problems of small business in the Republic of Kazakhstan and the definition of possible solutions.

*Research results.* In modern conditions of dynamic development of small and medium-sized businesses, high business activity of economic entities, the state plays an important role in the regulation and management of business activities.

State regulation of business activity in modern conditions, active development of entrepreneurship is the basis of innovative and productive economic development.

*Keywords:* government, entrepreneurship, state administration, government regulation, regulatory impact, government support, employment.

**ҚАЗАҚСТАНДАҒЫ КӘСІПкерлікті Мемлекеттік реттеу және басқару**

**К.Бодаухан<sup>1</sup>, Б.Ж.Болатова<sup>2</sup>, М.Ж.Жарылкасынова<sup>3</sup>, Б.З.Жумағалиева<sup>4</sup>**

<sup>1</sup>С.Сейфуллин атындағы Қазақ агротехникалық университеті, Нұр-Сұлтан,  
Қазақстан Республикасы

<sup>2</sup>Қ.Жұбанов атындағы Ақтөбе өңірлік мемлекеттік университеті, Ақтөбе,  
Қазақстан Республикасы

<sup>3</sup>Нархоз университеті, Алматы, Қазақстан Республикасы

<sup>4</sup>Қазақ-Орыс Халықаралық университеті, Ақтөбе, Қазақстан Республикасы

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**АНДАТПА**

*Зерттеудің мақсаты.* Қазақстанда кәсіпкерлікті мемлекеттік реттеу мен басқарудың өзекті мәселелерін зерттеу. Қазіргі уақытта кәсіпкерлік саласы ұлттық экономиканың аса маңызды, стратегиялық маңызды және басым салаларының бірі болып табылады.

*Зерттеу әдіснамасы.* Жұмыста макроэкономикалық, статистикалық және мінез-құлық тәсілдері қолданылған. Мақалада бизнес пен кәсіпкерлікке мемлекеттің реттеушілік әсерін, кәсіпкерлікті мемле-

кеттік реттеудің қағидаттар мен әдістерін, кәсіпкерлікті мемлекеттік қолдаудың негізгі басымдықтарын зерттеуге баса назар аударылды.

*Зерттеудің бірегейлігі / құндылығы.* Бұл Қазақстан Республикасындағы шағын бизнестің қазіргі мәселелерін анықтау және оларды шешудің ықтимал жолдарын негіздеу.

*Зерттеу нәтижелері.* Шағын және орта кәсіпкерліктің серпінді дамуының қазіргі жағдайында, шаруашылық субъектілердің жоғары іскерлік белсенділік жағдайында, кәсіпкерлік қызметін реттеуде және басқаруда мемлекет маңызды, үлкен рөл атқарады.

Қазіргі жағдайда кәсіпкерлік қызметті мемлекеттік реттеу ерекше маңызға ие, жүргізілген әкімшілік реформалар кәсіпкерлік қызметті жүзеге асыру кезінде әкімшілік кедергілерді азайтуға бағытталса да, шаруашылық жүргізуші субъектілердің жұмыс істеуіне, қызмет атқаруына тікелей мемлекеттік ықпал етудің мәнін жете бағаламауға болмайды.

Кәсіпкерліктің белсенді және серпінді дамуы экономикалық дамуының инновациялық және нәтижелі өнімді сипаты үшін негізі болып табылады.

*Түйін сөздер:* мемлекет, кәсіпкерлік, мемлекеттік басқару, мемлекеттік реттеу, реттеуші ықпал, мемлекеттік қолдау, жұмыспен қамту.

## ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ И УПРАВЛЕНИЕ ПРЕДПРИНИМАТЕЛЬСТВОМ В КАЗАХСТАНЕ

К. Бодаухан<sup>1</sup>, Б. Ж. Болатова<sup>2</sup>, М. Ж. Жарылкасынова<sup>3</sup>, Б. З. Жумагалиева<sup>4</sup>

<sup>1</sup>Казахский агротехнический университет имени С.Сейфуллина, Нур-Султан,  
Республика Казахстан

<sup>2</sup>Актюбинский региональный государственный университет имени К.Жубанова,  
Актобе, Республика Казахстан

<sup>3</sup>Университет Нархоз, Алматы, Республика Казахстан

<sup>4</sup>Казахско-Русский Международный университет, Актобе, Республика Казахстан

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## АННОТАЦИЯ

*Цель исследования.* Изучение актуальных вопросов государственного регулирования и управления предпринимательством в Казахстане. В настоящее время сфера предпринимательства является одной из наиболее значимых, стратегически важных и приоритетных отраслей национальной экономики.

*Методология исследования.* В работе использованы макроэкономический, статистический и поведенческий подходы. Основное внимание в статье было уделено изучению регулирующего воздействия государства на бизнес и предпринимательство, принципов и методов государственного регулирования предпринимательства, основным приоритетам государственной поддержки предпринимательства.

*Оригинальность/ценность исследования.* Это выявление существующих проблем малого бизнеса в Республике Казахстан и определение возможных путей их решения.

*Результаты исследования.* В современных условиях динамичного развития малого и среднего предпринимательства, высокой деловой активности хозяйствующих субъектов государство играет важную роль в регулировании и управлении предпринимательской деятельностью.

Государственное регулирование предпринимательской деятельности в современных условиях приобретает особое значение, хотя проводимые административные реформы направлены на снижение административных барьеров при осуществлении предпринимательской деятельности, значения прямого государственного воздействия на функционирование хозяйствующих субъектов нельзя недооценивать.

Активное и динамичное развитие предпринимательства является основой для инновационного, продуктивного характера экономического развития.

*Ключевые слова:* государство, предпринимательство, государственное управление, государственное регулирование, регулирующее воздействие, государственная поддержка, занятость.

## INTRODUCTION

The objectives of state regulation of business are to ensure the safety of goods, works, services for life and health of people produced and sold by an economic entity, protection of their legitimate interests, environmental protection, national security of the Republic of Kazakhstan, protection of property interests of the state. Code of the Republic of Kazakhstan dated October 29, 2015 №375-V SAM «Entrepreneurial code of the Republic of Kazakhstan» (ed. from 19.01.2009) defines the legal, economic and social conditions and guarantees ensuring the freedom of entrepreneurship in the Republic of Kazakhstan, regulates public relations arising in connection with the interaction of business entities and the state, including state regulation and support of entrepreneurship [1].

## THE MAIN PART OF THE STUDY

In developed industrial countries, the successful development, implementation and implementation of a balanced public policy were directly determined and depend on certain starting factors. The starting factors include, firstly, the manageability of the system of authorities, their efficiency and professionalism, secondly, the continuity of the political course of the top leadership of States, thirdly, the existence of a developed system of civil society institutions, fourth, an effective system of open accountability and control of the authorities, fifth, the lack of convergence of interests of big business and authorities in certain sectors of the economy.

On April 18, 2014 the Government of the Republic of Kazakhstan approved the Concept of state regulation of entrepreneurial activity until 2020 (hereinafter - the Concept). The period of birth in the country of civilized business and entrepreneurship can be called the 1997, when it was adopted the decree of the President of the country N.A. Nazarbayev «On priorities and regional programs of support and development of small entrepreneurship in the Republic of Kazakhstan» dated 07.07.1997, No. 3589.

From that moment to the present time, the priority development of entrepreneurship is an important part of the economic policy of the state, most of the fundamental changes in society and is associated with the adoption of this Decree [2].

According to the statistics Committee of the Ministry of national economy of Kazakhstan, as of January 1, 2018, the number of operating small and medium-sized businesses (hereinafter – SMEs) amounted to 1146 thousand units.

The number of employees in SMEs as of January 1, 2018 amounted to 3190.1 thousand people. Output (goods and servants) SMEs in 2017. made 23241,1 billion. The main performance indicators of SMEs are presented in table 1.

**Table 1 – Key performance indicators of SMEs in Kazakhstan**

	2016 year	2017 year	2018 year
<i>The number of active subjects of small and medium-sized enterprises, thousand units</i>			
Just	1106,4	1146,0	1241,3
among them:			
- small and medium-sized enterprises	192,4	211,4	233,9
- individual entrepreneur	736,1	747,1	809,1
- peasant or farm	177,9	187,5	198,3
<i>Number of employees in small and medium-sized enterprises, thousand people</i>			
Just	3166,8	3190,1	3321,9
among them:			
- small and medium-sized enterprises	1602,2	1663,2	1726,2
- individual entrepreneur	1288,2	1240,9	1315,2
- in peasant or farm households	276,4	286,0	280,5
<i>Output of products by small and medium-sized businesses, billion tenge</i>			
Just	19609,0	23241,1	26473,1
among them:			
- small and medium-sized enterprises	17053,5	20533,9	23390,8
- individual entrepreneur	1511,7	1554,7	1765,0
- peasant or farm	1043,8	1152,5	1317,3
Note – Compiled by the authors based on the source [3].			

The indicators in table 1 show a positive trend in the number of employed persons in small and medium-sized enterprises, and an increase in the output of all types of SMEs.

According to the statistics Committee of the Republic of Kazakhstan, in 2018 the following picture is observed in the structure of the number of employed in SMEs by economic activities (all employed in SMEs – 100 %):

1. In wholesale and retail trade, in the field of repair of cars and motorcycles – 29,1 %.
2. In industries – 10,1 %.
3. In agriculture, forestry and fisheries – 13,1 %.
4. In the field of construction – 8,9 %.
5. In the field of real estate transactions – 5,6 %.
6. In the field of transport and storage – 5,6 %.
7. In the provision of other services – 27,6 %.

It is important to note that the share of employment in SMEs in the total number of employed in 2018 in Kazakhstan amounted to 37,6 %. This figure has increased by 9,8 % over the past 10 years.

The introduction of the Law «On state control and supervision in the Republic of Kazakhstan» in 2011, which establishes uniform principles for the implementation of control and Supervisory activities of state bodies, has become an important and significant reform in the field of state control and supervision of business entities in Kazakhstan. In 2012, a ban was introduced on scheduled inspections of small businesses within three years from the date of their state registration. It should be noted that in General, the result of the reforms was a significant reduction in the pressure of regulatory authorities on business and entrepreneurship. The law of the Republic of Kazakhstan «On private entrepreneurship» provides for the need to calculate the costs of private entrepreneurs in connection with the introduction of regulatory legal acts. There is a mechanism of legal monitoring of the existing normative legal acts [4].

In recent years, reforms have also been carried out in such areas as the opening of an enterprise, taxation, protection of investors. In particular, over the past period, amendments were made to the standards of state services for state registration and re-registration of legal entities, tax reporting forms were optimized. Recently, some elements of the analysis of the regulatory impact of the adopted regulatory legal acts have been introduced in Kazakhstan. Thus, in order to ensure the quality of the development of regulatory legal acts, assess their impact on the regulated sphere and reduce corruption risks, a methodology for assessing the socio-economic consequences of draft legislative acts was introduced, which is largely based on the model of regulatory impact analysis.

Regulatory instruments are means of influence with respect to business entities, including the forms and means of state regulation of entrepreneurship, provided for in article 81 of the Entrepreneurial Code. Regulatory impact analysis is an analytical procedure for comparing the benefits and costs of the regulatory instrument 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 improve the efficiency and effectiveness of public policy in terms of the use of specific regulatory instruments through the evaluation of alternative regulatory approaches to achieve certain goals or solve well-defined problems [1].

State regulation of entrepreneurship is carried out through the establishment by the state of requirements that are mandatory for business entities, including the use of regulatory instruments at the level of:

- 1) Laws of the Republic of Kazakhstan.
- 2) Decrees of the President of the Republic of Kazakhstan.
- 3) Regulatory resolutions of the Government of the Republic of Kazakhstan.
- 4) Regulatory legal orders of the Ministers of the Republic of Kazakhstan and other heads of Central state bodies and their departments.
- 5) Regulatory legal acts of the National Bank of the Republic of Kazakhstan.
- 6) Normative legal decisions of maslikhats, normative legal decisions Akimov, normative legal resolutions of akimats.

May 24, 2018 President of Kazakhstan N.A. Nazarbayev signed the Law «On amendments and additions to some legislative acts of Kazakhstan on improving the regulation of business activity», the President stressed

the special importance of the signed law. Speaking at the ceremony of public signing, the Head of state noted that during the years of independence Kazakhstan has created a strong institutional framework of the market economy. In addition, he spoke about the measures provided for in the Law on the frontal reduction of business costs and the exclusion of rules that prevent competition. At the end of the speech, the Head of state noted that the «Five social initiatives» being implemented today open wide opportunities for small and medium-sized businesses, and expressed confidence that the adoption of this Law will become a new serious incentive for strengthening business activity in the country for the prosperity of all people [5].

The national Chamber of Entrepreneurs of the Republic of Kazakhstan «Atameken» (hereinafter – NCE «Atameken») took a direct part in the development of the Law. NCE «Atameken» was created to strengthen the negotiating power of business with the Government of Kazakhstan and state bodies. The chamber of entrepreneurs represents the interests of small, medium and large businesses, covering all areas of business, including domestic and foreign trade.

The main task of NCE «Atameken» is to protect the rights and interests of business and ensure the broad coverage and involvement of all entrepreneurs in the process of formation of legislative and other regulatory rules of business. It should be noted that the national chamber supports the active involvement of Kazakhstan's business in the implementation of state programs, protects the interests of the business community in public authorities and local self-government, expands and strengthens ties with the business community in foreign countries, supports Kazakhstan's business in the framework of economic integration processes.

On October 8, 2013, regional Chambers of entrepreneurs (RCE) were established in 14 regional centers of Kazakhstan and the cities of Astana, Almaty. The objectives of the RCE are the growth and development of the business sector in each region of the country, providing institutional conditions for the interests of businessmen in the development and implementation of state policy in the field of entrepreneurship, improving the mechanisms of interaction between business and the administration of the region [6].

Consider what proposals NCE «Atameken» in the Law taken into account.

1. *Deregulation of business.* One of the main innovations of the law is the introduction of preventive control. According to its results, the businessman will be issued an order to eliminate violations without imposing an administrative penalty. It also provides for the reduction of control and Supervisory functions of state bodies. 20 areas of control are excluded from 114 due to duplication and lack of efficiency, 17 654 requirements for the inspection of business entities from 30497 are reduced. 108 out of 544 control and Supervisory functions of state bodies have been eliminated duplicated and unrelated to security risks to the state and the consumer. Terms of carrying out inspections on a special order and professional control with visit of the subject of the businessman – from 30 to 15 working days, and on unscheduled inspections – from 30 to 10 working days are reduced. In General, the measures taken to reform the state control and supervision will reduce the number of inspections by 2018 by 30 %, and by 2020 – by 10 %.

2. *Frontal reduction of all types of costs for business.* NCE «Atameken» prepared 71 recommendations to reduce costs for business. In addition, taking into account the proposals of business and government agencies, a preliminary list of measures, the implementation of which will reduce costs for business, namely:

- 1) Reduction or reduction of the cost of a number of paid services provided by quasi-public sector enterprises.
- 2) Reduction of rates of individual taxes and mandatory payments to the budget (fees).
- 3) Reduction of the gap between tariffs (prices) for legal entities and the population for regulated utilities.
- 4) Improvement of the procedure for issuing technical conditions for connection to regulated services of natural monopolies.
- 5) problems in the sphere of land relations are being Solved. The transparency of the process of granting land plots will be ensured, the duty of akimats to conduct auctions and the timing of the auction will be legally fixed, which minimizes corruption risks in this area.

3. *Reform of information tools.* One of the significant administrative barriers to the development of entrepreneurship is a large number of information tools, that is, the obligation of business to provide various kinds of reports, certificates and other information to state bodies and their subordinate organizations.

A detailed analysis of the legislation, which revealed a large number of duplicate information tools that are not used or used for purposes of state regulation. A primary list of information tools, consisting of more



than 1600, has been formed, for which a detailed analysis of each of them is currently being conducted for expediency. As a result, with the use of the guillotine tool in 2018, it was planned to reduce the number of information tools by 30 % and to consolidate their exhaustive list by law.

4. *Improvement of Kazakhstan's position in the world Bank's «DoingBusiness» ranking.* The new package provides for amendments to 9 indicators of the rating «DoingBusiness» («Opening of enterprises», «Ensuring the execution of contracts», «Obtaining a construction permit», «international trade», «Connection to the power supply system», «Protection of minority investors», «Resolution of insolvency», «Registration of property», «Obtaining loans») proposed 148 amendments to 7 codes and 20 Laws. In total, the 6 package of amendments proposes the implementation of 12 recommendations of international experts.

5. *Audit to identify anti-competitive rules.* The purpose of the audit is to improve the business climate in the country by creating favorable conditions for the development of healthy competition without the risk of harming the interests of society and national security.

6. *Increased responsibility of business.* NCE «Atameken» together with the Ministry of national economy of Kazakhstan and other state bodies carried out a lot of work on deregulation of business and cost reduction, the results of which were included in this bill. These measures are provided taking into account the risks of a possible increase in the number of violations by entrepreneurs, including deliberate violations of the law, reducing the quality of products. To exclude these points, proposals have been worked out to strengthen the responsibility of business [7].

## RESEARCH RESULTS

In General, having analyzed the strengths and weaknesses of the system of public administration of entrepreneurship, we can say that the strengths of the current system of public administration and interaction in the triangle of interests of government, business and citizens in Kazakhstan include the following:

1) Relatively high level of professionalism of civil servants of the highest and middle level, high level of Executive discipline in the majority of state bodies. This state of Affairs is a consequence of the successful implementation of administrative reform in the Republic of Kazakhstan and management's attention to improving the skills of civil servants. Unlike other CIS countries, Kazakhstan has successfully implemented training programs for future civil servants, career in government continues to provide social benefits to highly educated and trained professionals.

2) Long-Term stability and predictability of the functioning of the system of public administration, the continuity of political and administrative management of public administration.

3) The Political will of the government to improve the business environment and investment attractiveness, declared plans to transfer the economy to an innovative path of development, a gradual departure from the resource model of economic development.

4) A Relatively high level of governance of the authorities, both at the Central and regional levels.

5) Positive experience of comprehensive reforms and implementation of state policies in the field of administrative management, automation, implementation of risk management systems in individual public authorities, inventory of licensing procedures and requirements.

The weaknesses of the system of interaction in the triangle of interests of government, business and citizens in Kazakhstan include:

1) Institutional weakness and the paucity of entrepreneurial and professional associations, associations of citizens for the protection of the rights of consumers, the underdevelopment of civil society institutions and, as a consequence, the lack of active dialogue between such associations and bodies of public administration;

2) Institutional interest of individual authorities in expanding their areas of regulation and control;

3) the Existence of a bundle of interests of big business and government representatives, both at the regional and in some national level bodies interested in preserving the current state of Affairs, including the preservation of a high level of monopolization of the economy. This interest in maintaining the status quo is due to the desire to prevent competition for business and not to destroy the often established corrupt ties.

4) Lack of awareness of citizens that the development of private enterprise and competition leads to better quality of goods and services, lower their prices, increase the number of jobs and wages.

5) the Lack of effective methods of monitoring the effectiveness of individual public authorities, the implementation of legislative requirements in terms of the ratio of achieving the stated goals and associated costs, the practice of independent research on public administration and regulation, as well as the implementation of public policies and their effectiveness.

6) Lack of regular open reporting of individual authorities to higher authorities on the results of their activities [2].

For the qualitative implementation of the policy it is necessary to clearly build its institutional part in accordance with the best international practices. In accordance with the recommendations of the world Bank, the requirements for the procedures of norm-setting regarding the adoption and revision of regulations, the issues of compliance with other procedures by public authorities in pursuance of this Concept assume the existence of a certain control mechanism. International practice shows that around the beginning of the 1980s, together with the development and implementation of new regulatory policy requirements and procedures, developed countries began to create so-called regulatory oversight structures.

For example, in the United States of America, the office of information and regulatory Affairs (US Office of Information and Regulatory Affairs) was established in the office of management and budget (Office of Management and Budget) in 1980. In 2005, the UK established the Directorate for better regulation (The Better Regulation Executive). The Advisory Board on administrative barriers of the Netherlands (Advies college Verminderende Administratieve Lasten) was established in 2000. The Swedish regulatory improvement Council (Regel radet) was established in 2008 and became operational in 2009. In Germany, the national Council for the control of norms (Nationaler Normenkontrollrat) was established in 2006. Similar tips also exist in Mexico, Australia, Japan. In some countries, regulatory oversight functions are performed by Ministerial departments.

For example, in Denmark it is the Department of regulation of the Ministry of Finance, in Finland it is the Bureau of legislative inspections of the Ministry of justice, in France it is the Service of quality and simplification of the Ministry of Finance. In Greece, Belgium, Ireland and Korea, these are the departments of the Prime Minister's office. In almost all countries of the Organization for Economic Cooperation and Development, except the United States of America, the conclusions of the regulatory oversight body are Advisory in nature [8].

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

The state policy in Kazakhstan with regard to the regulation of private entrepreneurship is aimed primarily at the formation of the middle class, through the development of small businesses, focused on the creation of new high-tech industries with the highest added value. To achieve this goal, as one of the stages of the strategy of industrial and innovative development of the Republic of Kazakhstan provides for the solution of the most important task – the development of business infrastructure. To enhance the interaction between the state and entrepreneurs, the decree of the President of the Republic of Kazakhstan of 9 April 2014 No. 791 in accordance with sub-paragraph 20) of article 44 of the Constitution of the Republic of Kazakhstan established the Council of national investors under the President of the Republic of Kazakhstan.

The main tasks of the Council of national investors are:

1) Development of recommendations and proposals on improving the regulatory framework of the Republic of Kazakhstan on entrepreneurship; creating conditions that stimulate the development of a market economy and attract domestic investment in the economy.

2) Consolidation of activities of private business entities 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 [9].

For the growth and development of entrepreneurship in Kazakhstan, the state has created a number of state institutions to support entrepreneurship. One of the main such institutions is JSC «entrepreneurship development Fund «Damu» (hereinafter – the Fund «Damu»), which was established on the basis of the decree of the Government of the Republic of Kazakhstan dated April 26, 1997 № 665 «On the establishment of the small business development Fund». Damu Fund has more than 20 years of experience in supporting small and

medium-sized businesses in Kazakhstan. Until 2010, most of the participants of the Damu Fund's programs received financial support under the programs of conditional placement of funds in second-tier banks.

The implementation of conditional placement programs has played an important role in reducing the overall level of interest rates on loans to small and medium-sized businesses. Damu Fund provides both financial and non-financial support to small and medium-sized businesses [10].

In modern conditions, in order to promote the development of business and entrepreneurship in Kazakhstan, special attention is paid to business education, entrepreneurial training, and especially state support for small and medium-sized businesses, including youth and women's entrepreneurship. To implement these priorities, a number of state programs are implemented in Kazakhstan:

1. The single Program of business support and development «business road map 2020» is a program of issuing state grants and loans, reducing loan payments, guaranteeing loans and training of entrepreneurs, aimed at supporting the development of small and medium-sized businesses in Kazakhstan. The goal of the program is to Ensure sustainable and balanced growth of regional entrepreneurship, as well as the maintenance of existing and the creation of new permanent jobs. Implementation period 2015-2019 [11].

2. The program of development of productive employment and mass entrepreneurship for 2017-2021 «Enbek», which aims to promote productive employment and involvement of citizens in entrepreneurship. The program «Enbek» has a great socio-economic importance in the state regulation of small business and entrepreneurship, in solving the problems of employment and unemployment in Kazakhstan [12]. Within the framework of the Program, territorial mobility of labor resources is stimulated through assistance in voluntary resettlement. Participants of the Program on voluntary resettlement to a new place of residence are citizens of the Republic of Kazakhstan, oralmans and members of their families

The target indicators of the «Enbek» Program are the following:

1. The unemployment rate as of 01.12.2018 is 4.9 % (in 2021 – no more than 4.8 %).  
2. Share of the workforce with no education or only with a high school education 01.12.2018 – 27 % (in 2021 – not above 20 %).

3. The share of unproductive employment in the self-employed population on 01.12.2018 – 16 % (in 2021 – not more than 10 %).

4. The growth of the share of active subjects of small and average business in 01.12.2018 g – 1241 thousand SMEs (in 2021 – an increase of not less than 10 %) [13].

3. The program of development of single-industry towns for 2012-2020 is aimed at sustainable socio-economic development of single-industry towns in the medium and long term. One of the main directions of the program is «Diversification of the economy and the development of small and medium-sized businesses to ensure optimal employment structure of single-industry towns».

4. «Grant financing» program. State grants are provided to small businesses, including start-up young entrepreneurs, start-up entrepreneurs, as well as women, persons with disabilities and persons over 50 years of age, free of charge and irrevocable basis for the implementation of new business ideas in the priority sectors of the economy and manufacturing industry under the program. Under this program, state grants are provided without sectoral restrictions [10].

5. The program for the creation of Mobile BSC. Mobile BSCS (ICPC) are specially equipped buses that make trips to the countryside, which allows to cover information and consulting support for entrepreneurs in remote areas.

6. The program for the creation of business service Centers in regional centers. Business service centers – a full package of consulting services in the «one window», training, workshops and seminars on the most pressing issues of doing business [6].

Ensuring sustainable economic development of the country as a whole depends on the state and level of development of private entrepreneurship and, first of all, small and medium-sized businesses. It is this sector of the economy that has great potential to solve many problems affecting the economic growth of the state, such as underdeveloped competition, inefficient use of tangible and intangible resources, dependence of domestic demand on imports, unemployment, poverty and others. The role of small and medium-sized enterprises in the diversification of the economy and in achieving high rates of industrial development of production is important [14].



According to the Ministry of agriculture of the Republic of Kazakhstan, which is the responsible state body for the development and implementation of the second direction of the Program "Enbek", on the implementation of the Program at the end of October 2018, the following was noted: Within the second direction of the Program «Enbek», the Ministry through subsidiaries of the National Holding «KazAgro» is working to provide loans/micro-loans for the implementation of business projects in rural areas and small towns. For these purposes, in 2018, a budget loan in the amount of 44.7 billion tenge was allocated, including 13.9 billion tenge of additional funds allocated within the framework of the fourth initiative «Five social initiatives of the President». The budget loan is allocated to akimats of regions, which distribute them between JSC «agrarian credit organization» and JSC «Fund for financial support of agriculture». Loans are provided to the unemployed, self-employed, budding entrepreneurs, agricultural cooperatives, participants of anchor cooperation.

The Ministry of agriculture of Kazakhstan within the Framework Of the «Enbek» program participates in the implementation of the «Bastau Business» project on training business skills for start-UPS. Training in the basics of entrepreneurship is one of the objectives of the Program «Enbek» in accordance with the second direction of the Program «Development of mass entrepreneurship». Within the framework of this direction, training is provided on the basics of entrepreneurship under the project «Bastau Business». The operator for the implementation of the project «Bastau Business» is the Ministry of national economy of Kazakhstan.

The basics of entrepreneurship are taught to unemployed persons regardless of registration in Employment centers and self-employed persons with entrepreneurial potential, members of agricultural cooperatives, as well as living in rural settlements and small towns of Kazakhstan. For example, in 2017 the number of participants in the project «Bastau Business» was 15 thousand people. It should be noted that the participants of the Program who are trained in entrepreneurship under this project are provided with state support for tuition, scholarships and travel. Upon completion of training, participants receive certificates of completion of training in entrepreneurship and participation in training in this project [15].

## CONCLUSION

State regulation of business activity along with investment policy, infrastructure and human capital development policy, credit and financial policy is part of the General policy of economic development of the state. Interaction between business entities and the state is aimed at creating favorable conditions for the development of entrepreneurship and society, stimulating entrepreneurial initiative in Kazakhstan.

For the development of entrepreneurship in Kazakhstan, the state has created a number of state institutions to support entrepreneurship. Special attention is paid by the state to the support of small and medium-sized businesses in various fields and sectors, especially in strategically important sectors of the national economy.

Much attention is now being paid to entrepreneurial learning. In order to support the further development of entrepreneurship, promote entrepreneurship education and state support for entrepreneurship, Kazakhstan is implementing various state programs, including programs and projects to support and develop youth and women's entrepreneurship.

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## SUMMARY

The main purpose of the article is to analyze the current state of entrepreneurial activity in the Republic of Kazakhstan and identify the main problems affecting it. The work investigated the existing problems of small and medium businesses in the Republic of Kazakhstan and identified possible ways to solve them.

## ТҮЙІНДЕМЕ

Мақаланың негізгі мақсаты ҚР-да кәсіпкерліктің қазіргі жай-күйін талдау және оған әсер ететін негізгі мәселелерді анықтау болып саналады. Жұмыста Қазақстан Республикасында шағын және орта бизнестің проблемалары зерттеліп және оларды шешу бағыттары берілді.

## РЕЗЮМЕ

Основной целью статьи является анализ современного состояния предпринимательской деятельности в РК и выявление основных проблем, оказывающих влияние на нее. В работе были исследованы существующие проблемы малого и среднего бизнеса в Республике Казахстан и выявлены возможные пути их решения.

## СВЕДЕНИЯ ОБ АВТОРАХ

**Бодаухан Кайрат** – кандидат экономических наук, ассоциированный профессор, Казахский агротехнический университет имени С.Сейфуллина, Нур-Султан, Республика Казахстан, e-mail: [kairat\\_2208@mail.ru](mailto:kairat_2208@mail.ru)

**Болатова Ботагоз Жумабековна** – доктор PhD, старший преподаватель, Актюбинский региональный государственный университет имени К.Жубанова, Актөбе, Республика Казахстан.

**Жарылкасинова Майра Жаксымуратовна** – кандидат экономических наук, доцент, Университет Нархоз, Алматы, Республика Казахстан.

**Жумагалиева Бахытгуль Зулкарнаевна** – кандидат экономических наук, доцент, Казахско-Русский Международный университет, Актөбе, Республика Казахстан.