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Abstract. This article aims to identify the positive and negative aspects of state support for small and medium-sized businesses. The authors also reviewed the global experience of SME support. The contribution of the SME sector to GDP in most developed countries ranges from 50% to 60%. In Kazakhstan, SMEs in 2018 provide only 21% of GDP. This is a low value, requiring significant adjustments. In the course of the work, an analysis of the Government's financing of government programs was conducted, since government programs for financing the economy are highly efficient.

Keywords: government support, small and medium businesses, GDP, GNP.

Introduction. The state policy in the Republic of Kazakhstan in relation to private entrepreneurship is aimed at forming a middle class through the development of small businesses focused on the creation of new high-tech industries with the highest added value[1].

To achieve this goal, as one of the stages of the implementation of the strategy of industrial-innovative development of the Republic of Kazakhstan, a solution to the task of developing the infrastructure of entrepreneurship is provided.

The infrastructure to support entrepreneurship is a complex of organizations that provide favorable conditions for the creation, functioning and development of private entrepreneurship.

In the Republic of Kazakhstan, such organizations include:

1. State and organizations created on the initiative of the state;
2. Non-governmental organizations;
3. Commercial organizations.

Depending on the functional orientation, the structure of infrastructure institutions is defined as follows:

1. State support and assistance at the stages of the formation, functioning and development of business;
2. Financial support;
3. Information and analytical support;
4. Support in the field of education and staff development;
5. Logistical support.

Comparison of the organizational and functional structures allows you to create a matrix of participation of infrastructure institutions in the development of entrepreneurship in Kazakhstan[2].

Without exception, all organizations promoting entrepreneurship have their advantages and disadvantages due to the influence of various factors. When making decisions with respect to entrepreneurs, some of them are motivated by social goals, while others may have people interested in meeting their own interests.

It should be noted that the development of entrepreneurship is impossible without state support, the creation of a favorable business climate, the implementation of financial and non-financial instruments to support small and medium-sized businesses.

Methods. When writing the article, general scientific and special methods were used, such as: system analysis method; content analysis method; comparative analysis method; method of analysis and synthesis; system approach method.

Results. An important indicator of the effectiveness of state support is the level of development of entrepreneurship, in particular, the state of small and medium-sized businesses. Although in Kazakhstan for the effective development of business there are all the necessary prerequisites (natural, labor, financial, etc.), small and medium businesses are developing unevenly and at a slow pace compared with the leading countries of the world [3].

In this regard, in order to increase state support and enhance the development of entrepreneurship, the President of Kazakhstan issued a decree in 1997, which became the basis for the formation of the Small Entrepreneurship Development Fund JSC. Currently, the JSC "Small Entrepreneurship Development Fund" is called JSC "Entrepreneurship Development Fund" Damu "and implements a strategy to support entrepreneurship for 2012-2022. The main program of promoting entrepreneurship development in Kazakhstan and its support using public finances and instruments is the Business Road Map 2020 program. The amount of funding allocated for the implementation of this program for the five-year period (2015-2019) is provided in the amount of 276 billion tenge. [4-8]

Small business in Kazakhstan generates 25.6% of GDP, and the share of people employed in SMEs is 36% of the national labor market.

In the scale of the national economy, the popularity of entrepreneurship in Kazakhstan is increasing, but the pace of activity is quite small - the levels of entrepreneurial activity in the Republic of Kazakhstan are two times lower than the world average (63% in GDP and 47% of the number of employees).

Among the regions, the greatest influence of SMEs in the formation of the gross regional product is observed in Astana - 46% of GRP, West-Kazakhstan region (40%) and Almaty (29%)[9].

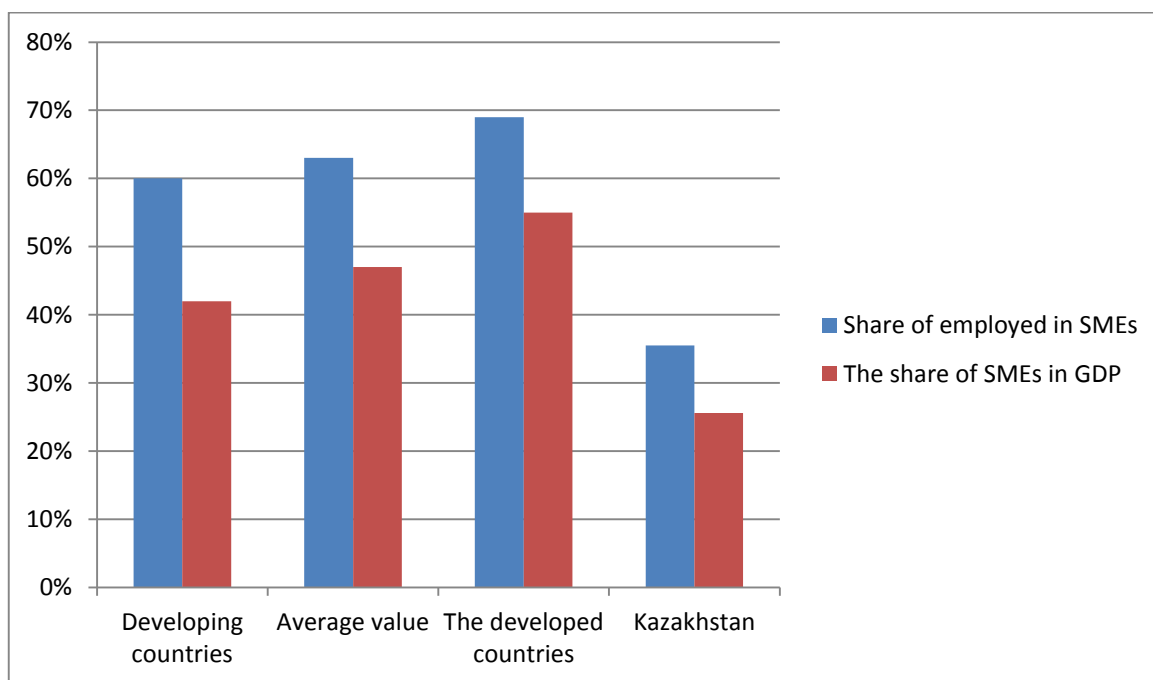


Figure 2 - The share of SMEs in GDP
Compiled from source data[9].

In the structure of SMEs, there is a traditional dominance of individual entrepreneurship entities engaged in trading activities and areas that do not require high qualifications. At the same time, the world trend is considered the transition to the production of products with high added value, the introduction of innovative, efficient production mechanisms ("Kazakhstan 2050"). [1]

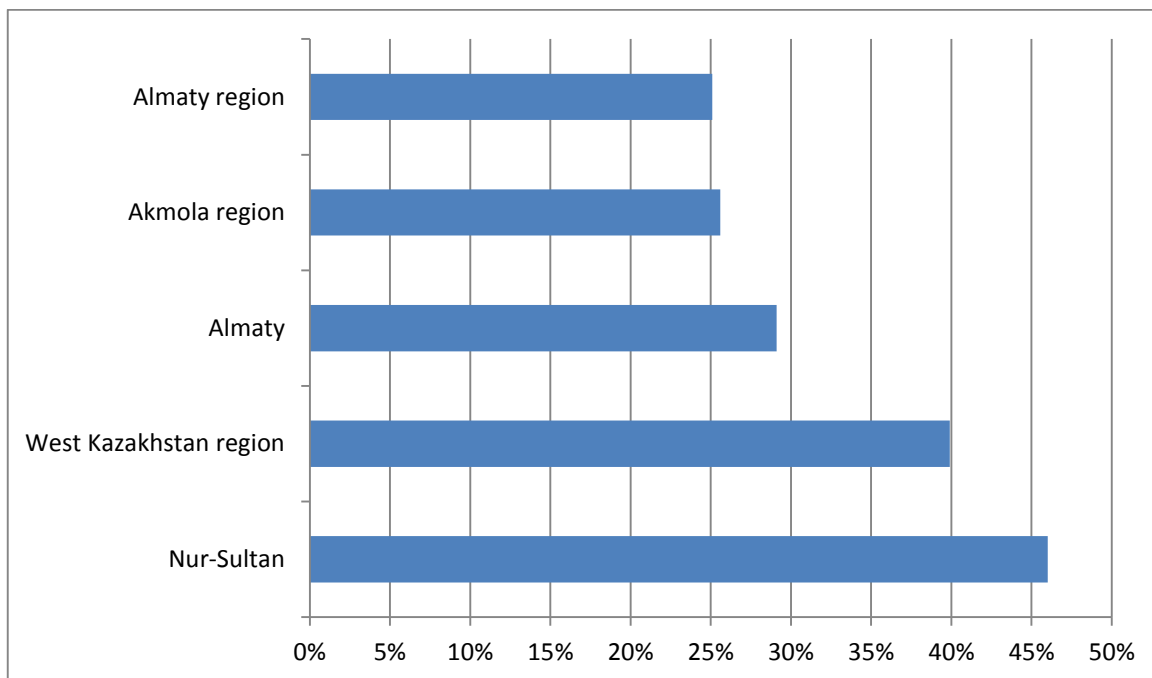


Figure 3 -Employment in SMEs
Compiled from source data[9].

The number of small and medium-sized businesses was 1.3 million. This is an 11% increase compared with 2018. This is reported by Finprom.kz.

The volume of production by small and medium-sized businesses (SMEs) in January – December 2018 reached 26.5 trillion tenge, with an annual growth of 25.3% at once. This is the maximum rate in recent years. SMEs include legal entities of small business, legal entities of medium business, individual entrepreneurs, peasant or farm enterprises[10].

The largest production volumes fall on small enterprises: 18.2 trillion tenge (share - 68.7%). Medium-sized enterprises produced products at 5.2 trillion tenge, individual entrepreneurs - by 1.8 trillion tenge, peasant or farm enterprises - by 1.3 trillion tenge.

Действующие субъекты МСП. Апрель (млн ед.)

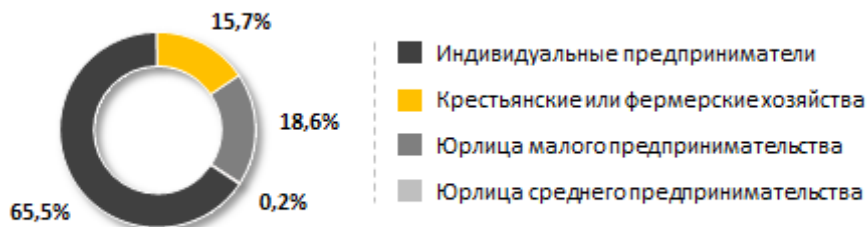


Выпуск продукции субъектами МСП. Январь–декабрь (трлн тг)



At the same time, the number of leaders is IP. Thus, by the end of April, the share of individual entrepreneurs was 65.5% of SMEs, or 856.8 thousand. The number of small enterprises was only 243.3 thousand (18.6%). Another 205 thousand SMEs accounted for peasants and farms (15.7%).

Доля действующих субъектов МСП по видам. Апрель 2019

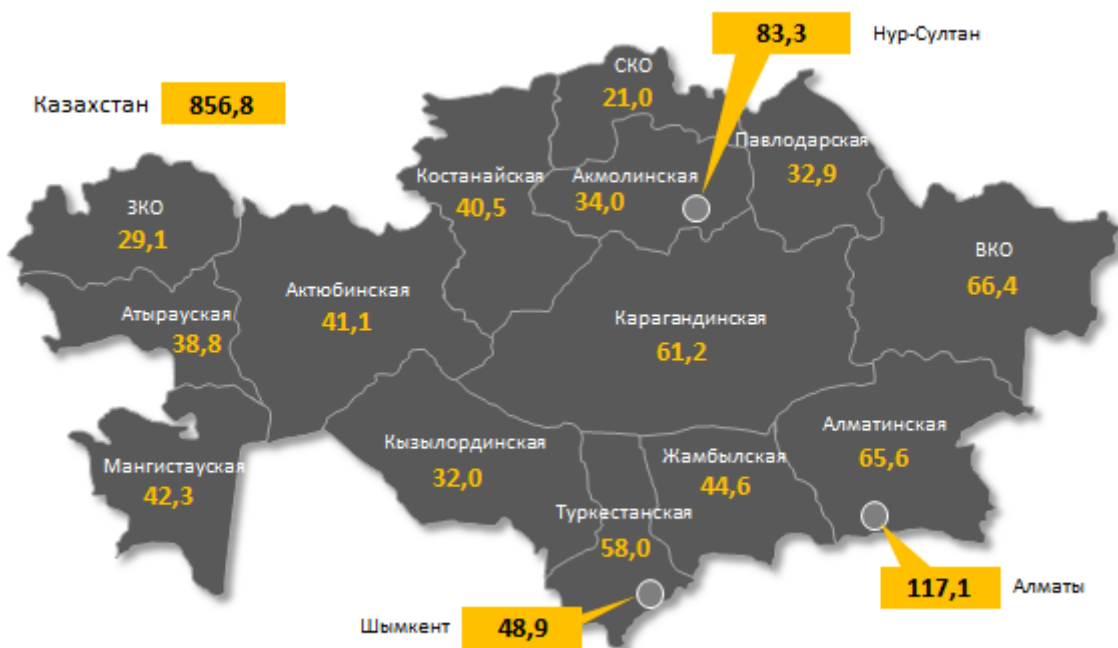


Finprom.kz

На основе данных Комитета по статистике МНЭ РК

Individual entrepreneurs are mainly located in Almaty: 117.1 thousand individual entrepreneurs - 7.9% more than a year earlier. 83.3 thousand individual entrepreneurs are operating in Nur-Sultan, another 66.4 thousand in the East Kazakhstan region. The three regions listed above account for 31.1% of the total number of IP in the country[11].

Индивидуальные предприниматели в разрезе регионов. Апрель (тыс. ед.)



Finprom.kz

На основе данных Комитета по статистике МНЭ РК

Since 2015, there has been an active growth in lending to SMEs. The number of loans issued by banks has increased 2.3 times since 2014. Compared with January of last year, the volume of loans increased by 29% and amounted to 3 trillion. tenge However, according to ADB, only 19% of SMEs receive loans, while the rest refinance income or take loans from other sources. This is due to the fact that most enterprises have a bad credit history or do not have the necessary documents.

The direction of loans reflects the main activities of enterprises: trade (37%), construction (13%), industry (13%) and other sectors not related to the main sectors of the economy (24%). [9]

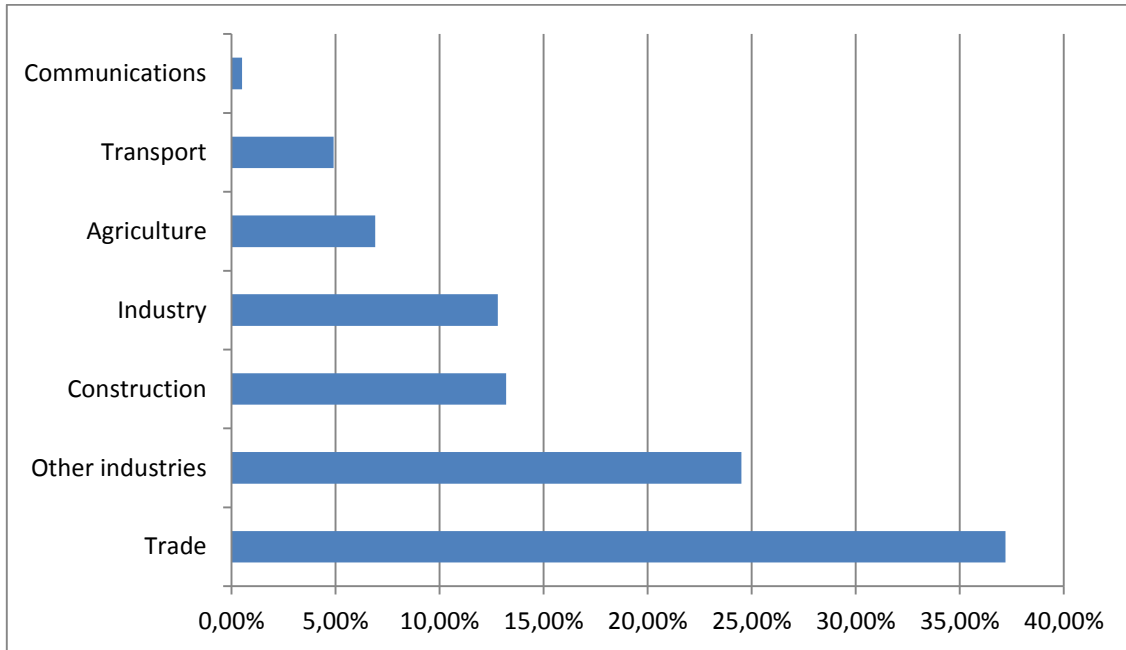


Figure 5 - Lending structure by sector for 2018
Compiled from source data[9].

In addition to the well-known state programs, loans to MFIs for the period up to 2020 were also actively involved in the development of SMEs from 2015 to 2017. This year, the third tranche of \$ 200 million under the ADB project has been launched.

The project aims to increase the availability of SME financing, to increase the number of borrowers and the number of loans issued by more than 20%. It also includes a gender policy in such a way that at least \$ 50 million will go to lending to female entrepreneurship. Also, at least \$ 120 million will be allocated for lending to enterprises outside of Almaty and Astana.

The World Bank (IBRD) this year will allocate another \$ 9.24 million for the SME competitiveness project. The goal of the project is to strengthen government programs and increase the competence of SMEs. [11]

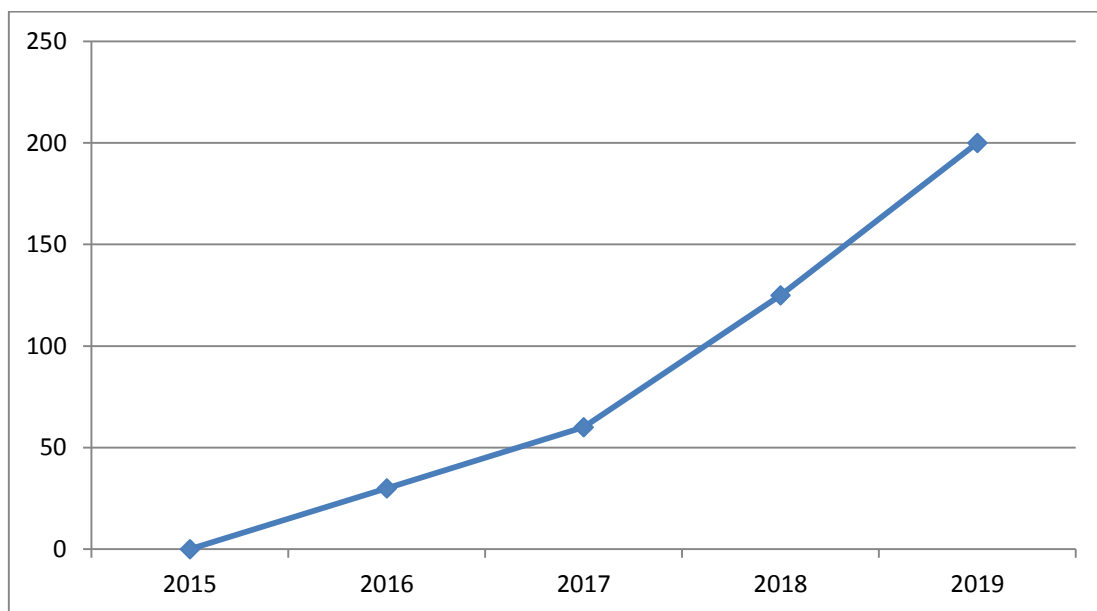


Figure 6. Number of SMEs that are in the process of becoming "accredited suppliers" for large companies (units)
Compiled from source data[6].

A supplier development program is currently being developed, the role of which will be to increase market connections for SMEs with large local and multinational corporations in the oil and gas, railway and steel sectors. Within the framework of the project, KIIR specialists will be provided with modern market tools for the development of clusters.[12]

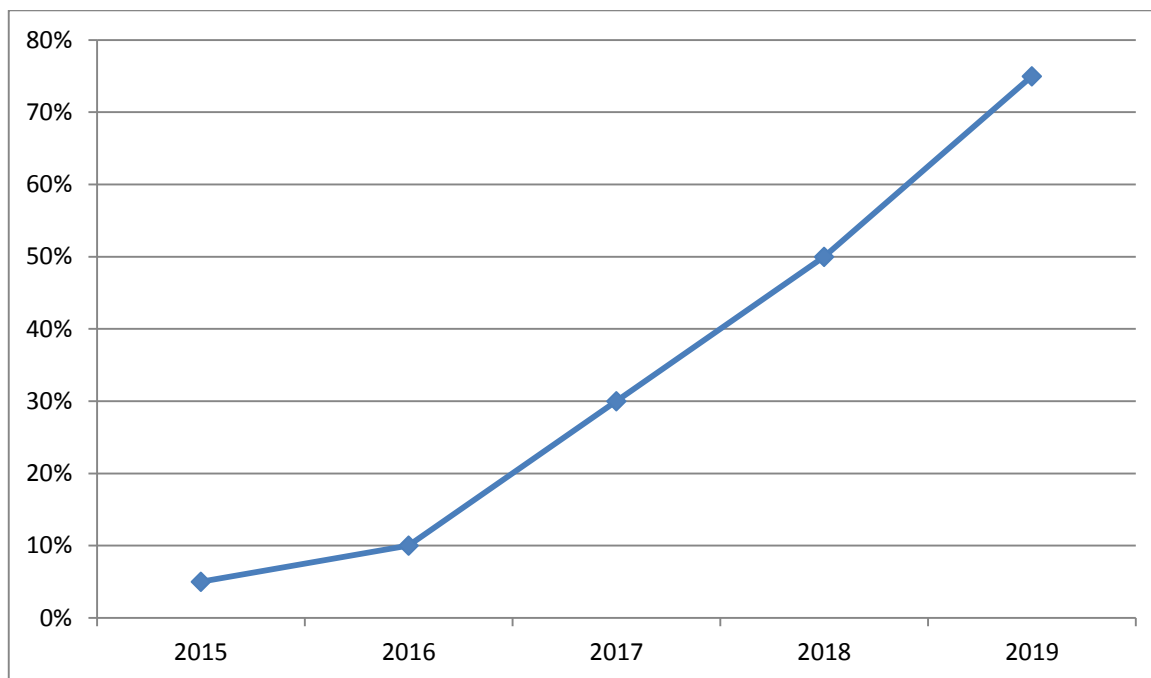


Figure 7 - Percentage of SMEs involved in improving management and business practices
Compiled from source data[6].

By the end of the project, it is planned to increase the number of “accredited suppliers” for large companies - from zero in 2015 to 200 by 2019. The percentage of SMEs involved in improving management and business practices will increase from 5% in 2015 to 75% by 2019 [13].

The growth rate of the economy of Kazakhstan in 2018–2022, according to forecasts of the MNE of the Republic of Kazakhstan, will be 3.1–4.2% with an annual incremental increase. Including in 2018, according to the forecast of the ministry, economic growth should reach 3.1%.

The economy of Kazakhstan will develop at the level of growth rates of the world economy, which, according to a revised estimate of the International Monetary Fund, in 2018–2019 will amount to 3.9% per year. The growth will be sustained by a gradual recovery in demand, as well as the maintenance of commodity prices. At the same time, a steady and progressive economic dynamics is expected due to a higher increase in gross capital formation (at the level of 5.0–8.4%), moderate and steady growth in population consumption (at the level of 2.0–2.5%) and net exports (at the level of 2.2–2.6%) [14].

Monetary policy in 2018–2022 will help create the necessary conditions for the development of the investment market and stimulate lending activity in the banking sector. The average annual growth rate of second-tier banks in the upcoming period is expected to be at the level of 3.7%, deposits of residents over this period will increase at the level of 8.0%. The level of money supply will be adequate to the development of the economy, in general, the planned value of monetization will be on average within 42.1%.

The recovery of the country's economic growth and increased government attention are creating new development prospects for SMEs. To expand the production of SMEs and ensure employment of the population through its involvement in private business, government support programs will be continued. The “Enbek” program will contribute to the development of entrepreneurship among the unemployed and unproductively employed by expanding microfinance in cities, developing preferential microcredit in villages and basic entrepreneurial skills. The budget of this program in 2018 will be increased by 20 billion tenge on behalf of the Head of State in the framework of five social initiatives [15].

At the regional level, a set of measures will be taken to develop mass entrepreneurship, reduce all types of business costs. A rating of cities and regions for the ease of doing business with the establishment of a special award will be introduced.

Within the framework of the Unified Program of Business Support and Business Road Map 2020, government support measures will be continued to reduce the cost of loans through subsidy tools, partial guaranteeing of bank loans, construction of the missing infrastructure, provision of government grants, training, and consulting services to entrepreneurs. As additional measures to support entrepreneurship, work will continue within the framework of funds allocated from the National Fund under the joint action plans of the Government and the National Bank. To maintain additional liquidity in the lending market, work will be continued to attract credit lines from international financial organizations.[16].

Discussions. Summarizing, we can say that the state of small and medium-sized businesses in the Republic of Kazakhstan is at the stage of development and occupies an average position in the performance evaluation. Thus, we can conclude that small and medium enterprises are developing at a slow pace in our country. In the scale of the national economy, the popularity of entrepreneurship in the Republic of Kazakhstan is increasing. The greatest development of SMEs is observed in Astana, WKO and Almaty. In the structure of SMEs, the largest number of constituent entities are self-employed, mainly engaged in trading activities.

The study showed that the state support of small and medium-sized businesses has a number of problems, among which the following can be highlighted:

1) excessive tax and fiscal burden for the non-resource sector of the economy and citizens with low and medium income levels impede economic development;

2) the system of tax benefits is not effective enough;

3) low share of tax revenues in the structure of regional and local budgets and their high dependence on transfers, as well as low motivation of regional and local authorities to create conditions for the development of entrepreneurial activity;

4) a high proportion of the “shadow” economy and public sector enterprises create additional pressure on law-abiding commercial enterprises;

5) fiscal policy is unstable, which increases the financial risks of enterprise taxation. Tax policy has mainly fiscal goals and does not contribute to solving the problem of growth of future budget revenues due to tax incentives for business.

First of all, it should be noted that the main goal of state support for small and medium-sized businesses should be to increase the revenue base of the budget, which should be achieved by expanding the tax base as a result of the following strategic goals, and not by increasing tax rates and withdrawing money from the economy. As the main strategic objectives of state support for small and medium-sized businesses, the following should be highlighted:

□ Promote the promotion of growth of business activity of enterprises and increase their number;

Facilitating the stimulation of an increase in labor productivity in the economy as a whole;

□ Promoting the promotion of economic diversification and reducing the dependence of the revenues of the consolidated budget on the commodity sector of the economy.

In our opinion, the reform of financial policy in the Republic of Kazakhstan should be carried out in two stages:

At the first stage it is necessary to ensure the recovery of the growth of the national economy. At this stage, it is necessary to adopt a package of depreciation benefits in order to stimulate investments in the modernization of old and the creation of new enterprises with high productivity in the non-oil sector.

At the second stage, it is necessary to achieve high rates and quality growth of the national economy. At this stage, it is necessary to carry out a full-fledged tax reform, which will create conditions for high-quality and sustainable growth of the national economy, diversification of the economy and growth of the level and quality of life of the population.

Let us consider in more detail the activities that need to be implemented within these stages in the tax regulation system of the Republic of Kazakhstan.

At the first stage, it is proposed to reduce the tax burden on new and dynamically developing sectors of the national economy. To this end, it is proposed to use such a tool of tax regulation as tax holidays for new enterprises of the production sphere and benefits for paying income tax, property tax, to establish

benefits for contributions to insurance funds for enterprises that introduce new equipment and technologies and create high-performance workers places[17].

At the second stage, it is proposed to bring the structure of tax revenues in accordance with the objectives of stimulating the growth of the national economy - it is necessary to reduce direct taxes on production by increasing indirect taxes on consumption and taxes on natural rents. For this we can recommend a number of activities:

1. It is necessary to improve the efficiency of tax administration, to simplify the financial reporting system for small and medium businesses.

2. In order to create a system of tax motivation of local authorities for the development of entrepreneurial activity and attracting investments, it is necessary to improve the system of distribution of tax revenue sources between different levels of the budget system.

3. It is necessary to increase the efficiency of the tax motivation for the transition to Kazakhstani jurisdiction, which can be achieved by certain benefits on income tax and property tax.

4. It is necessary to introduce a new budget rule: in case of an increase in tax revenues, return 50% of growth to the economy by lowering rates or providing additional targeted benefits.

5. Adopt a law that enshrines the General Principles for the creation, introduction and collection of non-tax payments, as well as the General rules for their administration.

It is necessary to focus the work of the government in collecting taxes, especially from the informal sector, in order to reduce corporate tax rates for developing manufacturing enterprises, in order to simplify administration, especially for small and medium businesses.

To reduce the tax burden on new and dynamically developing industries that create high-performance jobs, we can offer the following recommendations:

1. For existing production facilities that provide the right of tax credit for income tax, value added tax, property tax, land tax at 50% of the value of the acquired new technological equipment and technologies.

2. Ensuring the availability of an investment tax credit for amounts invested in the creation / expansion of production (introducing a simpler procedure for granting an investment tax credit, expanding the grounds for obtaining an investment tax credit, lifting restrictions on the amount of credit - 50% of the amount of taxes).

3. Introducing a moratorium on increasing the tax burden on production (with the exception of the mining activity).

To create a system of incentives for the working population to pay insurance premiums in the pension and medical insurance system through reducing the rate of deductions to the joint part of the system. It is necessary to ensure the stability of the rules in the long term, subject to the non-increase of the general level of rates:

1. Refuse to tax the minimum income of individuals and impose taxes on overconsumption.

2. Return the targeted payment of insurance premiums above the statutory limits of the annual income of an individual or recognize at the state level the actual action in Kazakhstan on the progressive scale of taxation of personal income.

It is necessary to pay special attention to reforming the system of tax benefits. For this, it is necessary to develop and implement a methodology for assessing the effectiveness of tax incentives at the macro and microeconomic level based on the achievement of strategic objectives.

Thus, the proposed recommendations will help solve problems and will increase the effectiveness of state support for small and medium-sized businesses.

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ЭКОНОМИЧЕСКАЯ И СОЦИАЛЬНАЯ ПОТРЕБНОСТЬ В ГОСУДАРСТВЕННОЙ ПОДДЕРЖКЕ

Аннотация. Данная статья направлена на выявление положительных и отрицательных сторон государственной поддержки малого и среднего предпринимательства. Авторы также рассмотрели мировой опыт поддержки малого и среднего предпринимательства. Вклад сектора МСП в ВВП в большинстве развитых стран колеблется от 50% до 60%. В Казахстане МСП в 2018 году обеспечивают только 21% ВВП. Это низкое значение, требующее значительных

корректировок. В ходе работы был проведен анализ государственного финансирования государственных программ, поскольку государственные программы финансирования экономики являются высокоэффективными.

Ключевые слова: государственная поддержка, малый и средний бизнес, ВВП, ВНП.

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МЕМЛЕКЕТТІК ҚОЛДАУДЫҢ ЭКОНОМИКАЛЫҚ ЖӘНЕ ӘЛЕУМЕТТІК ҚАЖЕТТІЛІГІ

Аннотация. Бұл мақалада шағын және орта бизнеске мемлекеттік қолдаудың оң және теріс аспектілерін анықтау көрсетілген. Авторлар сондай-ақ ШОБ қолдау көрсетудің әлемдік тәжірибесін қарады. Көптеген дамыған елдерде ШОК секторының ЖІӨ-ге қосқан үлесі 50%-дан 60%-ға дейін. Қазақстанда, ШОБ-ті 2018 жылы ЖІӨ-нің тек 21% ғана қамтамасыз етеді. Бұл айтарлықтай түзетулерді талап ететін төмен көрсеткіш. Жұмыс барысында Үкіметтің мемлекеттік бағдарламаларды қаржыландыруына талдауы жасалды, өйткені экономиканы қаржыландырудың мемлекеттік бағдарламалары өте тиімді.

Түйін сөздер: Мемлекеттік қолдау, шағын және орта бизнес, ЖІӨ, ЖҮӨ.

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