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Self-employment – as a prerequisite for the development of small and medium business and business activity in the Republic of Kazakhstan

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Өзін-өзі жұмыспен қамту – Қазақстан Республикасындағы шағын және орта бизнесті, іскерлік белсенділікті дамытудың алғы шарты

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Самозанятость как предпосылка развития малого и среднего бизнеса и деловой активности в Республике Казахстан

The market conditions of the population self-employment is a phenomenon that characterizes the level of business activity in the country. Self-employment in market conditions – is an inevitable process and inherent element of market relations. Increased business activity in the private sector and the interest of income generation, responsible for every able-bodied population is of particular significance in a market society. And so for economic development we need new initiatives to stimulate economic activity and employment. This phenomenon is an objective for today in many developing and developed countries. This article discusses the theoretical aspects and practical aspects of self-employment in our country. And also to draw conclusions and recommendations for the settlement of economic relations self-population.

Key words: Self-employment, business, market, market economy.

Нарықтық қатынастар жағдайында халықтың өзін-өзі жұмыспен қамтуы үдерісі елдегі іскерлік белсенділіктің даму деңгейін сипаттайтын әлеуметтік құбылыс болып табылмақ.

Нарықтық қатынастар жағдайында халықтың өзін-өзі жұмыспен қамтуы – бұл нарықтық қатынастарға тән және оның ажырамас бір элементі мен бас тартпас үдерісі болып келеді. Жеке секторлардағы іскерлік белсенділіктің басымдылығы және табыс алудағы аса жоғары мүдделілік, әрбір еңбекке жарамды халық үшін жауапкершілік нарықтық қоғамда үлкен мәнге ие. Сондықтан да экономиканы дамытуда бізге іскерлік белсенділік пен жұмысбастылықты ынталандыру үшін жаңа бастамалар қажет. Бұл құбылыс бүгінгі күні көптеген дамыған және дамушы елдерде объективті болып табылады.

Атаулы мақалада біздің елдегі өзін-өзі жұмыспен қамтудың теориялық аспектілері мен практикалық жақтары қарастырылады. Сондай-ақ өзін-өзі жұмыспен қамтушы халықтың экономикалық қатынастарын реттеу жөніндегі ойлар қорытылып және сол бойынша ұсыныстар беріледі.

Түйін сөздер: Өзін-өзі жұмыспен қамту, бизнес, нарық, нарықтық экономика.

В рыночных условиях самостоятельная занятость населения характеризует уровень развития деловой активности в стране.

Самозанятость в рыночных условиях – это неизбежный процесс и элемент рыночных отношений. Повышенная деловая активность в частном секторе и заинтересованность в получении дохода, ответственность за каждого трудоспособного населения имеют особое значение в рыночном обществе. И поэтому для развития экономики нам нужны новые инициативы для стимулирования деловой активности и занятости. Это объективное явление на сегодняшний день во многих развивающихся и развитых странах.

В данной статье рассматриваются теоретические аспекты и практические стороны самозанятости в нашей стране. А также делаются выводы и рекомендации по урегулированию экономических отношений самозанятого населения.

Ключевые слова: самозанятость, бизнес, рынок, рыночная экономика.

**SELF-EMPLOYMENT – AS
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In the words of President of Kazakhstan Nursultan Nazarbayev, for the economic development we need new initiatives to stimulate economic activity and employment. The core of the new economic policy will be the plan of infrastructure development. It consists of seven points and just the seventh paragraph provides support to small and medium business and business activity.

New Economic Policy «Nurly Zhol»- a global step towards becoming one of the 30 most developed countries of the world and it will become the engine of growth of Kazakhstan's economy in the coming years. The advent of the market economy has become a catalyst for the development of the phenomenon of self-employment and as a result has become a part of the business and are actively included in the sphere of small and medium business is supported by the state. Therefore, today, self-employment is not only a way to earn a living, but also the desire for independence, the full and effective implementation of the labor force, the ability to implement an entrepreneurial and creative potential.

Self-employment in market conditions is an objective compulsory element inherent in market relations. Development of this type of employment is attributed to the action of both economic and social factors. Self-employment in the post-Soviet countries, including in Kazakhstan, has existed always (maintaining a personal subsidiary plot, side job during vacations and in the evenings, tutoring, etc.).

Meanwhile, market economy brings self-employment to a new level of commodity production, use of hired manpower. Economic ideology of the market is a switch of each employable individual to self-sufficiency and self-earning. Moreover, the market creates new work incentives through reorganization of economic reality: creation of an institute of property, conditions for entrepreneurship, i.e. self-employment is a precondition for reproduction of human resources.

Self-employed individuals in Kazakhstan are those who on their own ensure and arrange their activities being their key source of income, who on their own provide themselves with work. These include businessmen, self-employed individuals, members of cooperatives, persons maintaining personal subsidiary plots. Unsatisfied demand for jobs entails expanding self-employment of the population.

Based on the above-stated, the following can be included in key reasons of population's transition to self-sufficiency:

1) insufficient subsistence (average salary in the CIS on the whole in late 1990s was within two subsistence wages, per capita income was even less and average pension and allowances were below subsistence wage);

2) delayed payment of salaries and social transfers (pensions, allowances), state-financed organizations faced late adjustment of the 1st category base rate;

3) loss of work due to dismissal, staff reduction, bankruptcy of enterprise and therefore loss of a key source of subsistence;

4) search of a more stable and higher source of income;

5) search of job which ensures more complete self-realization, interest in entrepreneurship;

6) economic freedom of people with respect to type of activities.

Employment is among key factors of growth in the living standards of the population, it determines size and type of raised revenues or salary and also social protection of the population itself. Therefore, employment is a vital economic basis that underlies living standards of people. However, employment is affected by two oppositely directed factors: labor productivity and volume of production. The higher labor productivity, the lesser workers are required for one and the same job. And this circumstance becomes extremely relevant in the conditions of market economy when competitive ability of a worker is a priority factor on the employment market. At the same time, the higher output, the more employees are required to produce it. Meanwhile, if both factors tend to decline, employment will go down and unemployment rate will grow.

Employment is the public and economic relations into which individuals enter between each other with respect to involvement in socially useful work. Employment rate features quantity and quality levels of engagement of employable population, current economic situation in the country, business and financial activity, living standards and personal income and its purchasing power. Employment is featured by different forms, structure of population engaged in branches of economy.

Employment in the Republic of Kazakhstan during years of reforms in the previous century is marked by the following trends: share of individuals employed in the economy (ignoring students and individuals maintaining individual subsidiary plots) declines, while the share of students with off-job

training (since 16 years) inches up. As a result, the share of population of employable age not engaged in public production increases, which in turn indicates that the share of unemployed in the economy goes up. This means that the share of people maintaining individual subsidiary plots, housewives, jobless grows.

As a consequence, it reduces the number of employed people who obtain subsistence in form of salary. Given that a large share of employed population works part time (part-time working day, part-time working week, forced leave), and in such situation employment does not provide for normal living standards, the more so when real salary does not satisfy needs of the population.

During economic reforms in the Republic of Kazakhstan this caused transition of the population to self-sufficiency and self-employment.

Market economy brings self-employment to a new level of commodity production, use of hired manpower. Economic ideology of the market is a switch of each employable individual to self-sufficiency and self-earning. Moreover, the market creates new work incentives through reorganization of economic reality: creation of an institute of property, favorable conditions for SMEs.

It should be mentioned that within pro-active policy on the labor market, promotion programs for development of self-employment, studying business skills and creation of small business gain ever increasing importance. Formation of a layer of owners and entrepreneurs, growing competitive abilities of the private sector in production of goods and provision of services can mitigate a tangled situation in the economy, remove social tension in the society.

Increased social activity of citizens in the private sector, responsibility of each employable individual for his/her self-sufficiency have particular importance during transition period. It is connected with limited financing of social needs, need to overcome existing stereotypes of welfare mentality viewing the state as a sole guarantor of wellbeing.

In general, it should be specified that level of income and salary of hired employees connected with small business is higher than an average one in the national economy or industry. This situation naturally makes the population become involved in entrepreneurship.

Non-state organizations, especially small and medium-sized ones, operate on the market on their own and provide employment opportunities for citizens without financial participation of the state.

On the one hand, it is appealing for both organizations themselves and the state. But on

the other hand, it causes problems connected with income generation, remuneration of labor, development of social and employment relations in the non-state sector, social protection in connection with temporary disablement, in retirement age.

in 4 quarter of 2013 the number of self-employed amounted to 2596.0 thousand people (30.3% of total employment), the main share in the category of «self-employed» comprise «independent workers» (92%), ie persons who, working alone or with one or more partners are engaged in activities on the basis of self-employment and do not hire permanent employees. Among the self-employed (2388.3 thousand people.) – 63.3% work on an individual basis (registered and unregistered individual entrepreneurs), 36.7% – engaged in the production of products with own courtyard (both for own consumption and for sale). More than half (52.4%) employed in private households received income from the sale of products derived from the personal monastery.

Most of the self-employed exercise independent activity in agriculture – 1362.0 thousand people (52.5%) in the retail sector – 674.9 thousand people (26.0%) and for the provision of public services (transport, medical, educational, and others.) – 599.1 thousand people (21.5%).

It should be noted that the share of self-employed in total employment in developed countries is about 12-14%, for example, in France – 11.0%, Germany – 11.6%, Great Britain – 14.6%. In the Czech Republic – 18.5%, Italy – 25.1%, Korea – 28.2%, Turkey – 37.1%.

Specific features of income generation of self-employed individuals and persons engaged in small business can include the following:

1) unstable income because business is undertaken at own risk of its owner;

2) some portion of income is allocated for personal consumption and some portion of it can be infused in investments and business expansion. The latter is frequently complicated by marketing problems and unpreparedness for business expansion of the entrepreneur himself;

3) remuneration of labor of hired employees is frequently a piece wage, it depends on the output (proceeds in case of sales business), incentive systems are usually not developed;

4) social protection of individuals engaged in small business is frequently absent, i.e. sick leaves, annual paid leaves are not paid, employment is not officially recorded and therefore no deductions to extra-budgetary funds (pension deductions, etc.) are made;

5) problems with working conditions, intensity of labor are as a rule settled in forced manner ignoring the existing regulations.

On the whole, with respect to the covered topic it is necessary to indicate a low level of social protection of both self-employed individuals and persons engaged in small businesses.

Self-employment economy will be profitable under certain conditions: age, health, readiness. Group finite life cycle. It is important to build a culture: a culture of research, production culture, consumer culture and the culture of recycling. The man, in any case, will fill the «needs of the pyramid» Marx, Maslow.

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