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# INSTITUTIONAL-LEGAL INTEGRATION OF SOCIALLY VULNERABLE POPULATION INTO THE ECOSYSTEM OF SOCIALLY ORIENTED ENTREPRENEURSHIP IN KAZAKHSTAN

This study examines the process and prospects of institutional integration of socially vulnerable segments of the population into the sphere of social entrepreneurship in Kazakhstan. The relevance of the topic is due to the need to develop effective mechanisms to solve social problems, increase employment and strengthen the social integration of these citizens.

The purpose of the study is to identify obstacles and formulate recommendations for optimizing the institutional environment to stimulate social entrepreneurship and improve the well-being of vulnerable groups. The article presents an analysis of legal integration into the ecosystem of social entrepreneurship in Kazakhstan and theoretical aspects of institutionalization of this sector. The scientific significance of the work lies in the establishment of causal relationships between the institutionalization of social entrepreneurship and its potential for the integration of socially vulnerable groups.

The analysis made it possible to identify key areas for improving the legislative and institutional environment, which contributes to a more effective integration of social entrepreneurship into the country's economy and improving the well-being of vulnerable segments. The assessment of the current state and prospects for the development of social entrepreneurship was carried out on the basis of an analysis of scientific publications, statistical data and materials of public organizations. Economic and mathematical models helped to identify the most significant factors affecting the development of the sector.

The contribution of the work is to prove the dynamism and variability of the institutional and legal process of integrating vulnerable groups of the population into the ecosystem of social entrepreneurship. The results of the study are of practical value and can be used to develop recommendations on creating a favorable environment for the development of social entrepreneurship and the integration of socially vulnerable groups into the economic structure of the country.

Key words: social entrepreneurship, socially oriented entrepreneurship, institutional-legal integration, social entrepreneurship ecosystem.

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## Қазақстандағы әлеуметтік-бағдарланған кәсіпкерліктің экожүйесіне әлеуметтік осал адамдарды институционалдық-құқықтық интеграциялау

Бұл зерттеуде халықтың әлеуметтік осал топтарын Қазақстандағы әлеуметтік кәсіпкерлік саласына институционалдық интеграциялау процесі мен перспективалары қарастырылады. Тақырыптың өзектілігі әлеуметтік мәселелерді шешудің, жұмыспен қамтуды арттырудың және осы азаматтардың әлеуметтік интеграциясын күшейтудің тиімді тетіктерін әзірлеу қажеттілігіне байланысты.

Зерттеудің мақсаты-әлеуметтік кәсіпкерлікті ынталандыру және осал топтардың әлауқатын арттыру үшін институционалдық ортаны оңтайландыру бойынша кедергілерді анықтау және ұсыныстарды тұжырымдау. Мақалада Қазақстандағы әлеуметтік кәсіпкерліктің экожүйесіне құқықтық интеграцияны талдау және осы секторды институционализациялаудың теориялық аспектілері ұсынылған. Жұмыстың ғылыми маңыздылығы әлеуметтік кәсіпкерлікті институционализациялау мен оның әлеуметтік осал топтарды біріктіру әлеуеті арасында себепсалдарлық байланыстар орнату болып табылады.

Талдау әлеуметтік кәсіпкерліктің ел экономикасына неғұрлым тиімді интеграциялануына және осал топтардың әл-ауқатын арттыруға ықпал ететін заңнамалық және институционалдық

ортаны жақсартудың негізгі бағыттарын анықтауға мүмкіндік берді. Әлеуметтік кәсіпкерліктің ағымдағы жай-күйі мен даму перспективаларын бағалау ғылыми жарияланымдарды, статистикалық деректерді және қоғамдық ұйымдардың материалдарын талдау негізінде жүргізілді. Экономикалық-математикалық модельдер сектордың дамуына әсер ететін маңызды факторларды анықтауға көмектесті.

Жұмыстың үлесі халықтың осал топтарын әлеуметтік кәсіпкерлік экожүйесіне интеграциялаудың институционалдық-құқықтық процесінің динамизмі мен вариативтілігінің дәлелі болып табылады. Зерттеу нәтижелері практикалық құндылыққа ие және әлеуметтік кәсіпкерлікті дамыту және әлеуметтік осал топтарды елдің экономикалық құрылымына біріктіру үшін қолайлы орта құру бойынша ұсыныстар әзірлеу үшін пайдаланылуы мүмкін.

**Түйін сөздер:** әлеуметтік кәсіпкерлік, әлеуметтік бағытталған кәсіпкерлік, институционалдық және құқықтық интеграция, әлеуметтік кәсіпкерлік экожүйесі.

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## Институционально-правовая интеграция социально уязвимых лиц в экосистему социально ориентированного предпринимательства в Казахстане

В данном исследовании рассматриваются процесс и перспективы институциональной интеграции социально уязвимых слоев населения в сферу социального предпринимательства в Казахстане. Актуальность темы обусловлена необходимостью разработки эффективных механизмов для решения социальных проблем, увеличения занятости и усиления социальной интеграции этих граждан.

Цель исследования – выявить препятствия и сформулировать рекомендации по оптимизации институциональной среды для стимулирования социального предпринимательства и повышения благосостояния уязвимых групп. В статье представлен анализ правовой интеграции в экосистему социального предпринимательства в Казахстане и теоретические аспекты институционализации этого сектора. Научная значимость работы заключается в установлении причинно-следственных связей между институционализацией социального предпринимательства и его потенциалом для интеграции социально уязвимых групп.

Анализ позволил определить ключевые направления для улучшения законодательной и институциональной среды, что способствует более эффективной интеграции социального предпринимательства в экономику страны и повышению благосостояния уязвимых слоев. Оценка текущего состояния и перспектив развития социального предпринимательства была проведена на основе анализа научных публикаций, статистических данных и материалов общественных организаций. Экономико-математические модели помогли выявить наиболее значимые факторы, влияющие на развитие сектора.

Вклад работы заключается в доказательстве динамизма и вариативности институциональноправового процесса интеграции уязвимых групп населения в экосистему социального предпринимательства. Результаты исследования имеют практическую ценность и могут быть использованы для разработки рекомендаций по созданию благоприятной среды для развития социального предпринимательства и интеграции социально уязвимых групп в экономическую структуру страны.

**Ключевые слова:** социально ориентированное предпринимательство, социальное предпринимательство, институционально-правовая интеграция, экосистема социального предпринимательства.

## Introduction

In recent years, social entrepreneurship of socially vulnerable groups of the population has aroused considerable interest around the world, attracting the attention of researchers, entrepreneurs and entire states. Kazakhstan, striving for sustainable development, also did not stand aside. The Republic has committed to the implementation of 17 Sustainable Development Goals within the framework of the International Program «The 2030 Agenda for Sustainable Development».

In particular, as part of the first goal regarding the eradication of poverty, Kazakhstan will have to reduce a number of poor people by about half by 2030. However, the dynamic of achieving this goal is not satisfactory. Currently, the poverty rate in Kazakhstan has not increased and is 5.2%, but the absolute increase has reached 4%. Over the past year, the number of poor people increased by 39.7 thousand, from 992.1 thousand to 1.031 million people. Therefore, social entrepreneurship is increasingly seen as a powerful tool for solving the problem of employment, especially among vulnerable groups of the population. This sector of the economy has significant potential for creating new jobs, stimulating innovative processes and promoting social integration, which makes it relevant and important for solving pressing social problems. In Kazakhstan, like many other countries, there is a growing interest in social entrepreneurship, due to its opportunities to achieve sustainable development.

An analysis of research in the field of social entrepreneurship shows that the attention of the scientific community is gradually shifting from studying the phenomenon itself to analyzing the processes of its institutionalization. The creation of a solid institutional environment is a critical condition for the successful development of social entrepreneurship and its integration into the economic system. For socially vulnerable groups of the population, social enterprises act as an important platform for selfrealization and active participation in the economy, which contributes to their social integration.

Social entrepreneurship not only solves specific social problems, but also serves as a catalyst for broader socio-economic transformations. Social enterprises play a key role in achieving the Sustainable Development Goals by contributing to poverty reduction, improving the quality of life and strengthening social ties.

Kazakhstan demonstrates positive trends in the development of social entrepreneurship. The improvement of the country's position in the international rankings of social progress indicates the efforts being made to create a supportive environment for social business. This confirms the relevance and prospects of social entrepreneurship as a tool for solving social problems and improving the quality of life of the population. Therefore, the institutionallegal integration of socially vulnerable people into the ecosystem of socially oriented entrepreneurship through laws, measures, programs and other government instruments is recognized as especially necessary to reduce unemployment among this category of the population and is a mechanism for their socialization into society.

On the current stage, the development of this process should be not only at the state level as a whole, but also locally and in the regions. Local authorities, as well as business, must facilitate this process by means available – administrative, political, legal, informational, financial and economic, etc. The issue of developing local institutions designed to provide practical assistance to potential and existing social entrepreneurs is the most actual and important.

## Literature review

Social entrepreneurship appeared in Kazakhstan due to the world processes of globalization and today has become a fairly important trend in the country's economy. It originated in the USA and today has spread to all economies of the world. The theoretical basis for understanding such a phenomenon as social entrepreneurship was described in the works of B. Drayton, J. Mair, I. Marti (Mair, 2006; Drayton, 2002). An important addition to the understanding of its essence from the point of view of socio-economic specifics was provided by the works of G. Diz, J.-B. Sey, P. Drucker, J. Porras, J. Collins. D. Borshtein and M. Yunus, who paid considerable attention to the analysis of its practices and development prospects (Borshtein, 2012; Moskovskaja, 2011) According to E. De Leeuw (1999), changes based on entrepreneurship can be made through the gradual institutionalization of the community.

In general, the idea of the essential content of social entrepreneurship phenomena has evolved over the centuries, in parallel with the development of the field of activity itself. At the same time, discussions around its exact definition still continue. However, in the process of reviewing the scientific literature researchers dealing with this problem identified a number of main schools that consider social entrepreneurship from different point of views.

Kazakh scientist S.T. Okutaeva presented various approaches to understanding social entrepreneurship, highlighting several key schools in this area.

The School of Social Innovation, whose representatives include J. Thompson, S. Alvord, J. Mair and I. Marty, focuses on the application of innovative methods to meet social needs. These researchers consider social entrepreneurship as a means of introducing innovative solutions to solve social problems.

The European School, founded by W. Stefan, L. Ulaner, R. Speer and I. Vidal, emphasizes the key role of state support in socially oriented activities. They believe that the successful functioning of social initiatives requires strong government support, which ensures the stability and development of social programs.

The English School, represented by D. Turner, K. Leeming, S. Dixon, A. Clifford, L. Darby and H. Jenkins, focuses on business as the main driver of solving social problems. These researchers are convinced that businesses should play a leading role in solving social issues, directing their income to support vulnerable groups and the development of social projects.

All these schools agree in recognizing the critical importance of interaction between government and business within the framework of the ecosystem of social entrepreneurship. Government agencies are obliged to create favorable conditions for the growth of social entrepreneurship through the development of appropriate regulations, providing financial support and stimulating innovative initiatives. Business, in turn, plays a significant role in solving social problems by creating social enterprises, investing in social projects and forming partnerships with government agencies and civil society.

The synergy between government and business initiatives contributes to the creation of new jobs, reducing unemployment, stimulating innovation and strengthening social ties. Such cooperation ensures the sustainability and effectiveness of the activities of social entrepreneurs working to solve the problems of socially vulnerable groups of the population.

Nevertheless, systematic and consistent institutionalization is necessary for the full realization of the potential of social entrepreneurship. The lack of clear rules and support mechanisms can lead to instability and inefficiency of social enterprises. Therefore, the creation of an effective institutional environment is a critical condition for the successful development of social entrepreneurship

## Methodology

This study uses a comprehensive methodological approach combining the analysis of sociological, economic, legal and methodological sources, as well as empirical research. For a detailed analysis of the data provided by the Association of Social Innovators and the Bureau of National Statistics, systematic and process approaches were used along with analytical and statistical methods. In addition, a content analysis of the presentations of social entrepreneurs was carried out. Economic and mathematical modeling has played a key role in identifying quantitative relationships between social and demographic factors and the development of social entrepreneurship in Kazakhstan. The SWOT analysis revealed both internal and external factors influencing the dynamics of this sector.

The results obtained have significant practical value for the formation of strategies for the devel-

opment of social entrepreneurship in the regions of Kazakhstan. The identified strengths and opportunities can be used to create optimal conditions for the prosperity of social enterprises, while the identified weaknesses and threats require the development of appropriate measures to eliminate them. These results can serve as a basis for the development of targeted programs aimed at supporting social entrepreneurs and integrating socially vulnerable groups into the economic structure of the country.

### **Results and discussion**

Institutionalization is a process of formation and establishment of institutions in society, aimed at consolidating or legitimizing certain norms, rules and structures in society, by an official recognition or support of government, or any of its authoritative institutions (nauchniestati.ru, 2023).

Institutionalization ensures stability and predictability of the behavior of people and organizations, as it provides its legitimacy and functioning in society through existing and legally enshrined social norms and rules. Institutionalization can be the result of both targeted efforts of various groups and organizations, and the result of spontaneous processes. It can be associated with the activities of political and economic institutions and occur both at the state and regional levels.

We can identify the following key elements of institutionalization, which, in our opinion, are collectively included as components in the ecological model of social entrepreneurship, forming its structure. They are:

- a legal system that includes legislation that defines the status, rights and obligations and regulates the activities of social enterprises;

- infrastructure including business incubators, consulting services and other resources for social entrepreneurs;

- an educational system offering training and professional development programs for social entrepreneurs;

- a cultural system, of which an inclusive culture is a part, creating normative and ethical conditions for the perception of socially vulnerable people as full members of society and contributing to their socialization;

- an information system designed to inform about social entrepreneurship, best practices and opportunities;

- a financial system that provides access to investments, grants and loans.

Each business environment operates within a specific ecosystem. According to K.I. Kraenkova and other authors, the ecosystem is an economic community of interconnected entities and institutions that acts as a catalyst, ensuring interaction

between all participants through tangible and intangible components. This interaction is aimed at creating favorable working and living conditions for socially vulnerable groups of the country's population.

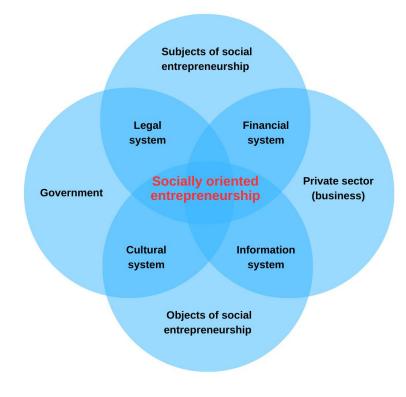


Figure 1 – Ecosystem of socially-oriented entrepreneurship of the Republic of Kazakhstan Note – compiled by the authors

The social entrepreneurship ecosystem is a constantly evolving environment. It is institutionalization processes that help it to be in a constant progressive movement. In Kazakhstan, institutionalization is slowly but increasing; the entrepreneurship ecosystem in general is being strengthened, and therefore socially oriented entrepreneurship in particular. This improves the position of socially vulnerable people, as one of significant objects of the ecosystem. Let's consider the practical aspects of institutionalization of the socially vulnerable part of the population of Kazakhstan.

It defined that Kazakhstan is experiencing the third stage of institutionalization (Abzhekenova, 2020).

The first stage, which began in the mid-2000s, was marked by the formation of socio-entrepreneurial corporations (SEC), created to stimulate the socio-economic development of the regions. Nevertheless, after the reorganization in 2011, the activities of these corporations have become more fragmented and multifaceted.

The second stage, which began in 2010, is characterized by an increasing interest in social entrepreneurship on the part of large businesses, foundations and government agencies. This period was marked by a significant increase in government support and the active development of the legislative framework, which contributed to a more structured and systematic approach to supporting social entrepreneurship.

The third stage, which began with the adoption of the Law «On Social Entrepreneurship» in 2022, consolidated the concept of social entrepreneurship at the legislative level. This law has created a solid legal basis for the further development of social entrepreneurship, establishing clear norms and conditions conducive to its sustainable growth and integration into the economic system. According to the Order of the Ministry of National Economy of the Republic of Kazakhstan dated July 17, 2023 No. 140, the rules for maintaining the Register of social entrepreneurship entities were approved. At this time, 291 enterprises are listed in the register. The potential for registration remains quite large – about two thousand enterprises. However, potential aspirants lack necessary confidence and determination to take part in the process. In this connection, there is a need to generate ideas to popularize this institution and strengthen the desires of social entrepreneurs to officially enter the Register and fully take advantage of all the opportunities provided by the state.

An analysis of the current state of social entrepreneurship in Kazakhstan has revealed a number of significant limitations related to the lack of systematic data and the variety of forms of manifestation of this phenomenon. Despite the existing difficulties, the conducted research made it possible to identify the key factors influencing the development of specialized social services within a socially oriented business.

Using data from the Taldau information and analytical system, an in-depth analysis was carried out, which revealed a number of characteristics that serve as indicators for assessing the impact of various factors on the development of social entrepreneurship. The results of this analysis are systematized in table 1.

Table 1 shows the following data: (Y) – attribute-result or number of socially oriented business organizations providing specialized social services; X1 – GDP per capita in US dollars; X2 – consumer price index; X3 – unemployment rate; X4 – poverty level; X5 – number of recipients of social benefits provided members of socially vulnerable groups of the population.

|           | Y  | X <sub>1</sub>                               | $X_2$                         | X <sub>3</sub>             | $X_4$                 | X <sub>5</sub>  |
|-----------|--|--|-------------------------------|----------------------------|-----------------------|---|
| Year      | Number of organizations<br>providing social services<br>to entrepre-neurship | Gross domestic<br>product per capita,<br>USD | Consumer<br>price index,<br>% | Unemployment<br>rate,<br>% | Poverty<br>rate,<br>% | Number of recipients<br>of state social benefits,<br>people |
| 2017      | 256  | 9 247,58                                     | 102,2                         | 4,9                        | 4,8                   | 688 030   |
| 2018      | 249  | 9 812,5                                      | 101,5                         | 4,9                        | 5,9                   | 685 334   |
| 2019      | 263  | 9 812,5                                      | 101,6                         | 4,8                        | 5,7                   | 787 092   |
| 2020      | 256  | 9 121,7                                      | 101,8                         | 4,9                        | 5,3                   | 790 385   |
| 2021      | 272  | 10 370,8                                     | 101,8                         | 4,9                        | 5,2                   | 804 167   |
| 2022      | 281  | 11 476,6                                     | 104,7                         | 4,9                        | 5                     | 844 314   |
| 2023      | 291  | 13 300                                       | 102,2                         | 4,7                        | 5,1                   | 818 350   |
| Note – co | Note – compiled by the authors based on sources 3                            |  |                               |                            |                       |   |

Table 1 - Data of analysis for the Republic of Kazakhstan

The factors are divided into three categories: economic (X1, X2), social (X3, X4) and demographic (X5). Social and demographic factors take into account the relationship between the elements of the social sphere and state policy in the field of social protection, while economic factors reflect the economic situation in society. This separation of factors makes it possible to assess the impact of various aspects on the development of specialized social services offered by socially oriented enterprises and identify their key determinants.

To identify the dependencies between the factors and create a model reflecting these dependencies in the form of the equation y = f(x), we will use methods of economic and mathematical analysis. This model will show correlation and regression relationships between the specified variables. The results of the correlation analysis are presented in Table 2.

The results of the correlation analysis allow us to identify the relationships between the variables and identify the key factors that have the greatest impact on the field of study. This provides the opportunity to make more informed decisions and develop strategies based on real data.

To further understanding of these relationships and possible practical implications, we conducted additional multiple regression analyses, Table 3.

|                   | Column 1       | Column 2     | Column 3     | Column 4     | Column 5     | Column 6 |
|-------------------|----------------|--------------|--------------|--------------|--------------|----------|
| Column 1          | 1              |              |              |              |              |          |
| Column 2          | 0,920693188    | 1            |              |              |              |          |
| Column 3          | 0,519413213    | 0,400537362  | 1            |              |              |          |
| Column 4          | -0,620819084   | -0,72335722  | 0,147172295  | 1            |              |          |
| Column 5          | -0,556894668   | -0,434935136 | -0,533269549 | 0,114894657  | 1            |          |
| Column 6          | 0,791823312    | 0,584993544  | 0,50687746   | -0,344919517 | -0,148598055 | 1        |
| Note – compiled l | by the authors |              |              |              |              |          |

#### Table 2 - Correlation analysis

Table 3 – Multiple regression analysis

|                                | Odds         | Standard error | t-statistic  | P-Value     | Bottom 95%   | Top 95%      |
|--------------------------------|--------------|----------------|--------------|-------------|--------------|--------------|
| Y-intersection                 | 322,9616598  | 0,730593526    | 442,0538209  | 0,001440138 | 313,6785889  | 332,2447308  |
| Variable X <sub>1</sub>        | 0,005396541  | 8,25456E-06    | 653,7650758  | 0,000973774 | 0,005291657  | 0,005501425  |
| Variable X <sub>2</sub>        | -1,204470029 | 0,008860041    | -135,9440662 | 0,004682869 | -1,317047527 | -1,091892532 |
| Variable X <sub>3</sub>        | -5,401700544 | 0,140983746    | -38,3143496  | 0,01661193  | -7,193068888 | -3,610332199 |
| Variable X <sub>4</sub>        | -9615043416  | 0,015249395    | -630,519653  | 0,001009674 | -9,808805354 | -9,421281477 |
| Variable X <sub>5</sub>        | 0,000114599  | 1,25832E-07    | 910,7285128  | 0,000699022 | 0,000113     | 0,000116198  |
| Note – compiled by the authors |              |                |              |             |              |              |

The analysis shows that all variables are statistically significant (P-value < 0.05), each of which makes a significant contribution to explaining the variability of the dependent variable. Therefore, the regression model adequately reflects the situation and can be applied in practice.

Based on the data obtained, we can construct a multiple linear regression equation that includes all the variables, since they are all significant. Thus, all predictors will be involved in the multiple regression equation:

$$Y = 322,9616598 + 0,005396541X_{1} - 1,204470029X_{2} - 5,401700544X_{3} - 9,615043416X_{4} + 0,000114599X_{5}$$
(1)

Equation (1) can be used to predict the values of the dependent variable (Y) based on the values of the independent variables (X1, X2, X3, X4 and X5), which makes it applicable to solving practical problems in the field of our research.

The analysis revealed a statistically significant relationship between economic and social factors and the number of organizations providing specialized social services.

Economic indicators such as gross domestic product per capita and consumer price index have

a noticeable impact on the dynamics of the social services sector. High levels of economic growth and stable consumer prices are usually associated with an increase in the number of organizations capable of offering specialized social services.

Social factors such as the unemployment rate and the poverty rate also show a statistically significant correlation with the volume of social services provided. A decrease in unemployment and poverty usually leads to an increase in the need for social support, which, in turn, contributes to an increase in the number of organizations providing relevant services.

Demographic factor (X5): Variable X5, representing the number of recipients of state social benefits, is also significant. Demographic characteristics of the population also influence the need for social support and services.

Data analysis has shown that each of the variables under consideration significantly affects variations in the number of organizations providing social services. In particular, the increase in gross domestic product per capita and the number of recipients of state social benefits is positively associated with an increase in the number of such organizations. At the same time, an increase in unemployment and poverty is usually associated with a decrease in demand for social services. The results of multiple regression analysis confirmed that the model, which takes into account gross domestic product, consumer price index, unemployment rate, poverty level and the number of recipients of social benefits, is an effective tool for predicting trends in the development of the social services sector. The growing number of socially vulnerable groups, manifested in an increase in the number of recipients of state benefits, stimulates the growth of social entrepreneurship and increases the demand for social services.

The expansion of the social services sector has a positive impact on socio-economic development, contributing to a reduction in unemployment, improving the housing conditions of vulnerable groups and increasing tax revenues to the budget. These factors, in turn, contribute to an increase in the general level of well-being of society. Consequently, the state has good reasons to support the development of social entrepreneurship as an effective tool for solving social problems and stimulating economic growth.

And we are not alone in this statement; some researchers also believe that social entrepreneurship can solve the problems of poverty and improve living standards of socially disadvantaged segments of the population (Kalinichenko D.V., 2019:26).

To determine future prospects of the institution of socially oriented entrepreneurship in Kazakhstan, we have created a SWOT analysis matrix for this activity (Table 4).

Table 4 – SWOT analysis of the prospects for the development of the institute of socially oriented entrepreneurship in Kazakhstan

| W – weaknesses:   |
|---|
| <ul> <li>weak development of civic consciousness in society;</li> <li>lack of by-laws;</li> <li>the presence of a psychological barrier among social<br/>entrepreneurs, indecisiveness to enter the Register;</li> <li>at the regional level, "Business Road Maps" have not been<br/>created to help social entrepreneurs who have decided to join<br/>the Register;</li> <li>significant level of corruption;</li> <li>problems with accessibility and duration of education for<br/>people with disabilities;</li> <li>lack of specialists in the field of social entrepreneurship;</li> <li>subcommittees of the Atameken NCE have not been created<br/>at the regional level to provide support and assistance;</li> <li>economic and political instability, as well as a low degree<br/>of social responsibility of business.</li> </ul> |
| T – threats:  |
| <ul> <li>deterioration of the environmental situation in the regions;</li> <li>degradation of the economic and social situation in the regions;</li> <li>bureaucratic obstacles that create pressure on social entrepreneurship;</li> <li>changes in legislation related to social entrepreneurship.</li> </ul>   |
|   |

SWOT analysis shows that the existence of a Law on Social Entrepreneurship, the creation of a Register of social Entrepreneurship entities, the launch of a subcommittee at the National Chamber of Entrepreneurs "Atameken" and recognition of the importance of the institute of socially oriented entrepreneurship are key strengths in the process of institutionalization and development of its ecosystem. Weaknesses include the lack of by-laws, insufficient development of civic consciousness in society, presence of a psychological barrier among social entrepreneurs, and indecisiveness to enter the Register. The law on social entrepreneurship was adopted, entrepreneurs received good preferences. But these preferences still do not work, since the Ministry of Economy has not prescribed the relevant by-laws for their implementation. Currently, among 10 prescribed preferences only 30% of them work.

The process of strengthening regional ecosystems is weakened by the absence of subcommittees of Atameken and "Business Road Maps" in the regions, to help social entrepreneurs who have decided to join the Register. There is still a high level of corruption in the localities and a low level of social responsibility of business. On February 10, 2023, a subcommittee on the development of social entrepreneurship began its work under the NCE Atameken. It consists of 17 participants, representatives of various cities and regions of Kazakhstan, who are already compiling a list of problems based on letters and appeals from citizens, which are transferred to the responsible authorities for resolution. The subcommittee hopes to establish communication between government structures and social entrepreneurs and ensure that all preferences work. Many social entrepreneurs are from the SVPP category, who are an example for many as despite difficulties create and lead projects. Their activities should not only be supported, but also widely publicized. These problems would be solved more quickly if there were such local subcommittees in the regions, with the participation and assistance of which each entrepreneur could solve problems on the spot.

Meanwhile, potential opportunities for developing socially-oriented business for all socially vulnerable groups of the population, including those with disabilities, and online trade of goods created by social entrepreneurs are expanding. Improving the tools of volunteering and charity in the social sphere will provide an invaluable contribution to support of entrepreneurs at the initial stages of developing their business. Creation conditions for organizing product certification and registering new national brands of socially oriented business is very promising too. All these issues are called upon to be solved in the regions by local authorities together with the Entrepreneurship and Investment Departments authorized for this purpose.

The Kazakhstan Association of Social Innovators, created in 2022, headed by Emin Askerov, provides enormous assistance to social entrepreneurs. All members of the association have training two times a week; experienced team members provide patronage over newcomers. Branches of the Association were created and operate in the regions. The leadership of the Association conducts Kurultais, and plans to create a networking platform. The task of the Association is to unite all social entrepreneurs, cultivate regional leaders who will become a significant social force and support in promoting the institution of social entrepreneurship, a bridge between new entrepreneurs and akimats in the regions. Today the Association has more than 600 social entrepreneurs as its members.

Threats are associated primarily with the presence of bureaucratic barriers that create pressure on socially oriented entrepreneurship. In this connection, it is necessary to actively use non-financial instruments of state support for business and entrepreneurship, and reduce administrative pressure on socially oriented businesses.

# Conclusion

In the current socio-economic context, it is advisable to strengthen the focus of public policy at the regional level, where social entrepreneurship initiatives are directly implemented. The key aspect is to assess the degree of institutional maturity of regional ecosystems supporting the development of social business, as well as the effectiveness of government support provided.

To achieve these goals, it is recommended to decentralize the process of coordinating and supporting social entrepreneurs by transferring these functions to local structures and business service centers. Local departments of entrepreneurship and investment, acting on behalf of the executive authority at the regional level, should develop and implement detailed roadmaps. These cards should be aimed at simplifying the registration procedure for social enterprises and providing comprehensive support necessary for their effective functioning and development.

It is extremely important that institutionalization continues on the ground, the necessary conditions are created and support is provided to both active social entrepreneurs and those who want to start their own business and put it on the Register. It is also necessary to develop and strengthen the relevant infrastructure, as well as take measures to facilitate the registration of enterprises, obtaining financial assistance, renting premises, etc. Unfortunately, the process of implementing these measures is progressing extremely slowly.

In the segment of our research – socially-oriented entrepreneurship, there is no need to limit with solving only social problems; here the unification of such areas as, for example, production and trade, healthcare and ecology, and others should be welcomed. This expansion of social entrepreneurship will help solve a range of problems in society. In this connection, it makes sense to consider the issue of providing tax benefits to such entrepreneurs.

The proposed measures, in our opinion, will contribute to the effective integration of socially vulnerable segments of the population into the field of social entrepreneurship in Kazakhstan. This approach not only addresses key social problems, but also has a significant impact on strengthening the national economy. Increasing the involvement of vulnerable groups in economic activity helps to reduce social tension, increase employment and, as a result, increase the general level of well-being of the population.

Systematic support and development of social entrepreneurship has the potential to create new jobs, stimulate innovation and increase the competitiveness of the domestic economy. In addition, social enterprises, as a rule, are focused on solving specific local problems, which contributes to a more balanced development of regions and the strengthening of social capital.

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