

UDC 338 (574.42)

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Development and support of small business in Kazakhstan

In conditions of transformation economy of Kazakhstan small business plays a very important role both in the local economy and throughout the country, because actually the territorial specialization allowed him to complete small business “big” economy and form a relatively complete, integrated structure of the economy of regions, cities and rural areas. Small enterprises and, in General, small business occupied their niche in economic activities that most focused on regional and local needs.

The implementation of state programs and business development will set the stage of formation and development of SMEs in Kazakhstan and has made this trend irreversible. Their implementation influenced positively on the formation and development of the business sector in the country. A competitive market for goods and services was created and institutional arrangements for support and development of small business were identified.

Entrepreneurship in Kazakhstan is one of the priorities of the economic policy of the State, and the Government seeks to build the middle class and competitive dynamic business community.

Keywords: small and medium-sized businesses, Government support, women’s entrepreneurship.

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Развитие и поддержка малого бизнеса в Казахстане

В условиях трансформации экономики Казахстана малый бизнес играет весьма важную роль как в местной экономике, так и в масштабах всей страны, так как фактически сложившаяся территориальная специализация малого бизнеса позволила ему дополнить «большую» экономику и сформировать относительно целостную, комплексную структуру хозяйства областей, городов и сельских районов.

Малые предприятия и в целом малый бизнес заняли свою нишу в экономической деятельности, которая максимально ориентирована на региональные и местные потребности. В Казахстане развитие предпринимательства является одним из приоритетных направлений экономической политики государства, и Правительство стремится к формированию среднего класса и конкурентоспособного динамичного бизнес-сообщества. Особая роль принадлежит фонду «Даму». Который оказывает поддержку разным направлениям развития малого бизнеса, в том числе и женскому предпринимательству.

Ключевые слова: малый и средний бизнес, государственная поддержка, женское предпринимательство.

А. Биханова

Қазақстандағы шағын бизнестің дамуы мен қолдауы

Мақалада Қазақстанның экономикасының трансформациялары шағын кәсіпкерлікте маңызды рөл атқаратындығы қарастырылған.

Түйін сөздер: шағын және орта бизнес, мемлекеттік қолдау, әйел кәсіпкер.

From the first days of the newly independent Kazakhstan small and medium enterprises which is a proactive, independent carried his own name at its own risk on their financial responsibility activities of individuals aimed at making a profit play a very important role in the formation of its market economy.

The sector of small enterprise forms the most ex-

tensive network of the enterprises which operating generally in the local markets and have been directly connected with the mass consumer of goods and services. In the aggregate with small sizes of small enterprises, their technological, production and administrative flexibility, it allows to react to changing market condition sensitively and opportunely.

And the support and development of small and medium business legally recognized as a priority area of government economic policy. Under the present conditions of economic development small and medium business in the country

became popular and dynamically part of the business life.

According to the Statistics Agency of Kazakhstan Table 1 is made up which shows the key performance indicators for small and medium business in January 2013.

Table 1 - Basic indicators of the subjects of Small and Medium Enterprises in January 2013 (a percentage of the previous year)

	Number of active SMEs	Numbers of workers	Production (And services)
The Republic of Kazakhstan	90,5	102,0	100,3
Akmola	90,8	101,1	101,3
Aktobe	93,8	104,2	100,0
Almaty	91,0	103,0	100,3
Atyrau	95,0	102,9	100,1
West Kazakhstan	94,4	104,2	100,7
Zhambyl	91,4	102,2	100,4
Karaganda	91,4	102,9	100,6
Kostanay	91,3	100,8	100,8
Kyzylorda	95,5	104,0	100,7
Mangistau	96,2	103,6	100,2
South Kazakhstan	81,0	95,3	100,5
Pavlodar	91,3	104,2	101,1
North Kazakhstan	90,1	102,1	100,6
East Kazakhstan	91,2	100,4	100,2
Astana	95,9	104,0	100,3
Almaty	91,7	104,2	100,2

During the market reforms in Kazakhstan the business sector could take its prominent place in society. The main strategic goal was reached - the necessary conditions for development of small and medium enterprises were created by the state. Opportunity to engage in business becomes a real part of the constitutional rights of the citizens. I suggest to consider the following statistics to understand the structure, composition, quantity and status of small and medium business in Kazakhstan: in January 2013 compared to January of last year the output (at constant prices) increased by 0.3%, the number of employed - by 2.0%, and the number of active agents - decreased by 9.5%. According to the Statistics Agency of Kazakhstan Table 2 is made up which shows the key structure of the small and medium enterprises performance as a percentage of the corresponding date of the previous year.

The output of the small and medium enterprises for January 2013 is totaled 630.3 milliard tenge. In the total number of SME entrepreneurs share amounted to 69.1%, (peasant) farms – 21.6% of small business entities – 8.2%, medium-sized business entities – 1.1%.

According to international statistical agencies, women have created more than 25 percent of new small businesses. In France and the UK a quarter of all firms are headed by women. In Germany – it is third. In Japan the proportion is 23 percent, in the U.S. - 38. In Kazakhstan business women are not far behind but they really need the support.

Important in the development of small business is the study of the demographic situation in this aspect, let us consider the ratio of men and women engaged in business on the East Kazakhstan region (Table 3 is compiled by the Statistics Agency of RK)

Table 2 – Structure of the small and medium enterprises performance as a percentage of the corresponding date of the previous year (according to the Statistics Agency of RK)

Enterprise	Production, %	Number of employed,%	Number of active subjects,%
legal entities of small size enterprise	20,2	26,1	8,2
individual entrepreneurs	9,7	32,6	69,1
legal entities of medium size enterprise	69,0	27,5	1,1
peasant farms	1,1	13,8	21,6

Table 3 - Number of subjects in SMEs run by women

	The number of SMEs - total	including of			Number of subjects in SMEs run by women
		legal persons	self-employed	peasant farms	
	1	2	3	4	5
The Republic of Kazakhstan	1 225 790	229 145	796 569	200 076	501 791
Akmola	52 431	6 997	40 998	4 436	24 807
Aktobe	48 683	9 060	35 337	4 286	21 364
Almaty	127 622	10 967	63 175	53 480	47 147
Atyrau	44 862	7 170	35 970	1 722	17 927
West Kazakhstan	35 919	4 691	27 159	4 069	15 862
Zhambyl	55 853	5 521	33 976	16 356	22 452
Karaganda	84 316	15 686	61 861	6 769	39 179
Kostanay	65 304	7 934	51 038	6 332	31 739
Kyzylorda	34 206	4 625	27 074	2 507	14 449
Mangistau	39 990	7 868	30 917	1 205	16 982
South Kazakhstan	184 581	20 328	88 019	76 234	54 531
Pavlodar	47 966	8 919	35 189	3 858	21 898
North Kazakhstan	34 777	5 216	26 486	3 075	15 754
East Kazakhstan	107 494	12 973	78 835	15 686	49 211
Astana	85 198	28 664	56 520	14	35 940
Almaty	176 588	75 526	104 015	47	72 549

The data in Table 3 shows that almost half of the enterprises in Kazakhstan are headed by women entrepreneurs which are typical for this demographic situation. To improve the performance of these companies the program due to the placement of funds in commercial banks for future micro-credit for women entrepreneurs 2009-2015 is developed and approved by the Board of Directors of «Entrepreneurship Development Fund» Damu « Its purpose is to promote economic activity of women entrepreneurs through concessional lending projects of the existing and emerging subjects of women entrepreneurship. In the framework of the second-tier banks women engaged in business activities in the form of individual business without a legal entity or legal persons by women are financed with the share

of women participation in the share capital of not less than 50% and with the number of female employees at least 30% of the total number of workers.

The program is funded by «Damu» caused by placing funds in banks for future micro-finance of women's entrepreneurship. The key terms of credit SME under the Program:

- special use of funds - refinancing of existing loans, investments, working capital (• loan currency - tenge);
- annual effective rate for the final borrower - not more than 14.0% per annum;• credit period on loan:
 - working capital - up to 36 months• the acquisition and modernization of fixed assets - up to 60 months;
 - financing limit for a single borrower - to 8000 MCI (MCI - monthly index determined by the law

of the Republic of Kazakhstan «On republican budget» for the financial year);

- there is no restriction of sectoral focus of project financing;

- SMEs cannot get loans at the expense of programs in different banks and financial institutions at the same time;

- the borrower must begin the mastering the Loan Fund money within 2 months from the date of the Bank Loan Agreement / Agreement to open a credit line;

- other conditions set by the Bank-partner.

The Program prohibits:

- financing of SMEs with arrears of taxes and other obligatory payments to the budget over 10 MCI at the time of SME treatment to a partner-bank with the application for the loan.

- to loan SME to refinance existing loans SME where the source of funding is the State except for the SME project funded by the Foundation directly.

Terms of financing entities of female entrepreneurship in this program are designed to help women entrepreneurs to reduce the cost of credit and reduce its debt by refinancing their existing loans to increase lending by the fund. Subjects of female business are loaned on favorable conditions and without restrictions on the activities of borrowers. All sectors without limitation, individual entrepreneurs and their target group registered and operating in accordance with the laws of the RK are funded by. Loans are available to all interested women entrepreneurs including those in rural areas. The major

credit conditions are announced then the banks of the second level select projects according to national standards and procedures.

After disbursement the Fund «Damu» monitors loans for compliance with the terms of the program as well as their intended use. The effect of the program depends on the activity of the banks and women entrepreneurs themselves. Along with the positive trends some problems are observed and growth one of which is the fact that the development of our small business is mostly in the field of mediation and industries now that do not require significant capital investment - trade, catering, construction of civil projects, small-scale repair of equipment and machinery and agriculture.

Meanwhile such a strong market as the sphere of scientific and technological innovation and the information is not being developed. However in Kazakhstan a single list of permissions for small and medium businesses will be optimized and implemented in 2013 as well as install all types of procedures.

Also all authorization will be automated in two years. The implementation of state programs and business development will set the stage of formation and development of SMEs in Kazakhstan and has made this trend irreversible. Their implementation influenced positively on the formation and development of the business sector in the country. A competitive market for goods and services was created and institutional arrangements for support and development of small business were identified.

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UDC 338.439

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Improvements to institutional mechanism of formation and development of human resources on the regional level

Currently, the foundation of industrial-innovative development of the economy of the region should be based on active economic, social and personnel policy, focused on the achievement of socio-economic progress and providing ways to achieve their goals. The article considers the possibility of the integrated management of the formation and development of human resources at the regional level. Management of formation and development of human resources in the region involves different areas and forms of human exposure as a carrier of labor, political, and social function. Also considered the principles and algorithm development system of human resources development. Focuses on the current urgent need to increase mutual social responsibility and activity of small, medium and large businesses, educational institutions, government agencies, non-governmental organizations in the creation of conditions for the development of human resources and employment potential of the area. The involvement of all of the parties in the development, financing and implementation of regional programs of human resources will be a powerful factor in resolving the identified problem.

Keywords: human resources, the formation of human resources, human resource development, human resources management system, institutional framework, the Department of the formation and development of human resources.

С.Н. Суйеубаева

Предложения по совершенствованию институционального механизма формирования и развития человеческих ресурсов на региональном уровне

В настоящее время в основу индустриально-инновационного развития экономики региона должна быть положена активная экономическая, социальная и кадровая политика, ориентированная на достижение социально-экономического прогресса и предусматривающая пути достижения поставленных целей. В статье рассмотрена возможность комплексного управления формированием и развитием человеческих ресурсов на региональном уровне. Управление формированием и развитием человеческих ресурсов региона предполагает различные направления и формы воздействия на человека как носителя трудовой, политической, общественной функции. Также рассмотрены принципы и алгоритм разработки системы управления развитием человеческих ресурсов. Сделан упор на существующую актуальную потребность в повышении взаимной социальной ответственности и активности малого, среднего и крупного бизнеса, образовательных учреждений, властных структур, общественных объединений в сфере создания условий для развития кадрового и трудового потенциала территории. Вовлечение всех перечисленных сторон в разработку, финансирование и реализацию региональных программ развития человеческих ресурсов будет являться мощным фактором в разрешении обозначенной проблемы.

Ключевые слова: человеческие ресурсы, формирование человеческих ресурсов, развитие человеческих ресурсов, система управления человеческими ресурсами, институциональный механизм, департамент формирования и развития человеческих ресурсов.

С.Н. Суйеубаева

Аймақтық деңгейде адам ресурстарын қалыптастыру және дамытудың институционалды механизмін жетілдіру бойынша ұсыныстар

Мақалада аймақтағы адам ресурстарын қалыптастыру мен дамытуды басқару міндеттерін тиімді жүзеге асыру атаулы мәселені шешуге қатысуға мүмкіндіктері мен ресурстары бар экономиканың (мемлекеттің, бизнестің, коммерциялық емес сектордың) әртүрлі өкілдері әрекеттерінің үйлесімділігінің қажеттілігі айқын көрсетілген. Мұндайда бұл жүйені басқарудың ең маңызды міндеті аймақ дамуының жалпы шешуші стратегиясын құрайтын адам ресурстарын дамытудың кешенді бағдарламасын құру болып табылады. Ол барлық субъектілердің өзара әрекеттерін қамтамасыз ететін, үйлестіруші орталық ретінде танылатын облыс әкімшілігінің құрылымында немесе тікелей оған бағынатын арнайы институционалды құрылымның болуы қажеттілігіне негізделді.

Түйін сөздер: адам ресурстары, адам ресурстарын қалыптастыру, адам ресурстарын дамыту, адам ресурстарын басқару жүйесі, институционалды механизм, адам ресурстарын қалыптастыру және дамыту департаменті.

Implementation of the goals of industrial-innovative development of the economy is dependent on many factors, among which are the presence of high priority science and technology, material and technical resource base, the infrastructure and qualified personnel able to further improve the professional and personal development to meet the needs of the company and region. When the fore the qualitative characteristics of employees, improving the management of human resources at the macro and micro levels, by its content and the effective functioning of the factors becomes an important theoretical and practical significance.

To date, the structure of state and local government has departments responsible for the formation and development of human resources as a determinant of economic development. There are also no mechanisms for coordination among various territorial administration, the conditions for the formation, development and utilization of human resources. Conditions of human resources development should be an integral part of regional economic policy.

Thus, we can identify four groups of institutions responsible for the management of the formation of human resources:

- Educational bodies;
- Health authorities;
- The bodies that control the labor, employment and social protection;
- A body to coordinate between the three groups listed above institutions.

In our opinion, the development of the system of human resources development should be guided by the following principles:

- First. Managing the development of the human region can not be implemented in isolation from the policies pursued at the state level. In particular, the policy of human resources development should not contradict the current Kazakh laws and other regulations.

- Second. Direction of human resource development companies in the region must be scientifically justified. This means that you should take into account the actual needs of the company and the region as a whole, the current trends of science, engineering, technology, and on this basis to develop specific measures to develop human resources.

- The third. The system of human resources development companies and the region as a whole should be a multi-level, that is, it must take into account the position and role of the different actors in

the overall management of the process of formation and use of human resources.

Managing the development of human resources in the region involves different areas and forms of human exposure as a carrier of labor, political, and social function. And since the direction of the impact must meet the current needs of the region and improve the quality of life, we recommend the following algorithm for the management of this process (Figure 1).

The implementation of the above algorithm of operations management to human resource development will ensure the validity of the decisions made in the field of human resources in the region in terms of the completeness of the information and the needs of the region. Also important to establish national and regional priorities in the field of human resources development, the composition and forms of interaction between social and economic institutions, which manage the development of human resources in the region, the information base that enables effective management of human resources development in the region.

Study of the problem of human resources development has shown that most practitioners and theorists give the following directions and problems of human resources development at the regional level, providing health, education, job security, social protection, a population. In our opinion, this list is not complete and it should be clarified such directions and objectives, as criminogenic in the region, the state of the environment, recreation and culture, human resources, access to resources «knowledge economy.»

Complexity of the implementation task management for sustainable development of human resources in the region requires the coordinated action of local governments, public authorities (including the division of powers between them), public institutions at various levels. An important role should be given to the representatives of big business and the voluntary associations of citizens, their participation in solving the problems of formation, development and use of human resources in the region.

However, to date the regional policy in the field of human resources often represented declaratively, ie without taking into account the real needs of regional development in the modern world. Managing the development of human resources in the region is a complex area for regional development, so the content of such management is primarily the process

of harmonization of interests of social and economic institutions that are involved in the creation of conditions for the formation, development and utilization of human resources in the region, that is, cross-sector social partnerships. Representatives of each

sector (government, business, non-profit sector) have different capabilities and resources to participate in solving the problems of the social sphere, but their interaction can help overcome social injustice and conflict in society.

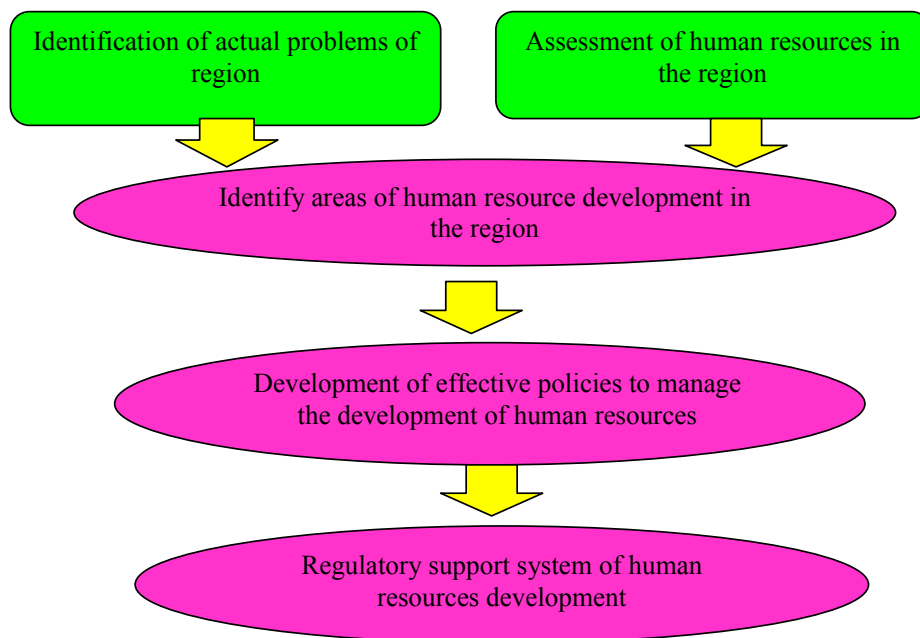


Figure 1 – Algorithm of the process of managing the human resources development

The Ministry of Labor and Social Protection of Population, employment centers and other bodies engaged in their own specific functions. From our point of view for the effective management of human resources development to find a conceptual and functional balance in the work of these bodies. Thus, it can be concluded that at present no established mechanisms to coordinate the work of all management levels governing this activity. In our opinion this is due to the fact that today is not the task of human resources development in the region as a whole.

Status of the formation and development of human resources is such that only the target, targeted and concrete measures can eliminate crises. Specificity and targeting can be achieved: the implementation of a comprehensive analysis, planning, forecasting, and based on that of human resources development, the definition of areas of responsibility and competence of social and economic institutions that interact in the process of human resources development in the region, the development of mechanisms of interaction of socio-economic institutions in the

region, the definition of the division of spheres of competence of the authorities at various levels in the management of human resources (Figure 2).

There is an urgent need to improve the mutual social responsibility and activity of small, medium and large businesses, educational institutions, government agencies, non-governmental organizations in the field of creating conditions for the development of human resources and employment potential of the area. The involvement of all of the parties in the development, financing and implementation of regional programs for the development of human resources will be a powerful factor in the resolution of the designated problem.

In the light of the principles of openness in government, as well as dialogue between society, business and the state becomes especially actual creation of the so-called “communication platform” on which it will be possible concerted action of all parties directly or indirectly involved in the formation and development of human resources to meet the current and strategic goals territory.

In this regard, we propose the formation and

development department of human resources can not be the only tool to implement, but also serve as a tool to develop such programs. That the Department of the formation and development of human resources (the Department) will provide a consistent and coordinated the activities of such legal entities. The aim of the operation of this department is to investigate, analyze and evaluate the problems of development

of human resources in order to develop specific recommendations for improving the management of human resources development, which can be used both on the national and regional level, as well as forecasting and development of special programs for human resource development.

The main tasks of the Department are given in Table 1.

Table 1 – Main tasks of the Department

1	Monitor current and forecast future systemic problems of human resource development in the area
2	Interaction with regional statistical agencies in order to improve the reliability of the results of monitoring of the conditions of formation, development and use of human resources in the region
3	Collaboration with research organizations to improve and methodological tools for the monitoring organization
4	Development and implementation of innovative technologies in the development of human resources in the context of demographic, socio-economic, ethnic, and other features of the region
5	Search and institutionalization of inter-regional and inter-country relations, contributing to improving the management of human resources in the region
6	Alignment schemes effective inter-district, inter-regional and inter-country migration
7	Interaction with the media to inform the public about events
8	Study the possibility of exporting or importing appropriate educational services, health care, culture and others in the region
9	Interaction with libraries, information centers as important
10	Making recommendations of the regional administration to prioritize investment in facilities that advance, the development and use of human resources
11	Development and preparation of special programs and projects, as well as legal documents in the field of competence of the regional government to improve the conditions of human resource management in the region
12	Job quotas
13	Finding ways to improve the efficiency of using funds for the sustainable development of human resources
14	Social control over the promotion of programs on human resource management in the region
15	Coordination of the interests of workers and employers and the development of social dialogue between the regional government and business, and thereby ensure the stability of society

The solution of these tasks can be based on the use of all types of information describing the state of the conditions of formation, development and utilization of human resources in the region.

In summary, we note that the interaction between the state bodies, public organizations and commercial entities should be based on principles

of social partnership, which involves not only the unification of efforts to address the most important political, social, economic and environmental problems, but also mutual responsibility for ensuring the social protection of the population, the formation, development and utilization of human resources in the region.

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