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## **SOCIAL ENTREPRENEURSHIP IN KAZAKHSTAN IS A NECESSITY OR A FASHION TREND**

### **Abstract**

The article discusses the concept of «social entrepreneurship», which is the gaining popularity worldwide. The main approaches to this concept, the criteria of social entrepreneurship are studied. The authors also conducted a survey among the population to identify – how people familiar with the concept of «social entrepreneurship». The tendencies of social entrepreneurship development in Kazakhstan: current status and problems of its development. At this stage of development in Kazakhstan according to official data, there are about 150 social entrepreneurs, according to unofficial about 500. That is, a lot of people who do this kind of business, but they do not realize that this is a new direction. Basically, social entrepreneurship is actively developing in Almaty, Astana, Shymkent, Kostanai, East Kazakhstan region. The research revealed that the most relevant areas for social enterprise in Kazakhstan is the creation of jobs for vulnerable populations, protecting the environment, educational services and services in the field of healthcare. But despite the positive successes there are more barriers in this activity than opportunities: legal niceties, the sluggishness of state structures and bureaucracy, secrecy and little information on tenders, the difficulties in attracting sponsors, finding people who have specific data in the industry.

Key words: social entrepreneurship, criteria, social impact, innovation, entrepreneurial approach, auction, information.

At the present stage social entrepreneurship became more and more popular. Despite the high interest of the scientific community to the phenomenon of “social entrepreneurship”, to date there is no consensus regarding the interpretation of this phenomenon and, therefore, the explication of the term. The term “social entrepreneurship” began to be used in the scientific literature in the 60–70-ies of the last century, and became widespread in 1980–1990 s.

By the end of 90-ies of XX century some practical experience and theoretical material on social entrepreneurship was accumulated. The first fundamental works in the field of social entrepreneurship were the work of scholars such as G. Dees, R. Dart, S. Shane, S. Venkataraman, G.S. Mort, J. Weerwardena, A.M. Peredo, M. MacLean, J. Mair and I. Marti, A. Guclu, F. Perrini and C. Vurro, J. Mair and O. Schoen, K. Sommerrock, W. Grassl.

In Europe, experts call social entrepreneurship in solidarity economies. For example, the share of the new subject of Economics in the UK and France accounted for up to 10% of GDP. Today, there are three approaches to this phenomenon, which are presented in Figure 1 (p. 18) [2, 3].

Therefore, social entrepreneurship should provide: creation of social values with a purpose, recognition and enforcement opportunities to create social value, innovation, tolerance with the risk in activities, refusal to accept limitations in available resources [1].

The main criteria of social entrepreneurship are usually related criteria is presented in Figure 2 (p. 18).

Kazakhstan also has not remained aloof from this kind of entrepreneurial trend from the XXI century and the beginning of its active development in 2014. The social enterprise is of interest not only from the point of scientific research view in entrepreneurship, but above all in practical terms. With the right approach to the phenomenon of social entrepreneurship can give a positive result not only for the entrepreneurs themselves in the profits form, but also for citizens and the state as a whole [4].

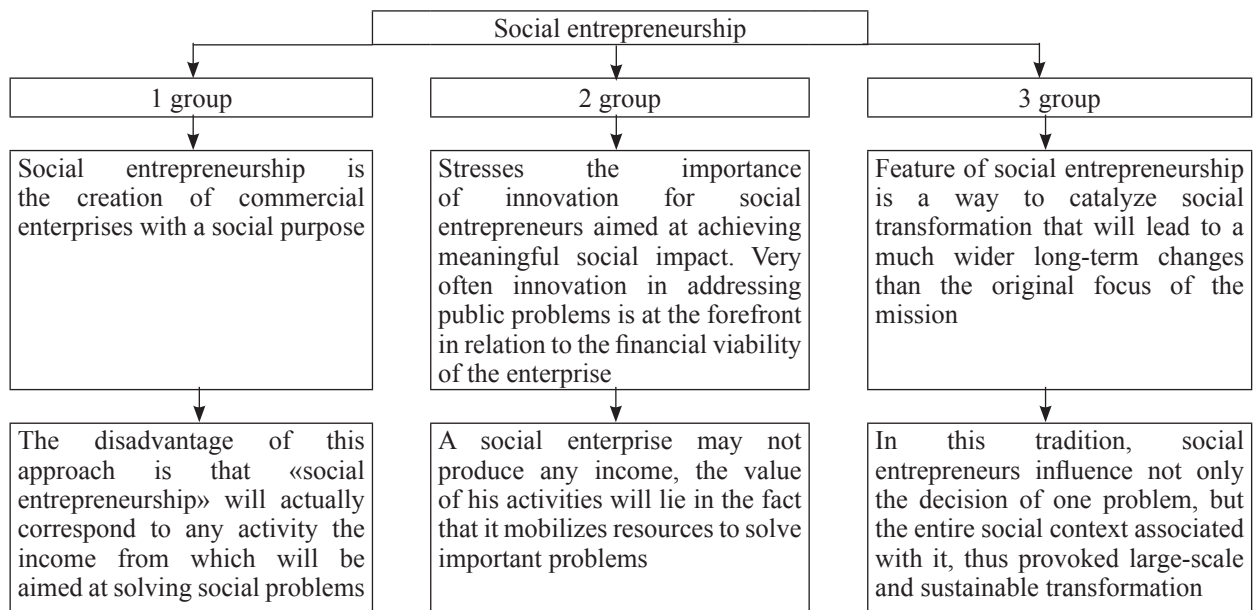


Figure 1 – The main approaches to the definition of “social entrepreneurship”



Figure 2 – The main criteria of social entrepreneurship

Today, social entrepreneurs become an active part of society and business, they are willing to take risks, to discover and develop new businesses, creating jobs, shaping a culture of rejection from dependency, solving social problems. In Kazakhstan conditions, it is quite a young phenomenon.

The authors conducted a survey of the population from Astana and Akmola region with the aim of identifying how familiar respondents with “social entrepreneurship” concept. The survey results presented in Figure 3 and showed that most respondents first heard of this concept.

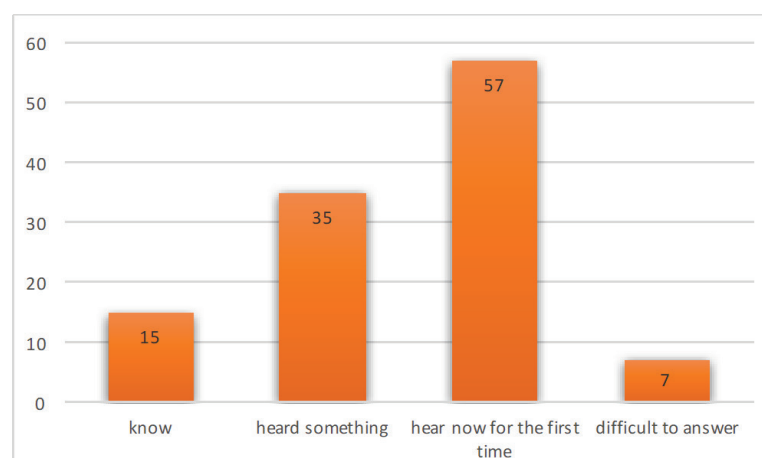


Figure 3 – Familiarity of population with the concept of “social entrepreneurship”

At this stage of development in Kazakhstan according to official data, about 150 social entrepreneurs, according to unofficial data they are about 500. That is, a lot of people who do that, but they do not realize that this is a new direction. In Astana about 10 social entrepreneurs. Such social entrepreneurship is an activity aimed at solving or mitigating certain social problems in our society [4]. They mainly operate in Almaty, Astana, Shymkent, Kostanay, East Kazakhstan region.

Over the last couple of years Kazakhstan has accumulated several dozen striking examples of social entrepreneurship.

For example, in Almaty one public Fund is organizing the courtyard' life. In the framework of the project "THIS Yard" ennobled five urban households and run a small line of products for children. The philosophy of the project is to fill leisure games, motion, communication, physical development. Kids are creative, environmental classes, organized community work days.

In Taldykorgan the center for rehabilitation of disabled persons started to work. Visitors have to pay for a stay there, but this allows to really solve the problem of their recovery. Also, the city pizza chain attracts for sewing uniforms single grandmothers who are raising grandchildren on their own.

In Astana under the leadership of the social entrepreneur runs a workshop employing the disabled, orphanages, single mothers. In the workshop of wicker weave baskets, vases, chandeliers, doing the dishes. Recently his shop was included in the category of companies with "social jobs", and he began to receive from the employment center of Astana for 45 thousand tenge salaries for each employee with disabilities. Also in Astana, the head of one public funds presented the project, whose main goal is employment of persons with mental disabilities. In the framework of the project they will raise the birds and produce meat and eggs.

Despite the positive successes, and barriers in this activity more than opportunities: the legal niceties, the sluggishness of state structures and bureaucracy, secrecy and little information on tenders, the difficulties in attracting sponsors, finding people who have specific data in this industry (to prepare a business plan self-supporting universal playgrounds) [5].

According to researches, in the framework of the project "I-SEED: Social entrepreneurship and education", implemented by the British Council jointly with "Chevron" company has revealed that it is necessary at the moment for the social entrepreneurship development in Kazakhstan: raising awareness about social entrepreneurship (58%), appropriate legal framework (55%), educational courses and trainings on social entrepreneurship (51%), funding from the state (40%), the creation of a single information resource on social entrepreneurship in Kazakhstan (40%). Also, the survey revealed that the most relevant areas for social enterprise in Kazakhstan, survey respondents named the following: job creation for vulnerable segments of the population (78%), protecting the environment (54%), educational services (54%) and services in the field of healthcare (45%) [2, 7].

Thus, it is possible to identify a number of problems in the social entrepreneurship development in Kazakhstan.

The first group of problems – misunderstanding of the social entrepreneurship nature by the major groups in society. Social entrepreneurship is by far a new phenomenon, its logic does not understand neither society nor the main subjects of public relations, including tax and legal regulation, and that there are main barriers to its development.

The second group of problem reflects the difficulties the legislative and administrative promotion of the social entrepreneurship idea. First, the adoption of laws at the national level to their implementation at the regions' level, local communities usually takes a very long time; secondly, on the ground just might not have enough resources to implement the legislation.

The third group of problems is connected with contradictions in the psychology of social entrepreneurship, namely with objective differences in the logic of business and social activities.

The fourth group of problems is the problem attracting financial resources in the first stage of enterprise development, the lack of special credit and term loan programs. Social enterprise, like any other business, investment is required. In Europe and the U.S.A. these investments came in the form of venture philanthropy – contributions to social enterprise at a low rate, without interest, on return of the sum or in the form of software-centric investment with minimal return. In the United States social source venture capital private donors, including private foundations. In Europe, in addition to

private funds, affordable loans and investment in social entrepreneurship and is implemented by the state [2, 7].

So, Kazakhstan is still not regulating the mechanisms of social entrepreneurship, legally the term is not fixed. The country is still quite difficult to spread the practice of social entrepreneurship in the whole country and all registered and operating non-governmental organizations. As a rule, those who position themselves as social entrepreneurs, is registered as a nongovernmental organization for grants and, separately, the individual entrepreneur to sell their services to avoid any problems with taxes. So, despite the obvious successes, barriers to such activities more often than opportunities. The sluggishness of state structures and bureaucracy, legal technicalities, however, the lack of information about tenders, the difficulties in attracting sponsors and people search, social able, for example, to prepare a business plan the universal self-sustaining social Playground. But at the same time, it should not be forgotten that the social entrepreneurship development in Kazakhstan is becoming one of the important activities to all interested parties – entrepreneurs, state companies. And priority, as in any business is the creation of fair and clear conditions for the development of the state – the game rules.

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#### Аңдатпа

Мақалада күллі әлемде танымал болған «әлеуметтік кәсіпкерлік» ұғымы қарастырылады. Осы тұжырымдамаға сәйкес негізгі тәсілдер зерттеліп, әлеуметтік кәсіпкерлік ұстанымдары анықталды. Сондай-ақ, авторлар «әлеуметтік кәсіпкерлік» ұғымымен халықтың қаншалықты таныс екенін анықтау үшін халық арасында сауалнама жүргізді. Қазақстанда әлеуметтік кәсіпкерліктің даму тенденциялары қарастырылады: қазіргі жағдайы және оны дамыту мәселелері. Ресми деректерге сәйкес Қазақстанда дамудың қазіргі кезеңінде шамамен 150 әлеуметтік кәсіпкерлік бар шамамен 500-ге жуық, бірақ бейресми мәліметтер бойынша олардың саны 500-ге жуық. Демек, осындай кәсіпкерлікпен айналысатын көптеген адамдар бар, бірақ олар бұл жаңа бағыт екенін түсінбейді. Негізінен әлеуметтік кәсіпкерлік Алматы, Астана, Шымкент, Қостанай, Шығыс Қазақстан облыстарында белсенді дамып келеді. Зерттеу нәтижесінде Қазақстандағы әлеуметтік кәсіпорындар үшін ең маңызды бағыттар болып келесілер табылады: халықтың осал топтары үшін жұмыс орындарын құру, қоршаған ортаны қорғау, білім беру қызметтері және денсаулық сақтау қызметтері. Бірақ, оң нәтижелерге қарамастан, мұндай қызмет түрлеріне кедергі бар: заңның осал тұстары, мемлекеттік құрылымдар мен бюрократияның жаңсақтығы, тендерлер туралы аз ақпараттардың аз болуы және оның жабық болуы, демеушілерді тарту қиындықтары, осы сала бойынша нақты деректерді білетін адамдарды іздеу.

Тірек сөздер: әлеуметтік кәсіпкерлік, критериялар, әлеуметтік әсерлер, инновация, кәсіпкерлік тәсілдер, тендерлер, ақпарат.

### **Аннотация**

В статье рассматривается приобретающее популярность во всем мире понятие «социальное предпринимательство». Исследованы основные подходы к данной концепции, определены критерии социального предпринимательства. Также авторы провели опрос среди населения для выявления того, насколько население знакомо с понятием «социальное предпринимательство». Рассмотрены тенденции развития социального предпринимательства в Казахстане: современное состояние и проблемы его развития. На данном этапе развития в Казахстане, по официальным данным, около 150 социальных предпринимателей, по неофициальным – около 500, то есть много таких, кто занимается подобным, но еще не осознает, что это и есть новое направление. В основном социальное предпринимательство активно развивается в городах Алматы, Астане, Шымкенте, Костаная, Восточно-Казахстанской области. В результате исследования было выявлено, что самыми актуальными направлениями для социальных предприятий в Казахстане считаются создание рабочих мест для уязвимых слоев населения, защита окружающей среды, образовательные услуги и услуги в области здравоохранения. Но несмотря на положительные успехи, барьеров в данном виде деятельности больше, чем возможностей: юридические тонкости, неповоротливость госструктур и бюрократия, закрытость и малое количество информации о тендерах, трудности в привлечении спонсоров, поиск людей, которые обладают специфическими данными в отрасли.

Ключевые слова: социальное предпринимательство, критерии, социальное воздействие, инновация, предпринимательский подход, тендеры, информация.