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EVALUATION OF KAZAKHSTAN'S ENTREPRENEURIAL ACTIVITY ENVIRONMENT BASED ON THE GLOBAL ENTREPRENEURIAL AND DEVELOPMENT INDEX APPROACH

Abstract

The entrepreneurial sector plays a vital role in the economy, acting as a platform for growth and innovation. Examining the degree of entrepreneurial activity in the region might provide valuable insights. However, it is critical to recognize that entrepreneurship is influenced by a variety of linked forces and individuals. Creating a conducive environment for entrepreneurial activity is essential for several reasons. Firstly, it facilitates the transition from planned economies to market-oriented economies, serving as a key direction for market reforms. Secondly, entrepreneurship is seen as a structural state change that needs effective policies and a good economic environment to assist entrepreneurs. Lastly, studying the factors that contribute to entrepreneurial potential is crucial for fostering an entrepreneurial culture and developing strategies to support entrepreneurship. Understanding the factors influencing entrepreneurship is important for addressing social inequality, ensuring reproductive process stability, and achieving sustainable economic growth. Entrepreneurship allows people to better their socioeconomic condition, decreases inequality, increases economic expansion, and offers career opportunities. While research studies have explored the entrepreneurial activity environment in various countries, there is limited literature on Kazakhstan's entrepreneurial activity environment. This is why, this research is laid out to assess Kazakhstan's entrepreneurial activity environment by applying the Global Entrepreneurship and Development Index (GEDI) approach.

Key words: entrepreneurial activity, global index, regions, business environment, socio-economic status, developing countries, entrepreneurs.

Introduction

Entrepreneurship is a critical economic component of any economy. Entrepreneurship can act as a platform for the social and economic development of country [1]. Entrepreneurship is based on individual initiation, entrepreneurial traits, attitudes, and motivation. The process approach describes the startup procedures and phases, explaining how high-impact, innovative firms could emerge. The presence of entrepreneurship and the establishment of new businesses play a significant role in driving regional economic growth. This is because it directly impacts the makeup of the local industrial sector, which in turn serves as a crucial indicator of variations in growth and performance among different regions.

Studying regions with a high degree of entrepreneurial activity is crucial for research as it provides valuable insights. However, it's important to recognize that the numerous forces and actors driving this activity cannot be examined in isolation from one another [2].

The development of an entrepreneurial environment is essential for several reasons. Firstly, it is a key direction for reconstructing market reforms. Entrepreneurship plays a crucial role in transitioning from planned economies to market-oriented economies. This transition requires establishing and developing a vibrant entrepreneurial sector [3]. Secondly, entrepreneurship is seen as a structural

state change. The government plays a significant role in regulating and supporting the entrepreneurial sector. By implementing effective policies and creating a favorable business environment, the state can facilitate the growth and success of small and medium-sized enterprises [4]. Thirdly, there is a need to study the factors and conditions that contribute to the formation of entrepreneurial capacity. Understanding these factors is important for fostering an entrepreneurial culture and encouraging individuals to get involved in entrepreneurial activities. By identifying and analyzing these factors, policymakers and researchers can devise strategies to support and nurture entrepreneurship.

This is why, the analysis of factors influencing entrepreneurship takes on new importance in addressing issues of social inequality, stabilizing reproductive processes, and achieving sustainable economic growth. Entrepreneurship can contribute to reducing social inequality by creating opportunities for individuals to help them establish and expand their enterprises, thereby improving their socio-economic status. A robust entrepreneurial sector can also stimulate economic expansion and career opportunities, leading to overall economic stability.

Despite considering variations in economic sector distribution, entrepreneurship's influence on regional growth exhibits notable differences. Numerous research studies have examined the entrepreneurial environment in various countries [5]. However, there is scant literature on the entrepreneurial environment in Kazakhstan. This study, therefore, aimed to bridge this gap.

The aim of this research paper is to enhance our comprehension of the entrepreneurial activity environment through two primary objectives:

- ♦ to develop an entrepreneurial activity environment with the Global Entrepreneurship and Development Index (GEDI) approaches that effectively capture the contextual aspects of entrepreneurship.
- ♦ to address a knowledge gap by exploring and explaining the entrepreneurial activity environment of Kazakhstan using the GEDI approach.

Materials and methods

Using the GEI technique, this research sought to investigate and explain Kazakhstan's entrepreneurship environment. Previously known as the Global Entrepreneurship and Development Index (GEDI), the Global Entrepreneurship Index (GEI) is a measure of global entrepreneurship [6]. The GEI methodology is an essential instrument that enables countries to assess and evaluate their entrepreneurship activity environment. GEI recognizes that entrepreneurship is a complicated study that necessitates diverse measures. Second, rather than quantity, an acceptable assessment should examine the qualitative components of entrepreneurship. Thirdly, individual competencies and institutional aspects are crucial in measuring entrepreneurship. Fourthly, the 14 pillars and institutional and individual aspects of entrepreneurship are integrated. Finally, the GEI enables policy formulation from the perspective of providing a tailor-made policy rather than general global policies [6]. In addition, the GEI methodology considers the relationship between the individual variables and institutional factors. The GEI includes three sub-indices known as the 3 as: entrepreneurial ambitions, entrepreneurial attitudes, and entrepreneurial abilities. Entrepreneurial ambitions refer to the entrepreneurial activity's distinct strategy-related aspect. Entrepreneurial attitudes reflect the attitude of the population towards entrepreneurship while entrepreneurial abilities are the crucial traits possessed by an entrepreneur, which determine the success of start-up businesses [7]. Each of the three sub-indices comprises pillars. These pillars are 14 in number, and they contain institutional and individual variables. Additionally, the pillars endeavor to show the flexible nature of entrepreneurship. Analyzing the pillars offers a thorough understanding of the index's strengths and flaws. While analyzing the entrepreneurial activity environment (through the sub-indices, individual and institutional variables), to identify bottleneck pillars and recommend policy priorities. This study, therefore, used the Global Entrepreneurship Index (GEI) to evaluate the entrepreneurial ecosystem of Kazakhstan.

Main provisions

The Global Entrepreneurship Index (GEI) proposes a comprehensive framework for measuring entrepreneurship at the country level. It consists of five levels of index building, which include the GEI super-index, three sub-indexes, fourteen pillars, twenty eight variables, and forty nine indicators.

The GEI super-index is the highest level of aggregation and provides an overall assessment of a country's entrepreneurial ecosystem. It takes into account the three sub-indexes, which are attitudes, abilities, and ambitions. These sub-indexes capture different aspects of entrepreneurship and contribute to the overall assessment.

The attitudes sub-index examines factors such as cultural and social norms, risk perception, and attitudes towards entrepreneurship within a country. It helps to gauge the level of support and acceptance for entrepreneurial activities. The abilities sub-index focuses on the country's entrepreneurial capabilities and resources. It assesses factors such as access to education, training, infrastructure, and support networks that facilitate entrepreneurship. The ambitions sub-index measures the ambitions and entrepreneurial goals of individuals within a country. It considers factors like opportunity perception, innovation, and high-growth expectations. The 14 pillars represent the key dimensions of entrepreneurship and provide a more detailed assessment. Each pillar consists of both individual and institutional variables, recognizing the interplay between personal characteristics and the broader institutional environment. The variables within each pillar capture specific aspects of entrepreneurship. For example, variables could include business entry regulations, ease of obtaining credit, quality of governance, technological readiness, and availability of venture capital. These variables are further broken down into 49 indicators, which are specific metrics used to assess the performance and characteristics of each variable. Indicators provide a more granular view of a country's entrepreneurial landscape.

From a system perspective, the GEI recognizes the interconnectedness of individual and institutional factors. It acknowledges that these factors are not independent but interact with each other, shaping the overall entrepreneurship ecosystem. This approach ensures that the index captures the complex dynamics and relationships between various variables without losing their underlying meaning.

By considering individual and institutional variables as interacting factors, the GEI provides a comprehensive assessment of a country's entrepreneurship ecosystem, enabling policymakers and researchers can learn about the benefits and drawbacks of a country's entrepreneurship ecosystem. GEI index consists of fifteen pillars. They are opportunity perception, start-up skills, risk acceptance, networking, cultural support, opportunity start-up, technology absorption, human capital, competition, product innovation, process innovation, high growth, internalization, and risk capital [8].

The penalty for bottleneck (PFB) is modeled following the approach proposed by Acs et al.[9]. In a mathematical context, this bottleneck is represented as the minimum value among a set of normalized pillars within an index.

$$h_j = y_{min} + (1 - e^{-(y_j - y_{min})}) \quad (1)$$

where h_j is the modified, post-penalty value of index component j ; y_j is the normalized value of index component j ; y_{min} is the lowest value of y_j , where $j = 1, 2, \dots, n$ is the number of index pillars.

$$ATT = 100 \sum_{j=1}^5 h_j \quad (2)$$

$$ABT = 100 \sum_{j=6}^{10} h_j \quad (3)$$

$$AMB = 100 \sum_{j=11}^{14} h_j \quad (4)$$

The penalty-adjusted pillar scores can be calculated according to equation (1). The three sub-indexes, ATT, ABT and AMB are the arithmetic average of its PFB-adjusted pillars for that sub-index multiplied by 100. Where h_j is the modified, post-penalty value of pillars equals $j = 1, 2, \dots, 14$. The existence of 14 pillars suggests that achieving equivalent performance levels may demand varying degrees of effort and, consequently, resources. Higher average values could indicate that reaching these levels is relatively easier in comparison to situations where the average values are lower [9].

Literature review

In today's rapidly evolving global economy, entrepreneurship plays a pivotal role in driving innovation, creating job opportunities, and fostering economic growth. At the heart of successful entrepreneurship lies a favorable entrepreneurial activity environment.

Acs Z. underscores that entrepreneurship is catalyzed by the strategic allocation of resources through the creation and operation of novel entities. The significance of comprehending how individual traits intertwine with institutional elements to nurture entrepreneurial endeavors is accentuated. It has been understood that innovation and entrepreneurship have always been close connection with economic growth [10]. Besides, entrepreneurship has been recognized as a critical driver of employment and innovation. In support, Liñán F. and Fernandez-Serrano J. posit entrepreneurship promotion increase the employment opportunities in a country translating to economic expansion. This is mainly because entrepreneurship envisions new ideas with the outcome of changing and transforming the business world [11].

Naude W. points the determinants of successful entrepreneurship in emerging economies and found that technology is an important aspect in initiating entrepreneurship while education increases the output. Opportunity entrepreneurship has a positive and significant effect on economic development. In general, entrepreneurs visualize ideas and can make these ideas into a reality thus bridging the gap between innovation, invention, and commercialization as they bring their products or services to the market [12].

GEI is considered a novel approach in comparison to other models due to the following reasons. First, GEI combines a variety of factors in terms of individuals and institutions. The study of Szerb L. and Trumbull, W. emphasize that the GEI has shown a development at higher level by adding the macro-level institutional dimensions such as: regulation, market size infrastructure and so forth. Second, the economic progress of nations can be accounted for while evaluating their performance [13].

Acs Z. noted that traditional approach such as output indicators measure often identifies a negative correlation between entrepreneurship and the GDP per capita. It means that the growth of the whole economy cannot go along with the increase in the country's entrepreneurship. Whereas, GEI identifies strengths and bottlenecks of the country's entrepreneurship relying on a common benchmarking principle. The uniqueness of GEI methodology in comparison to other measures is that GEI applies the Penalty for Bottleneck (PFB) [14].

Moreover, scholars reveal the importance of attitude for entrepreneurial activities. In accordance with the theory of planned behavior – which considers attitude as the precursor of intention and behavior. Entrepreneurship researchers affirm the relationship of attitudes that play motivational or behavioral roles in entrepreneurial intentions or positive attitudes toward entrepreneurship [15]. In other research, Beugelsdijk S. and Noorderhaven N. point out that entrepreneurial attitudes positively affect regional economic development. In other words, entrepreneurial attitude is considered an explanatory factor for the explanation of growth differentials in 54 European regions [16].

From another aspect, Harris M. and Gibson S. indicate that entrepreneurial attitude can be improved by training. Accordingly, these scholars support the view that in order to foster entrepreneurial attitudes, relevant entrepreneurship education programs play important roles [17].

Hörnqvist M. and Leffler E. appear to be agreeable with this opinion when showing that clear policy intentions for the renewal of schoolwork are essential for more entrepreneurial directions [18].

In Kazakhstan, the emergence and growth of entrepreneurship took place during a time of transition that was marked by challenging and occasionally unfavorable socioeconomic conditions, a severe macroeconomic crisis, and a general deterioration in the standard of life. In this transition period, the government support was essential for stabilizing economy. Also, Raimbekov Z. points that the development of the main transcontinental routes linking Europe and Asia is becoming a top-priority task in realizing the transit potential of Kazakhstan [19]. So, this is essential to define business environment in Kazakhstan and assess the entrepreneurial activity environment of country through using GEI approach.

Results and discussion

According to OECD report, Kazakhstan is considered as the largest economy in Central Asia and a key hub for regional trade and investment. Since emerging from the transition recession in 1996, Kazakhstan has experienced real GDP growth of 5% per annum, while labor productivity and investment have also grown substantially, particularly in the first decade of the 2000s. The main driver of the country's strong economic performance has been and remains the extraction and export of its vast natural resources. Kazakhstan's economy is also highly internationalised, and it has been the country's openness to foreign investment and technology, as well as its engagement with the international trade architecture through institutions like the World Trade Organisation (WTO), that has allowed it to develop sophisticated industries so quickly in these sectors [20].

Entrepreneurial success cannot be viewed in isolation; it is shaped by the specific geographic context in which entrepreneurs operate. This context encompasses the local, national, and even supranational economy and society in which entrepreneurs are embedded. The combination of attitudes, resources, and infrastructure within this context is commonly referred to as the entrepreneurship 'ecosystem'.

The GEI serves as an annual benchmark that evaluates the overall health and vitality of entrepreneurship ecosystems across 137 countries. In this evaluation, Kazakhstan was ranked 64th out of the 137 countries assessed, see the table 1 [21].

This ranking reflects the relative strength and weaknesses of Kazakhstan's entrepreneurial ecosystem compared to other countries. The GEI comprehends various factors such as entrepreneurial attitudes, available resources, supportive infrastructure, and institutional frameworks. By analyzing these aspects, the index provides insights into the overall state of entrepreneurship in Kazakhstan and its potential for fostering economic growth and innovation.

In academic terms, the GEI serves as a valuable tool for researchers and policymakers to understand the strengths and weaknesses of entrepreneurship ecosystems, identify areas for improvement, and develop targeted strategies to enhance the entrepreneurial climate. Kazakhstan's position in the ranking offers insights into the specific challenges and opportunities that exist within its entrepreneurship ecosystem, which can inform policy decisions aimed at promoting entrepreneurial development and economic prosperity.

Table 1 – Overall ranking of Kazakhstan and other countries in the global entrepreneurship index

Rank	Country	GDP per capita	GEI
1	USA	52,676	83.6
2	Switzerland	54,933	80.3
3	Canada	42,104	79.2
4	United Kingdom	37,451	77.8
5	Australia	42,149	75.5
6	Denmark	44,005	74.3
7	Iceland	35,541	74.2
8	Ireland	42,012	73.7
9	Sweden	45,533	73.1
10	France	37,948	68.5
61	Namibia	9350	32
62	Azerbaijan	16433	31.5
63	Belize	7342	30.03
64	Kazakhstan	21089	29.7

Note: Based on the source on [21].

GEI is assessed according to 3 sub-indices namely the attitude (ATT), ability (ABT), and ambitions (AMB). According to Acs, et al. (2014) and Szerb, et al. (2016), entrepreneurial attitude mirrors how people feel about entrepreneurship and the type of business that the entrepreneurs are eager to venture into. Kazakhstan as a country performs better on individual variables rather than institutional variables (see table 2 below) moreover, in terms of the 3 sub-indices shows that Kazakhstan performs well in terms of entrepreneurial ability where high scores in human capital of 0.77 and opportunity

start-up of 0.37 are recorded. This is a clear indication of how the country is open to start business. Yet, weak scores were recorded on the Technology absorption 0.12. Due to inadequate technological infrastructure, including limited access to high-speed internet, insufficient digital connectivity, and outdated hardware and software systems. Without a robust technological infrastructure, the absorption of new technologies becomes challenging. Meanwhile, weak technology absorption can result from a lack of specialized skills and knowledge required to understand and effectively utilize new technologies. It is possible that there is a shortage of individuals with expertise in emerging technologies, limiting the ability of businesses and organizations to adopt and leverage such technologies. Additionally, the performance of entrepreneurial attitude is dragged by the individual's perception of risk, skills, and career status. However, Kazakhstan's entrepreneurial activity environment experiences bottlenecks in process innovation (0.17) and corruption (0.31) which is due to the low performance of technology level (0.30), cultural support (0.43), and business risk (0.44) at an institutional level as shown in table 2 below.

Table 2 – Kazakhstan's entrepreneurial activity environment experiences bottlenecks

	Pillars		Institutional variables		Individual variables	
Entrepreneurial Attitudes	Opportunity Perception	0.24	Market Agglomeration	0.32	Opportunity Recognition	0.58
	Start-up skills	0.44	Tertiary Education	0.55	Skill Perception	0.64
	Risk acceptance	0.11	Business Risk	0.18	Risk Perception	0.51
	Networking	0.54	Internet usage	0.42	Know Entrepreneurs	0.99
	Cultural support	0.20	Corruption	0.31	Career Status	0.86
	Entrepreneurial Attitudes	27.92				
Entrepreneurial Abilities	Opportunity Startup	0.37	Economic Freedom	0.55	Opportunity Motivation	0.54
	Technology Absorption	0.12	Tech Absorption	0.38	Technology Level	0.30
	Human capital	0.77	Staff Training	0.75	Educational Level	0.87
	Competition	0.23	Market Dominance	0.47	Competitors	0.35
	Entrepreneurial Abilities	32.17				
Entrepreneurial Ambition	Product Innovation	0.22	Technology Transfer	0.48	New Product	0.47
	Process Innovation	0.17	GERD	0.33	New Tech	0.70
	High Growth	0.56	Business Strategy	0.48	Gazelle	0.86
	Internationalization	0.50	Globalization	0.30	Export	0.54
	Risk Capital		Depth of Capital Market	0.49	Informal Investment	0.57
	Entrepreneurial Aspiration	30.44				
	GEI	30.08	Institutional	0.44	Individual	0.63
Note: Compiled by authors.						

It is important to note that due to the location of Kazakhstan in Central Asia, which connects East and Middle Asia and Europe, which has the root of the silk way road in trading has made the entrepreneurial ecosystem in the country highly internationalized performing at (0.50). The geographical location of Kazakhstan in Central Asia, serving as a connecting point between East and Middle Asia and Europe, can indeed have a significant impact on its entrepreneurial ecosystem. The historical significance of the Silk Road and its trade routes has fostered a diverse and internationalized business environment in the country. This indicates that Kazakhstan's economic and entrepreneurial ecosystems

can accommodate international entrepreneurs. This leads to the exportation of competencies and skills at the individual level. The government performs has the weakest indicator in institutional variables as compared to individual-level variables. Especially, technology absorption, Gross Expenditure on Research and Development (GERD) are worst performing and need utmost attention in enhancing a conducive entrepreneurial ecosystem.

The recognition of institutional-level bottlenecks as having a greater impact than individual-level factors suggests that government and institutional support may have limited effectiveness in fostering entrepreneurship. This observation highlights the significance of the broader institutional context in shaping the entrepreneurial climate.

At the heart of this perspective is the acknowledgment that the institutional environment, encompassing government policies, regulations, and support structures, plays a crucial role in either facilitating or impeding entrepreneurial activities. The effectiveness of government and institutional support hinges on the policy environment in which entrepreneurship operates. When bureaucratic hurdles, complex regulations, or unsupportive policies are prevalent, aspiring entrepreneurs face significant barriers that hinder their endeavor.

Moreover, institutions are instrumental in providing entrepreneurs with access to essential resources such as financing, infrastructure, and networks. The impact of individual-level efforts is contingent upon the availability, accessibility, and efficient allocation of these resources by institutions. In cases where institutions fail to adequately provide resources or encounter inefficiencies in resource distribution, the potential impact of individual entrepreneurial activities is limited.

In addition, the development of a conducive entrepreneurial ecosystem relies heavily on collaborative efforts involving diverse stakeholders, including government, academia, industry, and investors. Institutions play a critical role in fostering the growth and sustainability of such ecosystems by establishing platforms for networking, knowledge sharing, mentorship, and market access. Insufficient institutional support can impede the coordination and synergy required for the ecosystem to realize its full potential.

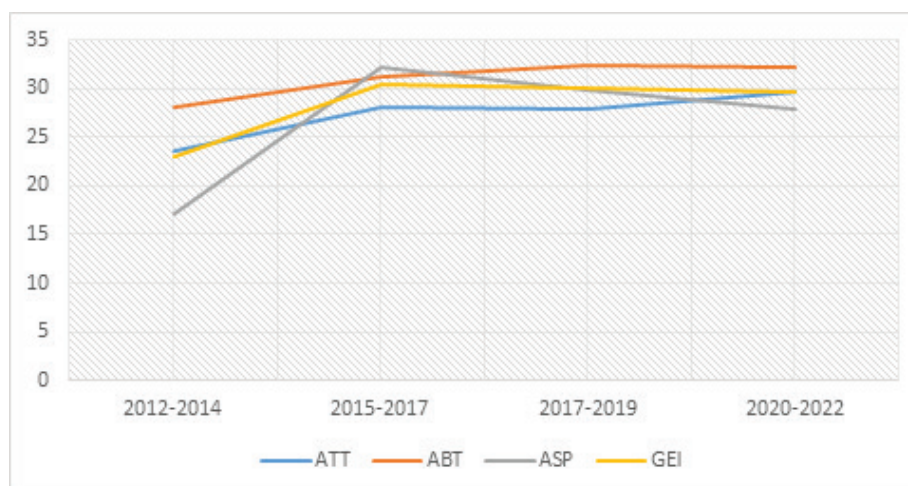


Figure 1 – GEI scores based on the three sub-indices

Note: Compiled by the authors based on the source GEI data [21].

Figure 1, above, gives an analysis of the GEI scores based on the three sub-indices. From the figure we can from sub-indices of GEI the ability index shows outstanding performances among other performance. Overall 2.8% increase in GEI scores between 2005 to 2017, however, after 2017–2019 there shows a decline of 1.95 %. During the years 2015–2017, Kazakhstan experienced a significant growth intensity in its business climate. The government implemented various initiatives aimed at enhancing the quality of domestic regulations and reducing the administrative burden faced by businesses operating in the country. These efforts resulted in a reduction in the number and duration of procedures, as well as the documentation required for obtaining permits related to construction, business registration, and liquidation or bankruptcy.

As a direct outcome of these initiatives and other measures, Kazakhstan's ranking in the overall ease of doing business improved significantly. In the 2017 edition of the World Bank's "Doing Business" report, Kazakhstan climbed to the 35th position globally. Notably, Kazakhstan was among the top ten countries that demonstrated the most significant improvements in their business regulations during the two most recent editions of the "Doing Business" report. The significant event was the establishment of a one-stop-shop (OSS) for investors in Kazakhstan. The OSS served as a centralized platform to provide comprehensive assistance to investors, offering support in acquiring essential information, obtaining permits and licenses, and navigating through administrative procedures. This initiative aimed to streamline and expedite the process for investors, facilitating their entry and operations in the country [22]. These efforts by the Kazakhstani government exemplify a commitment to creating a favorable business environment and attracting investment. By raising the standard of regulations and providing dedicated support services through the OSS, Kazakhstan aimed to enhance the ease of doing business and encourage both domestic and foreign entrepreneurship. This focus on enhancing the business climate demonstrates a proactive approach to economic development, as a conducive environment for businesses fosters innovation, productivity, and job creation. The government's dedication to regulatory reform and the establishment of supportive mechanisms reflects a recognition of the crucial role that businesses play in driving economic growth and prosperity [23].

The novelty of GEI is to use the Penalty for Bottleneck (PFB) approach that is able to identify the weakest links of the entrepreneurial activity environment in a given country. In this way, it is beneficial for researchers and policymakers to target which pillars needed enhancement. In the end, they contribute to promoting the overall GEI score of the country. In the case of Kazakhstan, there are seven bottlenecks identified in table 3. These weakest links include Opportunity perception, Risk acceptance, Technology absorption, cultural support, competition, product innovation, and product process.

Table 3 – Pillars and its bottleneck

Pillar	Required Increase in Pillar	Percentage of total new effort
Opportunity Perception	0.01	2%
Startup Skills	0.00	0%
Risk Acceptance	0.14	32%
Networking	0.00	0%
Cultural Support	0.04	9%
Opportunity Startup	0.00	0%
Technology Absorption	0.13	30%
Human capital	0.00	0%
Competition	0.01	2%
Product Innovation	0.03	7%
Process Innovation	0.08	18%
High Growth	0.00	0%
Internationalization	0.00	0%
Risk capital	0.00	0%
Total effort	0.44	100%
Note: Compiled by the authors.		

According to PFB, these pillars are preventing the performance of better performing pillars of region entrepreneurial activity environment. Accordingly, it is necessary to pay great attention and effort to improve these pillars in terms of policies, so that it can enhance Kazakhstan's overall GEI score by 10%. Particularly, total new effort will be in the ratio of 2%-32%-9%-30%-2%-7%-18%-co responding to include Opportunity perception, Risk acceptance, Technology absorption, cultural support, competition, product innovation, product process. Accordingly, Kazakhstan needs an increase of 0.44 points in all seven pillars to get a 10% increase in the GEI score. Further, based on PFB, the government also identifies its priorities for all pillars. Kazakhstan should highly focus on improving risk acceptance scores with 32% of the total effort. Second attention should go focus

on technology absorption. Then, the next 18% and 7% of total effort should be put into product innovation and process innovation, respectively. Other total efforts should be addressed in cultural support, opportunity perception, and competition. Furthermore, in a more detailed analysis of four bottlenecks that Kazakhstan's entrepreneurial activity environment has to deal with, the major weaknesses within the pillars are also mentioned. For instance, the government should concentrate on controlling country risks such as the risk that a government puts on capital and exchange, or force majeure in Kazakhstan. Further, it is also important to encourage openness to cultural support and the innovation process. In general, both institutional and individual factors should be concerned with Kazakhstan's entrepreneurial activity environment in order to create a healthier entrepreneurial activity environment.

Conclusion

The study used Global Entrepreneurship Index (GEI) to evaluate the entrepreneurial activity environment. The study applied the Penalty for Bottleneck method to identify bottleneck pillars and recommend policy priorities in Kazakhstan. GEDI indicators can help policymakers to develop more targeted strategies that enhance the conditions that will allow for more entrepreneurial activities in Kazakhstan.

Kazakhstan ranked 64th place among the 137 countries concerning entrepreneurship and entrepreneurship activities. In the GEDI index score, the individual variable score is higher than the institutional variables. So, to increase institutional effort and address the identified bottlenecks in Kazakhstan's entrepreneurial activity environment, the following solutions can be considered:

Opportunity Perception: By enhancing entrepreneurship education and awareness programs to foster a culture of recognizing and seizing business opportunities and promoting success stories and role models to inspire and motivate aspiring entrepreneurs. Moreover, there is need encouragement for collaboration between academia, industry, and government to provide practical training and mentorship opportunities. For example, it will be crucial if in the region will held joint research projects between academia, industry, and government to study emerging trends, market gaps, and potential opportunities.

Risk Acceptance: Entrepreneurship is characterized by inherent risks, often deterring potential innovators and business creators due to the fear of failure. This proposal underscores the pressing need for multifaceted initiatives aimed at assuaging such concerns. The proposal outlines a holistic approach encompassing risk mitigation strategies, financial mechanisms, and governmental incentives. Governmental support through tax incentives and grants further diminishes the perceived risks for entrepreneurs. Investing in early-stage of business owners is inherently risky due to the high likelihood of failure. By offering tax credits or deductions, governments effectively reduce the financial risk for investors. This, in turn, encourages more individuals and entities to allocate capital to startups, especially those involved in innovative and high-risk ventures.

Technology Absorption: Meanwhile, it is essential to strengthen research and development (R&D) collaborations between universities, research institutions, and industry. In a broader perspective, the provision of research grants targeting the development and implementation of emerging technologies should be expanded, and each grant should undergo rigorous monitoring and regular audit processes for accountability and effectiveness. Also, there should be more space for collaboration between multinational corporations and small and medium business owners in order to facilitate technology transfer and knowledge sharing.

Cultural Support: In this context, the proliferation of local communities that bear witness to the tangible outcomes of entrepreneurial endeavors can significantly contribute to the cultivation of a supportive cultural milieu within a nation. A heightened degree of local awareness regarding entrepreneurial activities serves as a catalyst for fostering more prolific entrepreneurship. Also, it is imperative to arrange events and create networking platforms that serve as structured forums for the assembly of entrepreneurs, investors, and industry experts. Moreover, it promotes diversity and inclusion in entrepreneurship by encouraging underrepresented groups to participate and providing targeted support programs.

Competition: Government should implement policies that promote fair competition and reduce barriers to market entry. Moreover, through enhancing regulatory frameworks to ensure a level playing field for businesses. It will be essential for solving competition related issues if there will be open dialogue between industry stakeholders and policymakers.

Product Innovation: It will be crucial to develop innovation grants and funding schemes to support research and development activities.. To advance the cause of patent filing and intellectual property (IP) protection comprehensively, it is imperative for governments and institutions to establish a robust framework that provides substantial support and reinforcement. In order to harness the full potential of global expertise and best practices, it is imperative for universities, research institutes, and business owners to actively cultivate strategic partnerships with international research organizations. This collaborative approach can significantly enhance the quality and impact of research endeavors and business operations.

The collaborative implementation of these solutions is of paramount importance, necessitating concerted efforts between the government and pertinent stakeholders. Moreover, regular monitoring, evaluation, and feedback mechanisms should be established to assess the effectiveness of interventions and make necessary adjustments. By addressing these bottlenecks and strengthening the institutional effort in the identified areas, Kazakhstan can enhance its overall GEI score and foster a more supportive and thriving entrepreneurial activity environment.

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ОЦЕНКА СРЕДЫ ПРЕДПРИНИМАТЕЛЬСКОЙ АКТИВНОСТИ В КАЗАХСТАНЕ НА ОСНОВЕ ГЛОБАЛЬНОГО ИНДЕКСА ПРЕДПРИНИМАТЕЛЬСТВА И РАЗВИТИЯ

Аннотация

Предпринимательский сектор играет жизненно важную роль в экономике, выступая в качестве платформы для роста и инноваций. Изучая регионы с высоким уровнем предпринимательской активности, можно получить ценную информацию. Однако крайне важно понимать, что на предпринимательство влияют различные взаимосвязанные силы и действующие лица. Создание среды, благоприятствующей предпринимательской деятельности, необходимо по нескольким причинам. Во-первых, это облегчает переход от плановой экономики к экономике, ориентированной на рынок, служа ключевым направлением рыночных реформ. Во-вторых, предпринимательство считается структурной государственной реформой, требующей эффективной политики и благоприятной бизнес-среды для поддержки предпринимателей. Наконец, изучение факторов, способствующих развитию предпринимательского потенциала, имеет решающее значение для формирования предпринимательской культуры и разработки стратегий поддержки предпринимательства. Понимание факторов, влияющих на предпринимательство, важно для устранения социального неравенства, обеспечения стабильности репродуктивных процессов и достижения устойчивого экономического роста. Предпринимательство предоставляет людям возможности улучшить свой социально-экономический статус, сокращает неравенство, стимулирует экономический рост и создает возможности для трудоустройства. В то время как научные исследования изучали среду предпринимательской деятельности в различных странах, существует ограниченное количество литературы о среде предпринимательской деятельности в Казахстане. Именно поэтому данное исследование предназначено для оценки среды предпринимательской активности в Казахстане с применением подхода Глобального индекса предпринимательства и развития (GEDI).

Ключевые слова: предпринимательская активность, глобальный индекс, регионы, бизнес-среда, социально-экономический статус, развивающиеся страны, предприниматели.

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ЖАҒАНДЫҚ КӘСІПКЕРЛІК ЖӘНЕ ДАМУ ИНДЕКСІ НЕГІЗІНДЕ ҚАЗАҚСТАНДАҒЫ КӘСІПКЕРЛІК БЕЛСЕНДІЛІК ОРТАСЫН БАҒАЛАУ

Андатпа

Кәсіпкерлік сектор экономикада өсу мен инновацияның платформасы ретінде маңызды рөл атқарады. Кәсіпкерлік белсенділігі жоғары өңірлерді зерттей отырып, құнды ақпарат алуға болады. Дегенмен, кәсіпкерлікке әртүрлі өзара байланысты күштер мен субъектілер әсер ететінін түсіну өте маңызды. Кәсіпкерлік қызметке қолайлы орта құру бірнеше себептерге байланысты. Біріншіден, бұл нарықтық реформалардың негізгі бағыты бола отырып, жоспарлы экономикадан нарыққа бағытталған экономикаға көшуді жеңілдетеді. Екіншіден, кәсіпкерлік тиімді саясатты және кәсіпкерлерді қолдау үшін қолайлы бизнес-ортаны талап ететін құрылымдық мемлекеттік реформа болып саналады. Сонымен қатар, кәсіпкерлік әлеуетті дамытуға ықпал ететін факторларды зерттеу кәсіпкерлік мәдениетті қалыптастыру және кәсіпкерлікті қолдау стратегияларын әзірлеу үшін өте маңызды. Кәсіпкерлікке әсер ететін факторларды түсіну әлеуметтік теңсіздікті жою, репродуктивті процестердің тұрақтылығын қамтамасыз ету және тұрақты экономикалық өсуге қол жеткізу үшін маңызды. Кәсіпкерлік адамдарға әлеуметтік-экономикалық мәртебесін жақсартуға, теңсіздікті азайтуға, экономикалық өсуді ынталандыруға және жұмысқа орналасуға мүмкіндік береді. Ғылыми зерттеулер әртүрлі елдердегі кәсіпкерлік қызмет ортасын зерттегенімен, Қазақстандағы кәсіпкерлік қызмет ортасы туралы әдебиеттердің саны шектеулі. Сондықтан бұл зерттеу Жаһандық кәсіпкерлік және даму индексі (GEDI) тәсілін қолдана отырып, Қазақстандағы кәсіпкерлік белсенділік ортасын бағалауға арналған.

Тірек сөздер: кәсіпкерлік белсенділік, жаһандық индекс, өңірлер, бизнес-орта, әлеуметтік-экономикалық мәртебе, дамушы елдер, кәсіпкерлер.