

# THE ROLE OF GOVERNMENT IN MANAGING ENTREPRENEURSHIP IN KAZAKHSTAN AND APPLYING INTERNATIONAL EXPERIENCE IN ENTREPRENEURSHIP EDUCATION

**Meiramkul Saiymova, K. Zhubanov Aktobe Regional State University**  
**Aigul Kurmanalina, K. Zhubanov Aktobe Regional State University**  
**Gulnaz Demeuova, K. Zhubanov Aktobe Regional State University**  
**Gizat Abdykerova, S. Seifullin Kazakh Agrotechnical University**  
**Gulistan Akhmetova, K. Zhubanov Aktobe Regional State University**  
**Raushan Yesbergen, Branch of the Academy of Public Administration under the President of the Republic of Kazakhstan in Aktobe region**  
**Kuralay Balginova, Baishev University Aktobe**  
**Aliya Shakharova, L.N. Gumilyov Eurasian National University**  
**Aruzhan Jussibaliyeva, S. Seifullin Kazakh Agrotechnical University**

## ABSTRACT

*Entrepreneurship is currently one of the most significant, strategically important and priority sectors of the national economy. It plays a key role in the economic growth and industrial development. The entrepreneurship education is a pillar to economic development. The purpose of this study is to analyze how effective the Kazakhstan government is in managing entrepreneurship and to study the experience in developing entrepreneurial education. An empirical research identified the strengths and weaknesses of government regulation of enterprises and entrepreneurship education in Kazakhstan. It turned out that the state support and development programs for entrepreneurship are being actively implemented. The new enterprises are being created, the mechanism of state enterprise management is being improved, and the system taxation and investor protection are being improved. The foreign economic activity of business entities is being actively encouraged. Some shortcomings of the government systems regulating enterprises were also identified. The truth is that citizens are not quite aware of that private entrepreneurship development and competition leads to better quality of goods and services, to a decrease in prices, and to an increase in the number of jobs and wages. To promote entrepreneurship education in Kazakhstan, a Business Advisor Project was implemented. This program teaches entrepreneurs how to start their own business or optimize an already established company. The state provides grants to those involved in entrepreneurship education. The results of this study can be used when designing entrepreneurship education programs.*

**Keywords:** Entrepreneurship Development, Entrepreneurship Education, National Economy.

## INTRODUCTION

Innovations in education are an endogenous factor of economic growth, the potential of which is realized under the condition of formation of measures of the state influence for the

solution of a problem of integration of economy into the world scientific landscape (Khairutdinov et al., 2018; Ali et al., 2017) Higher (business) education can play an important role in laying the foundation for sustainable entrepreneurs (Lans et al., 2014). The government is the force that should be responsible for creating a culture contributing to entrepreneurship and developing an ability to identify and use opportunities (Stuetzer, 2018). The policy and programmes should be focused directly on the entrepreneurship sector to develop skills of doing business and provide the opportunity to start one (Smith, 2018).

When it comes to regulating entrepreneurship, the government is targeted at ensuring the safety of goods, works and services for the life and health of people, at protecting legitimate interests, environmental safety and national security of the Republic of Kazakhstan, and at protecting property interests. The Entrepreneurial Code of the Republic of Kazakhstan No. 375-V ZRK (dated October 29, 2015, with amendments and additions as of 01/19/2019) defines legal, economic and social conditions and guarantees ensuring the freedom of entrepreneurship in the Republic of Kazakhstan. The document also regulates social relations arising in within the interaction between business entities and the government, including government regulation and support for entrepreneurship (The Entrepreneurial Code of the Republic of Kazakhstan No. 375-V ZRK, October 29, 2015).

The orderly business began in 1997 with the Presidential Decree No. 3589 on Priority and Regional Programmes for Support and Development of Small Business in the Republic of Kazakhstan of 07.07.1997. Since then, entrepreneurship development has been an integral part of the government policy and most of the fundamental changes in society are associated with it.

The legislation of the Republic of Kazakhstan relating to entrepreneurship is based on the Constitution of the Republic of Kazakhstan and consists of the Entrepreneurial Code (hereinafter the Code) and other regulatory legal acts. Entrepreneurship is an independent, initiative activity of citizens, oralmans (returnees) and legal entities aimed at obtaining net income using property, through production, sale and by providing services. This activity sticks to the right of private property or to the right of economic management or operational management. Entrepreneurial activity is carried out on one's behalf, for risk and under the property responsibility of an entrepreneur (The Entrepreneurial Code of the Republic of Kazakhstan No. 375-V ZRK, October 29, 2015).

The government regulation of entrepreneurial activities is in the heat right now. Although the ongoing administrative reforms are aimed at reducing administrative barriers, the role of a direct state influence on the functioning of business entities cannot be underestimated (Kusakina et al., 2016). Because the government often moves beyond purely economic policies and affects social security and national stability, government regulation in the field of entrepreneurship should be treated as if it was a part of general state policy, with due account for all links and influences that exist there. The business regulation policy stands out with the set of methods and tools (Meckling, 2018).

A review of international economic studies suggests that professional business education plays a key role in human capital development and economic growth (Nabi et al., 2017). In the context of dynamically developing small and medium-sized businesses, there should be an entrepreneurship education system developed in Kazakhstan to produce entrepreneurs and managers capable of ensuring economic growth and competitiveness. Entrepreneurship education has great potential allowing students to acquire entrepreneurial skills and be competitive in the labour market (Walkington, 2015; Kassean et al., 2015; Sousa, 2018). The state plays a huge role in business regulation and management. In this regard, it is very important

for graduates to know methods, which the government uses to regulate entrepreneurship, to know the best experience in the field, and to understand the employment prospects. Therefore, the purpose of this study is to analyze how effective the Kazakhstan government is in managing entrepreneurship and to study the experience in developing entrepreneurial education.

## MATERIALS AND METHODS

This study used macroeconomic, statistical and behavioural approaches. The focus was on (The Entrepreneurial Code of the Republic of Kazakhstan No. 375-V ZRK, October 29, 2015) the government regulation of entrepreneurship in Kazakhstan, (The Concept of Government Regulation of Business until 2020, April 18, 2014) the regulatory impact on business and on the principles and methods of government regulation of entrepreneurship, (Dubrova & Sarbasov, 2017) the major priorities of government support for entrepreneurship, (The President signed amendments to the legislative acts on improving business regulation, May 24, 2018.) hot-spot issues in the field of entrepreneurship education, (The official website of the National Chamber of Entrepreneurs “*Atameken*”) the main directions of the government policy in this field. The government regulation of entrepreneurship is carried out through the establishment of binding requirements in:

1. Laws of the Republic of Kazakhstan.
2. Presidential decrees.
3. Regulatory Resolutions of the Government of the Republic of Kazakhstan.
4. Regulatory Legal Orders of Ministers of the Republic of Kazakhstan and other heads of central state bodies and their departments.
5. Regulatory Legal Acts of the National Bank of the Republic of Kazakhstan.
6. Normative Legal Decisions of Maslikhats (local representative body), Normative Legal degrees of Akimats (local executive body), Normative Legal Decisions of Akimats.

The analysis involved:

- The Law on Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Improving Business Regulation (hereinafter the Law), signed by the President of the Republic of Kazakhstan on May 24, 2018.
- The Concept of Government Regulation of Business until 2020 (hereinafter the Concept), approved by the Government of the Republic of Kazakhstan on April 18, 2014.
- State support and development programmes for entrepreneurship.

## RESULTS AND DISCUSSION

In the industrialized countries, a successfully implemented balanced state policy depended and continue to depend directly on some starting factors. These factors include:

- Ability to be controlled by the government bodies.
- Efficiency and professionalism.
- Continuity of leadership.
- A developed system of civil society institutions.
- Open accountability and controllability of government bodies.

- Collusion between the interests of big business and big government.

This concept of dependence defines the vision and the leading approaches to the government regulation of business. It is aimed at ensuring the comprehensiveness of associated reforms until 2020.

According to the World Bank, Kazakhstan stands out from the most CIS countries in the successfully implemented radical reforms, which were put into practice during the first years of independence (World Bank 2018). In this sense, Kazakhstan has found its place on the one shelf with the countries of Central Europe and China. The success of these reforms and the availability of natural resources caused the economic growth and the movement of population welfare to a higher level. However, the economy of Kazakhstan is not yet liberalized, although the environment for doing a business is comparable with the golden global standards. In other words, Kazakhstan, like other third world countries, achieved a kind of equilibrium but with a more favourable economic position than in its neighbors.

From the analysis of international experience and from a comparative analysis of strengths and weaknesses of government regulation in the field of entrepreneurship across countries, three models may be distinguished. These models have been used to this or that extent since the late 1980s. The first model is called radical economic liberalization. It used to give a great boost and it is true that it was unequivocally assessed as successful until the crisis in 2008. This model was implemented in the Baltic countries, Eastern Europe and China. A common characteristic of this model was that the reformed systems were initially unstable, the planned economy somehow collapsed, and the standard of living of citizens and the economic potential of countries both fell significantly. In other words, changes began to occur making the systems dynamic. Under such conditions, radical reforms were justified and brought about positive results, as expected. The second model was used in developed countries or industrialized countries. This model implies the construction of mechanisms for improving regulation through performance assessment, cost reduction, selective sector reforms, and an institutional system, created to prevent ineffective regulation. The elements of this model were first used at the end of the 1970s to struggle the economic crisis. By the end of the 20th century, this model was codified in documents issued by the Organization for Economic Cooperation and Development (OECD) the USA, many Western European countries, Australia and New Zealand. A common characteristic of this model was that the reformed systems were initially stable. Despite the crisis, the standard of living of the population did not drop sharply. The power the system of relations and management were not to question. In other words, these systems were in equilibrium. In such circumstances, there was no need for radical reforms. The third model was not a planned policy but a bowl of halfhearted measures, declarations and earlier decisions. This practice has developed to one degree or another in most countries of the former Soviet Union. An incomplete, often unsystematic change in the rules made the legal requirements unstable, and thus, changes in these requirements were not to be noticed.

Under current conditions, the most suitable model for carrying out reforms in Kazakhstan is the second model. Unlike the other models described, this model provides for the formation and the implementation of a focused policy, backed by institutions. By contrast, the selective and logically incomplete reforms will not meet the expectations. An important reform concerned with state control and supervision of business entities was the reform issued in 2011. This was the Law of the Republic of Kazakhstan “*On State Control and Supervision in the Republic of Kazakhstan*” establishing the uniform principles of the government control and supervisory activities. In 2012, Kazakhstan imposed a ban on scheduled inspections of small businesses. The

ban prohibited state inspectors to carry out business visits until three years following the registration date. In general, the reforms resulted in a significant reduction in the pressure of regulatory bodies on business. The Law of the Republic of Kazakhstan on Private Entrepreneurship provides for the need to calculate the spending associated with the introduction of regulatory legal acts. There is a mechanism for monitoring these regulatory legal acts (Dubrova & Sarbasov, 2017).

In recent years, reforming has tentacled three new spheres, namely company establishment, taxation, and the protection of investors. Over the past period, amendments were made to the standards of state registration and re-registration of legal entities; plus tax reporting forms were optimized. Recently, Kazakhstan has been analyzing some aspects of the regulatory impact of adopted regulatory acts. Thus, in order to ensure the quality of such acts, to assess their impact on the regulated sphere and to reduce corruption risks, the government introduced a methodology for assessing socio-economic consequences of legislative acts. This methodology is largely based on the model of regulation analysis.

The instruments of regulation are the means of influence on business entities, including those established in the Article 81 of the Entrepreneurial Code. The regulation analysis is an analytical procedure for comparing the benefits and costs of an instrument, introduced for regulation. This procedure allows evaluating the regulation progress. The goal of such an analysis is to increase the effectiveness of a public policy through the assessment of alternative regulatory approaches.

Among the major principles in the Code (The Entrepreneurial Code of the Republic of Kazakhstan No. 375-V ZRK, October 29, 2015), the essential are the freedom of enterprise, fair competition, transparency of activities of state bodies and availability of information.

At the public signing ceremony of the Law on Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Improving Business Regulation on May 24, 2018, the President noted that during the years of independence, Kazakhstan had created strong institutional pillars of a market economy. He also emphasized the following important aspects:

- Private initiative and free entrepreneurship became the key factors influencing economic development and the improvement of nation's welfare. A vivid symbol of success and effectiveness of our reforms is Astana, the 20th anniversary of which is celebrated by the whole Kazakhstan.
- The main goal of changes is the liberalization of legislation in the field of business regulation. The law provides for about 30% reduction in government control functions. An important role is assigned to the institute of preventive control, which will prevent offences. The services provided by natural monopolies and the quasi-public sector are being streamlined.
- There were made about 1000 amendments to 14 codes and 109 laws. These transformations all were made within the framework of the main state strategy to create the most favourable conditions for business development. Today, it is extremely important to open all doors possible to strengthen business activity and to involve a wide circle of people in entrepreneurship.

In addition, the President spoke about the measures envisaged in the Law to reduce business costs and to exclude rules that impede competition. His final words were about the Five Social Initiatives implemented to open up broad opportunities for small and medium-sized businesses. He also expressed confidence that the adoption of this Law will become a new serious incentive for strengthening business in the country for the benefit of all people (The President signed amendments to the legislative acts on improving business regulation, May 24, 2018).

Below are the strengths of the current system of governance and interaction in the government-business-citizens triangle of interests in Kazakhstan:

1. A relatively high level of professionalism of senior and middle civil servants and a high level of operational discipline in most government bodies. This situation is a result of an administrative reform and the leadership's concern with the development of civil servants. Unlike other CIS countries, Kazakhstan successfully implemented education programmes for civil servants. Additionally, civil servants continue to get social benefits for being a highly educated and skilled professionals.
2. Long-term stability, the capability of the public administration system to perform as predicted (predictability), political and administrative continuity.
3. A focus on improving the business environment and investment attractiveness; declared plans for innovation economy, a gradual shift from the resource-driven economic development.
4. A relatively high level of controllability at both central and regional levels.
5. Positive experience in carrying out comprehensive reforms and implementing state policy in the field of administrative management, automation, and risk management systems.

The following are weaknesses of the current system of governance and interaction in the government-business-citizens triangle of interests in Kazakhstan:

1. Organizational weakness and small number of entrepreneur/professional associations, consumer protection associations, underdeveloped civil society institutions and, as a result, the lack of an active dialogue between such associations and government bodies.
2. Concern with expanding the areas of regulation and control.
3. Big business and the government are both interested in maintaining the status quo, including monopolization. Such an interest arose from the desire to prevent competition and preserve the corrupt relationships in the sphere.
4. Little awareness of citizens regarding the effect of private entrepreneurship development and competition, which lead to an improvement in the quality of goods and services, to price reduction, and to an increase in jobs and wages.
5. The lack of effective methods for monitoring the performance of some government bodies, methods for implementing legislative acts, methods for conducting independent research in the sphere of public administration and regulation, and methods for introducing instruments of public policy.
6. The lack of regular open reporting (The Concept of Government Regulation of Business until 2020, April 18, 2014).

In the Republic of Kazakhstan, the government's policy for managing and regulating private entrepreneurship is aimed primarily at forming a middle class through the development of small businesses producing high-tech products with the highest added value. This can be done by developing the infrastructure of entrepreneurship; it is one of the possible strategies of innovation-driven industrial development though. The business support infrastructure encompasses a variety of organizations providing favourable conditions for private entrepreneurship.

In order to enhance the interaction between the government and entrepreneurs, the Council of National Investors was formed under the Presidential Decree No. 791 of April 9, 2014, No. 791, in accordance with the subparagraph 20 of Article 44 of the Constitution of the Republic of Kazakhstan.

The major functions of the Council are as follows:

1. Developing recommendations and proposals on improving the regulatory framework of the Republic of Kazakhstan on entrepreneurship; creating conditions to boost market economy and attract domestic investment.
2. Consolidating the activities of private entrepreneurs and entrepreneur associations.
3. Addressing other important issues in the field of entrepreneurship and investment policy (The official website of the President of the Republic of Kazakhstan).

The Republic of Kazakhstan established a number of powerful institutions to develop entrepreneurship and entrepreneurship education (Table 1)

<b>Table 1</b>	
<b>POWERFUL INSTITUTIONS SUPPORTING ENTREPRENEURSHIP IN KAZAKHSTAN</b>	
<b>DAMU Entrepreneurship Development Fund, Joint Stock Company</b>	
Objectives: Business objectives	<p>Providing financial and non-financial support to small and medium-sized businesses. Playing an active role in the sustainable development of micro-, small and medium-sized businesses in Kazakhstan through the implementation of comprehensive and effective support tools.</p> <p>Types of financial support:</p> <ul style="list-style-type: none"> <li>• Concessional lending within the framework of purpose-oriented programmes for regions and industries, microlending.</li> <li>• Subsidy assistance or reduction of interest rates on business development loans issued by banks.</li> <li>• Partial collateral guarantee.</li> </ul> <p>Types of non-financial support carried out in the Business Service Centres:</p> <ul style="list-style-type: none"> <li>• Free seminars and master classes in core business fields.</li> <li>• Free consulting and service support in the most important areas of business.</li> <li>• Government programmes to support small and medium-sized businesses.</li> </ul>
Educational objectives	<ul style="list-style-type: none"> <li>• Brining top manager up to speed on the latest models of business building and business running.</li> <li>• Improving competitiveness, survival and growth.</li> <li>• Increasing the general quality of doing business.</li> </ul>
Functions	<ul style="list-style-type: none"> <li>• Expanding micro business lending, developing and implementing tools to support microlenders and credit partnerships.</li> <li>• Expanding the area of Fund's influence.</li> <li>• Increasing economic efficiency of enterprises being supported.</li> <li>• Attracting additional sources of financing.</li> <li>• Reaching the expected level of financial performance.</li> <li>• Introducing automation of business processes.</li> <li>• Improving corporate governance.</li> </ul>
<b>The National Chamber of Entrepreneurs "Atameken"</b>	
Objectives: Business objectives	<p>Implementing entrepreneurial initiative; developing mutually beneficial partnership between the business community and government bodies; encouraging and supporting sole entrepreneur associations and (or) legal entities in the form of an association (union).</p> <p>The National Chamber was created to enhance the negotiation power of business. The Chamber is supportive of an active involvement of business in the implementation of government programmes. It protects the interests of business in the government bodies, expands and strengthens relations with the foreign business community, and supports integration.</p>

Educational objectives	Educational project for top-level managers of the “Delovyeye svyazi” (Business Relations) company. The participants will have the opportunity to make business plans under the guidance of professional business coaches.
Functions	<ul style="list-style-type: none"> <li>• Representation and protection of rights and legitimate interests of entrepreneurs.</li> <li>• Public monitoring of entrepreneurial activity and business environment in the regions.</li> <li>• Participation in government support and development programmes for entrepreneurship.</li> <li>• Support of national production by increasing the share of local content in the procurement of organizations.</li> <li>• Training, retraining, advanced training, and certification of personnel.</li> <li>• Technical/vocational education improvement.</li> <li>• Stimulation of foreign economic activity.</li> <li>• Attraction of investments and economic diversification.</li> </ul>

Since the state programme “*Business Road Map-2020*” launched in 2010, the range of tools to support entrepreneurship through the DAMU Fund has significantly expanded. In particular, it was the start of the loan interest rate subsidization. Additionally, the Fund became able to provide a partial collateral guarantee to small and medium-sized businesses, to implement education programmes on a large scale and to consult small and medium-sized businesses (The official website of the DAMU Entrepreneurship Development Fund).

The Chamber of Entrepreneurs (hereinafter the Chamber) represents the interests of small, medium-sized and big businesses in all spheres of entrepreneurship, including domestic and foreign trade. The Regional Chambers of Entrepreneurs (RPP) were established in 14 regional centres of Kazakhstan, in Astana and Almaty on October 8 in 2013 to make the business sector grow in each specific region. The goal was to provide institutional conditions so that the interests of businessmen were taken into account when creating and implementing the government policy in the field of entrepreneurship. It was also expected to improve the mechanisms of interaction between business and regional administration (The official website of the National Chamber of Entrepreneurs “*Atameken*”).

Below are the main proposals that were made by the Chamber and then anchored in the Law.

1. Deregulation: Routine inspections are rather new elements established in the law. Based on the results of a routine inspection, the businessman will be issued an order to eliminate the violations without the imposition of an administrative penalty. The law also provides for the reduction in the control and supervisory functions of the government agencies. Out of 114 spheres of control, twenty were excluded due to duplication and lack of efficiency. Additionally, 17.654 inspection requirements for business entities were removed, so were the 108 control and supervisory functions of the government bodies because they were either similar to other functions in the list or were unrelated to safety risks. The timing of inspections was reduced: from 30 to 15 working days for special inspections; from 30 to 10 working days for unscheduled inspections. In general, these measures taken to reform government control and supervision will reduce the number of inspections by 30% until 2018 by another 10% until 2020.
2. Across-the-board business cost reduction. The Chamber prepared 71 recommendations to reduce business costs. Based on the proposals made by both sides (business and government), a preliminary list of measures was defined to ensure a reduction in business costs, namely:
  - a. Reduction in the price of some paid services provided by the quasi-public organization.
  - b. Reduction in some tax rates and fees.



- c. Bridging of the gap between regulated utility tariffs (prices) for legal entities and the public.
  - d. Improvement of the acceptance procedure natural monopolies to operate in the sphere of regulated utilities.
  - e. Solving problems in the sphere of land relations. The land allocation process will be transparent. The akimats (executive bodies) will be obligated to hold auctions. This will minimize corruption risks.
3. Information tools update. A heap of information tools forms a significant administrative barrier to entrepreneurship development. These tools together are the statutory obligation of business to provide various kinds of reports, certificates and other information to government agencies and subordinate organizations. A detailed analysis of legislation revealed a large number of repeating information tools that are not used at all or are used for purposes other than government regulation. A primary list of information tools consists of more than 1600 items, which are being analyzed for feasibility. The plan is to reduce the number of information tools by 30% and to enshrine the exhaustive list of such tool in the law in 2018.
  4. Upward movement in Doing Business ranking. The new legislative package provides for amendments on “starting a business”, “enforcing contracts”, “international trade”, “electric power coverage”, “protecting minority investors”, “dealing with insolvency”, “registering property”, and “getting credit”. There were 148 amendments proposed to 7 codes and 20 laws. In general, the sixth package of amendments offers 12 recommendations of international experts.
  5. Law revision to identify competition-impeding rules. The revision is carried out to improve the business climate in the country by creating favourable conditions for a healthy competition without the risk of harming the interests of society and national security.
  6. Responsibility strengthening. The Chamber together with the Ministry of National Economy and other government bodies carried out a lot of work to deregulate business and reduce associated spending. These measures are provided with regard to the risks of increasing number of violations on the part of entrepreneurs (intentional infringement included) and reducing product quality. To prevent such things form happening, the law provides for strengthening business responsibility.

The analysis of the Entrepreneurial Code revealed the following essentials of government regulation, namely the procedures for implementing various types of activities or actions (operations), for government control and supervision, for protecting competition and for regulating monopoly (The Concept of Government Regulation of Business until 2020, April 18, 2014).

The government focuses attention on supporting business entities in various spheres and sectors of activity, especially in the industrial sector, in export-oriented and import-substituting industries, and in socially significant and strategically important sectors.

The government support of private entrepreneurship stands for measures undertaken to boost private entrepreneurship development and the creation of favourable legal and economic conditions.

The government support of private entrepreneurship includes:

1. Financial and property support.
2. Infrastructure support.
3. Institutional support (special financial institutions, R&D institutes for studying problems and making proposals for private entrepreneurship development).
4. Information support (analytical, methodological and scientific).

## Entrepreneurship Education

To make entrepreneurship education better, the government established the DAMU Fund (Table 1). The associated lines of education are the following:

1. Online courses for beginners and active entrepreneurs (are given by DAMU).
2. “*Asyldar Business Support*” programme (successfully completed). The participants were private business entities selected by the Independent Commission. The programme involved:
  - a. Participant’s status diagnostics, identification of participant’s strengths and weaknesses, identification of problems backing the company.
  - b. Development Roadmap creation using the results of diagnostics.
  - c. An Action Plan development and implementation under the Business Development Strategy. Types of support to select were the following:
    - i. Expert consulting.
    - ii. Support through training.
    - iii. Foreign missions.
    - iv. Recommendations for obtaining financial support.

This project was financed by DAMU and by the participants (expenses on diagnostics, training and consulting accounted for about 50% of total spending).

3. Training for top-level managers of small and medium-sized businesses. The related courses were to introduce new models of business building, to develop effective management skills and to solve strategic and tactical business problems. The courses were given in the Nazarbayev Graduate School of Business with the involvement of foreign training centres under the Business Roadmap 2020 Programme.

The course participants can become top-level and mid-level managers in small and medium-sized priority businesses. Entrepreneur education will be paid using budget funds. The training will begin in April 2019 and end with certificate issuance in November 2019. The education process consists of 3 stages (Table 2).

<b>Table 2</b>	
<b>TRAINING FOR TOP-LEVEL MANAGERS OF SMALL AND MEDIUM-SIZED BUSINESSES: PROCESS STAGES</b>	
<b>Stage 1</b>	
Face-to-face coaching	The three-day session involves the presentation of models of successful business building and criteria for identifying business opportunities. Trainees will learn the basics. The examples will all be business cases on Kazakhstani companies. Participants will learn about the possibilities of using resources (human resources, information and financial resources), assets and business plans. Entrepreneurship students will become familiar with methods for attracting stakeholders and investments, with the principles of money saving, with ways to recognize wasteful expenditure and stop it, with methods for managing cash flow and with methods for creating service-oriented organizations. This stage also touches upon the role of a leader in small and medium-sized businesses, upon business assessment techniques, upon ways to write/present a successful business plan, and upon website management instructions.
<b>Stage 2</b>	
Online seminars	Topics to learn: “ <i>Legal issues in entrepreneurship</i> ”, “ <i>Methods for raising capital</i> ”, “ <i>A successful business plan presentation</i> ”. These seminars involve specialists in the corresponding fields.
<b>Stage 3</b>	
Business planning	Participants draw up a market feasibility plan and a business plan. The electronic versions of these materials, translated into English independently, are sent to teachers. After verification, business plans are improved and then sent to developers.

Those, who completed all three stages of training, will get a certificate of successful completion of training at the Nazarbayev Graduate School and the Duke University, the world's leading research centre. These entrepreneurs may apply for participation in thematic business internship abroad under the Business Roadmap 2020 Programme (The official website of the DAMU Entrepreneurship Development Fund).

The Republic of Kazakhstan is currently implementing a number of programmes to promote entrepreneurship development, education and support:

1. The Business Roadmap 2020 programme implies granting, giving loans, reducing loan payments, providing collateral guarantees and training entrepreneurs. The programme supports the small and medium-sized businesses in the Republic of Kazakhstan. Its goal is to ensure sustainable and balanced growth of regional entrepreneurship, to maintain the existing jobs and create new ones. The implementation period is 2015-2019 (The Business Road Map 2020 Programme).
2. The Enbek Programme for the Development of Productive Employment and Mass Entrepreneurship for 2017–2021. The goal of this programme is to promote productive employment and to engage citizens into entrepreneurship. One of the objectives is to teach the basics of entrepreneurship. For this purpose, the Bastau Business programme was taken. Unemployed persons, both registered in job centres and unregistered, and self-employed persons with entrepreneurial potential, members of agricultural cooperatives, and people living in rural areas and small towns are those categories of people, who learn the basics of entrepreneurship. The government covers trainee's expenses on tuition fees, transportation and awards scholarships (The Programme for the Development of Productive Employment and Mass Entrepreneurship for 2017–2021).
3. The Development Programme for Single-Industry Towns for 2012–2020 is aimed at medium- and long-term socio-economic development of industry-based towns. The main directions include economic diversification and the development of small and medium-sized businesses to ensure an optimal employment structure.
4. The Grant Financing Programme. The non-repayable government grants are provided to small business entities, including young entrepreneurs, women, disabled people and people over 50 to implement new business ideas in priority sectors of the economy. The programme is not limited to specific sectors (The official website of the DAMU Entrepreneurship Development Fund).
5. The Mobile Business Support Centre Programme. The mobile business support centre (MBSC) are specially equipped buses that enable the information and consulting support in remote areas.
6. The Programme for Creating Business Service Centres in Regional Centres. The BSCs offer a complete package of one-stop shop consulting services, educational services, master classes and seminars on the most pressing issues that arise when running a business.

## DISCUSSION

In the Republic of Kazakhstan, the government's policy for managing and regulating private entrepreneurship is aimed primarily at forming a middle class through the development of small businesses producing high-tech products with the highest added value. To make this done properly, it is necessary to present the institutional part in a structured fashion, according to the best international practices.

To promote entrepreneurship education in Kazakhstan, a Business Advisor Project was implemented. The Project is to teach entrepreneurs how to create one's own business or optimize the work of an already established company. Trainees get knowledge on starting one's own business, on marketing, on human resource management and learn the legal basics of doing business and finance. Professional lecturers-coaches teach entrepreneurship in 209 districts and cities of Kazakhstan (The official website of the National Chamber of Entrepreneurs

“*Atameken*”). The modern system of entrepreneurship education in Kazakhstan is represented by (1) business schools, (2) training and consulting companies, (3) training centres and corporate universities, (4) representative offices of foreign business schools and training companies.

The most famous business schools in Kazakhstan are the International Academy of Business (IAB), the KIMEP University, the University of International Business (UIB), and the International Business School (IBS). In 2012, the Nazarbayev Graduate School of Business with international standards was opened in Astana (Monobayeva & Hájek, 2018).

The global study of student’s entrepreneurial spirit showed that in Kazakhstan, the number of graduates choosing a career of a founder and entrepreneur is twice as high as the international indicator (Guess Kazakhstan-2016). According to the Global Entrepreneurship Monitor, the entrepreneurial intentions of the adult population are also high (15.4% in 2014, 16.8% in 2016), In fact, they are close to the average indicator in knowledge-based countries (15%) (Global Entrepreneurship Monitor: Kazakhstan 2016/2017).

These studies indicate great opportunities for developing entrepreneurship education as a key to the upturn in the sphere of technology transfer, to innovation and to socio-economic growth. Therefore, the introduction of entrepreneurship courses at universities will only increase the entrepreneurial and innovation potential of the regions.

According to the World Bank, requirements for adopting and revising regulations assume the existence of a specific control mechanism. The international practice shows that around the beginning of the 1980s, developed countries began to create the so-called regulatory oversight. For example, in the USA, the Office of Information and Regulatory Affairs was established within the Office of Management and Budget in 1980. In 2005, the Better Regulation Executive was created in the UK. In the Netherlands, an Advisory Board on Administrative Burdens (Adviescollege Verminderende Administratieve Lasten) was established in 2000. The Swedish Better Regulation Council (Regelradet) was established in 2008. In Germany, the National Regulatory Control Council (Nationaler Normenkontollrat) was established in 2006. Similar Councils also exist in Mexico, Australia, and Japan. In some countries, departments of ministries perform regulatory control functions, not the councils. In Denmark, this is the Better Regulation Division within the Department of Finance. In Finland, this is the Bureau of Legislative Inspection at the Law Drafting Department of the Ministry of Justice. In Greece, Belgium, Ireland and Korea, these are the departments within the Office of the Prime Minister. In the OECD countries, except the United States, regulatory control bodies issue prescriptive reports (Chervova & Bachurin, 2017).

In different countries, these bodies were adapted to effective synergies with the government bodies. Therefore, there are some differences in the tasks assigned to these bodies, in the functions these bodies perform, and in their structure and role.

Over the past two decades, the entrepreneurship education programs have been widespread in the United States (Duval-Couetil, 2013). The desire to empower students with entrepreneurial skills is driven by economic realities, such as downsizing, decentralization, reengineering, mergers, new technologies and changes in workforce, which make career opportunities more difficult and uncertain for college graduates (Oosterbeek et al., 2010). The education experience in China can serve as a good example of the problems in entrepreneurship education. In comparison to the USA, the Chinese entrepreneurship education is still in its infancy stage (Henry, 2007). In the beginning of 2002, the Ministry of Education decided to initiate entrepreneurship education in 9 Chinese colleges and universities. However, these education programmes were mainly unsuccessful due to the absence the education discipline in

this field and due to the insufficiently elaborated content and methods. The theory and practice of entrepreneurship education are still being researched: education programmes are often reduced to exclusively theoretical knowledge without providing the students with sufficient practical opportunities and enough space for their development (Xianming, 2013; Zhang, 2017). To date, there is no consensus on what method of teaching education is effective (Bhat & Singh, 2018). Universities around the world conduct student surveys to formulate current problems and trends in national innovative education (Nabi et al., 2017). Unlike our study, authors often compare the use of entrepreneurship education in different industries, such as IT, medicine, manufacturing, construction, entrepreneurship, and consider the levels of project management efficiency (Sulaiman & Mansor, 2018; Azanha et al., 2017).

## CONCLUSIONS

The government regulation of business activities together with investment policies, policies for infrastructure and human capital development, credit and financial policies are part of the general policy of economic development. The interaction between business entities and the government is aimed at creating favourable conditions for business and social development, for stimulating entrepreneurial initiatives in the Republic of Kazakhstan.

To develop entrepreneurship in Kazakhstan, the government created a number of institutions in the field of entrepreneurship support. The government pays special attention to small and medium-sized businesses in various fields and areas of activity, especially in strategically important sectors of the national economy. The entrepreneurship education is also in the focus. In order to support entrepreneurship development and promote entrepreneurship education, various state programmes are being implemented in Kazakhstan, including programmes and projects to support and develop youth and women entrepreneurship.

## REFERENCES

- Ali, J.T., Mayes, S., Haeberle, H., & Cousins, M. (2017). The medtech innovation course: Description and initial experiences with a novel collaborative course model. *Journal of Entrepreneurship Education*, 20(2).
- Azanha, A., Argoud, A.R.T.T., de Camargo Junior, J.B., & Antonioli, P.D. (2017). Agile project management with scrum: A case study of a brazilian pharmaceutical company IT project. *International Journal of Managing Projects in Business*, 10(1), 121-142.
- Bhat, I.H., & Singh, S. (2018). Analyzing the moderating effect of entrepreneurship education on the antecedents of entrepreneurial intention. *Journal of Entrepreneurship Education*, 21(1).
- Chervova, L.G., & Bachurin, A.A. (2017). Foreign experience in regulating entrepreneurship development. *Vestnik of the Institute of Economic Research*.
- Dubrova, N.B., & Sarbasov, B.A. (2017). Legal framework of government regulation of business in the Republic of Kazakhstan. Actual problems of Humanities and Natural Sciences. *Strategic Studies Institute*, 3(2), 47-50.
- Duval-Couetil, N. (2013). Assessing the impact of entrepreneurship education programs: Challenges and approaches. *Journal of Small Business Management*, 51(3), 394-409.
- Henry, C. (2007). *Entrepreneurship in the creative industries: an international perspective*. Edward Elgar Publishing.
- Kassean, H., Vanevenhoven, J., Liguori, E., & Winkel, D.E. (2015). Entrepreneurship education: A need for reflection, real-world experience and action. *International Journal of Entrepreneurial Behavior & Research*, 21(5)
- Khairutdinov, R., Antropova, T., Golland, O., Mukhametzhanova, F., Yarullina, A., & Karimova, L. (2018). Comparative perspectives on innovative development of Russian economy: Influence of sustainable factors? *Journal of Entrepreneurship Education*, 21(3).

- Kusakina, O.N., Bannikova, N.V., Morkovina, S.S., & Litvinova, T.N. (2016). State stimulation of development of small entrepreneurship in developing countries. *European Research Studies*, 19(2), 276.
- Lans, T., Blok, V., & Wesselink, R. (2014). Learning apart and together: towards an integrated competence framework for sustainable entrepreneurship in higher education. *Journal of Cleaner Production*, 62, 37-47.
- Meckling, J. (2018). The developmental state in global regulation: Economic change and climate policy. *European Journal of International Relations*, 24(1), 58-81.
- Monobayeva, A., & Hájek, P. (2018). Development of entrepreneurship education in Kazakhstan: the need for government regulation. *Studies of Socio-Economics & Humanities/Socioekonomické a Humanitní Studie*, 8(1).
- Nabi, G., Liñán, F., Fayolle, A., Krueger, N., & Walmsley, A. (2017). The impact of entrepreneurship education in higher education: A systematic review and research agenda. *Academy of Management Learning & Education*, 16(2), 277-299.
- Oosterbeek, H., Van Praag, M., & Ijsselstein, A. (2010). The impact of entrepreneurship education on entrepreneurship skills and motivation. *European Economic Review* 54, 442-454.
- Smith, H.L. (2018). Entrepreneurship policies and the development of regional innovation systems: theory, policy and practice. In: *New Avenues for Regional Innovation Systems-Theoretical Advances, Empirical Cases and Policy Lessons*. Springer, Cham, 239-256.
- Sousa, M. (2018). Entrepreneurship skills development in higher education courses for teams leaders. *Administrative Sciences*, 8(2), 18.
- Stuetzer, M., Audretsch, D.B., Obschonka, M., Gosling, S.D., Rentfrow, P.J., & Potter, J. (2018). Entrepreneurship culture, knowledge spillovers and the growth of regions. *Regional Studies*, 52(5), 608-618.
- Sulaiman, M.A.H., & Mansor, Z. (2018). Critical success factors in agile enterprise architecture: A conceptual paper. *Advanced Science Letters*, 24(7), 5220-5223.
- Walkington, H. (2015). Undergraduate research through original, class-based research projects. *Biochemistry and Molecular Biology Education*, 42(4), 331-338.
- Xianming, W. (2013). Reflection on Challenges and Countermeasure of Entrepreneurship Education in China. *Cross-Cultural Communication*, 9(2), 18-22.
- Zhang, D. (2017). Investigating the perception of university entrepreneurship education. *Journal of Entrepreneurship Education*, 20(2).