

N.N. Gelashvili¹, Y.D. Orynassarova², B.K. Zhumanova³

¹*Ye.A. Buketov Karaganda State University, Kazakhstan;*

²*Karaganda Economic University of Kazpotrebsoyuz, Kazakhstan;*

³*Kazakh University of Economics, Finance and International Trade, Nur-Sultan, Kazakhstan
(E-mail: denor1980@mail.ru)*

Problems of development of social entrepreneurship in the Republic of Kazakhstan: solutions and tools

In article problems of development of social business in Kazakhstan taking into account tendencies of modern economy in which the significant role is played by various business models are considered. Social business in Kazakhstan can be considered new the direction of development of social policy in the state. In too time experience of foreign countries proves high efficiency of realization of social policy in the country by means of social business. In article basic barriers of development of social business are considered. It is proved that now social business in Kazakhstan develops in the traditional directions of service economy. And it substantially limits possibilities of further development of social business. To thereby become relevant search new by method of overcoming barriers in development of social business. And here the business models based on realization of nonconventional approaches in the organization of work can be of great importance. Search of financing of social projects remains a key problem. In article possible alternative ways of search of financing of social projects, besides traditional sources are considered.

Keywords: social business, non-profit organizations, monetization of social projects, socially responsible business, business model, crowd funding.

Introduction

In the Republic of Kazakhstan social entrepreneurship as a special form of business activity, it is possible to consider only the developing economic event. Rapid development of market economy negatively affected the solution of social problems of our society. And, in spite of the fact that our economy is socially oriented, now considerable the quantity of social problems appeared out of an attention zone from outside the state. It is important to note that such processes are characteristic not only of our country, but also of many others including advanced. And in these countries social entrepreneurship became the effective tool of the solution of a number of social problems of society.

Current trends of development of world social and economic space even more often show the mixed nature of economic activity based on partnership of private, noncommercial and state sectors in achievement of the goals of the public sector. Even more often commercial and non-profit organizations solve social problems of society while the state tries to create the most convenient conditions for their development. Social business expands the scale of the participation in implementation of social obligations of the state, at the same time social businessmen often act more effectively, than the state organizations. In foreign countries the phenomenon of social business gives considerable positive effect within transfer of a row social to function from the state to the sphere of private business.

Also Kazakhstan did not become an exception. Today in our country social business only gains steam in the development. But already faces a significant amount of obstacles: difficulties in receiving sufficient financing, imperfection of the legislation, low level of knowledge of society, low competence of business at organizers of such projects, etc. [1].

If to consider the main forms of the social enterprise in Kazakhstan, then are basic:

1. Non-profit organizations.
2. Social enterprises.
3. Socially responsible enterprises.
4. The enterprises practicing social responsibility.

Non-profit organizations (NPOs) which financing is, as a rule, carried out at the expense of the state or foreign grants remain the main form of social business in Kazakhstan. And sometimes these means are not enough. Therefore many non-profit organizations began search of ways of the organization of the activity taking into account that they will be able to get profit. And here an opportunity to find the market niche which could satisfy both needs of socially unprotected members of our society, and the socially oriented organizations rises an important question.

Long time the noncommercial sector of economy was generally designed to optimize the budgetary expenses of the state for the purpose of achievement of necessary social effect at the macroeconomic level. It was realized through grant financing of social projects. Grants on the sources were state or foreign public organizations. This policy of the public grant financing proceeds still. But it is important to understand that the state cannot constantly carry out financing of activity of non-profit organizations. The main goal of such organizations was more effective implementation of social projects, than the state. And today became obvious that if non-profit organization not to learn to look for additional sources of financing of the activity, then its efficiency to decrease. It is necessary to look for ways of monetization of the activity, to apply new ready platform solutions of financing of projects.

As practice of foreign social businessmen shows, diversified approach to financing of the activity creates steady financial base. Such sources traditionally are public foundations, private and corporate funds, foreign and international the organization [2–4]. But in Kazakhstan there is a problem of lack of skills of monetization of the activity by social businessmen.

Main part

Today in the Republic of Kazakhstan rather large number of projects within social entrepreneurship is implemented. So it was already told above, their main share is the share of the projects realized by non-profit organizations. Feature of implementation of such projects is that NPOs are urged to solve certain social problems, but not to organize the activity for the purpose of increase in the financial independence in any way. Therefore, in case of decrease in the amounts of financing from external sources (the state, patrons, sponsors, grants, own means), activity of NPO stops or its effectiveness decreases. And today many NPOs faced the fact that it is necessary to carry out search of ways of an exit to self-sufficiency. Thereby they try to pass into a rank of social businessmen where the main difference from classical understanding of NPO is social influence, innovation, self-sufficiency, financial stability, enterprise approach and scale of this social project [5, 6]. But many representatives of NPO face that have no sufficient skills in the organization of process of monetization of the activity.

Today social entrepreneurship in the Republic of Kazakhstan can be considered as the new phenomenon in modern economy. It gives the chance to estimate opportunities and readiness of business for execution of social responsibility to socially unprotected segments of the population. Now labor market places great demands on workers and not all can find applications for the skills. In particular, disability to become the limiting factor of obtaining worthy level of the salary and working conditions. In spite of the fact that within strategic development of a health care system and social protection of the population special attention is paid to disabled people (in particular for creation of equal opportunities), physically disabled people sometimes face the discriminating factors at employment. Therefore, recently, both from the state, and from business much attention began to be paid development of social responsibility of employers to society [7].

The main idea of formation and development of social entrepreneurship is that many social restrictions can be eliminated if to consider them from a position of receiving profit. At the same time two main problems are solved: first, business structures are interested in development social projects owing to receiving profit, and, secondly, the solution of social problems in society defuses social tension and increases quality of life of the population. The understanding of importance of development of this sector of economy from the state led to the fact that in strategic development plans for a health care system and social protection of the population considerable attention is paid to public-private partnership as one of the directions formation of social business in the Republic of Kazakhstan.

Today there is a question of fundamental bases of development of social entrepreneurship. Modern businessmen need understanding of effect of social business, its organizations, opportunities of receiving arrived. And there are various approaches to classification of social entrepreneurship as economic category [5; 46]. Also there are various approaches to a research of the phenomenon of social business owing to its certain uniqueness: it is joined on the verge of pure economy and social responsibility of business and the state.

In order that projects of social entrepreneurship were successful as in the economic plan, and social, creation of effective entrepreneurship models is necessary. Formation of an effective business model appears for such businessmen a difficult task as at best they have experience in the status of non-profit organization and begin the business activity rather intuitively, than on canons business of activity [8].

In this regard, social businessmen need methodical approaches to design of business models and the subsequent actions for development of the business. It causes the necessity of identification and the

strategic analysis of the typical business models used by social businessmen in Kazakhstan for development of recommendations about increase in their stability and development on the basis of strategic management.

It is impossible to say that the state does not assist to social businessmen. For example, within support of implementation of social projects the activity is carried out by Fund of development of the social projects «Samruk-Kazyna Trust» (enters into structure of quasi-public corporation «Samruk-Kazyna»), one of the purposes of which is support of social businessmen [9]. But, as shows the analysis of the realized projects [10], Fund, owing to the specialization, it is directed to realization enough large projects. Thereby without support of Fund there are left small projects, especially in regions. Here it is important to make a reservation that low qualification of social businessmen, especially concerning preparation of necessary documentation for participation in programs of Fund remains a big problem in regions.

Traditionally so it developed that the main social projects lie in the field of the help socially unprotected to segments of the population: children, disabled people, single mothers, pupils of orphanages, former prisoners, elderly people, etc. According to surveys conducted by experts of Almaty management university and British Council, the main share of projects is the share of education, work with physically disabled people (in particular, creation of jobs) and environmental protection [11]. Thus, it is possible to say that today in Kazakhstan social business develops in extremely limited quantity of the directions.

As practice of implementation of projects within social business shows, key basic problems are the imperfection of the legislation governing the relations within implementation of activity of social businessmen and search of effective ways of monetization and additional financing of projects. And if in the first case the state carries out measures for improvement of the legislation and in general businessmen cannot make direct impact on results, then in the second case results of activity of the social businessman directly depend on them.

As it was already told above, the major limiting factor of implementation of social projects is the limitation of financial resources [12]. Thereby now social businessmen began to look for possibilities of an exit to self-sufficiency of the projects. And here they faced other problems: definition of the effective business model, competent writing of the business plan of the project, the organization of sales of results of the activity (creation of demand for the goods and/or services), introduction of productive methods of management of personnel, search of investors, ignorance of the tax law in the field of commercial activity, etc.

Important component of success of development of system of monetization of activity of social businessmen we see in creation of an auxiliary view of activity. Now there is rather large number of business models of the social enterprises which allow to create the effective social project. The principle of definition of target group (to whom services will be rendered or for whom goods are focused), and creations of effective instruments of implementation of the profitable social project is the cornerstone of each business model.

As we said above, today the majority of social enterprises are focused on attracting people with disabilities. Since we view business models through the prism of target groups, from our point of view, the following characteristics are common features of these models that emerge from the analysis:

– Since the models are based on the involvement of people in difficult life situations into active economic life, i.e. with disabilities to work or graduates of orphanages, the range of offers within these models is highly diversified. Ensuring the overall profitability of the business model of its founders is trying to ensure by connecting to it the most different types of goods and services that target groups can produce, so the model also produces crafts and audio books, offers site development and other seemingly little related products.

– High diversification of the goods and services produced is not due to the excess of investment by the company, which is looking for more profitable niches, but rather the production of social value, when everyone who is willing is given the opportunity to try their hand at the market.

Monetization of activity of the organizations of social businessmen can become an important factor of development of social entrepreneurship in Kazakhstan. So, already now there is a number of successful examples of the fact that NPOs which carried out the activity within social projects without income generation earlier began to realize additional projects which make for them profit. As a rule, here it is possible to note projects in the field of training of children, including disabled people and also creation of jobs for physically disabled people. The other directions of the joint venture as a rule, do not make profit.

In the Republic of Kazakhstan there are examples of attempt of monetization of social projects. The Center of day stay for elderly people of «ASAR» where render services of stay of elderly people for the

purpose of observation of them for ensuring their safety [13] in the afternoon became one of them. It is not classical nursing home when there is a considerable range of services including medical. This project was directed to solving safety of elderly people when they cannot care for themselves fully any more, and cannot do without assistance. Initially this project was conceived as noncommercial, financing was supposed to be carried out due to the sponsor's help, grants, own means. But in process of development of the project it became clear that in this case monetization is possible, and the project can pay for itself. Nevertheless, summer of 2018 this project was closed because of lack of necessary financing, i.e., authors of the project could not find additional sources of financing and organize effective process of monetization of the activity.

Another example of successful monetization of a social project was the GreenTAL project. Initially, the project was planned as an additional assistance to people with disabilities. There was no problem of receiving additional income. At the same time, the author of the project, E. Askerov, was tasked with the further development of his project for self-sufficiency due to the fact that it was not possible to find additional sources of funding. In general, it can be said that the author of the project faced the fact that the monetization of a social project without financial support from outside is difficult today [1]. It should be noted here that E. Askerov focused on the development of his project on the fact that part of the market niches that GreenTAL serves now were not occupied in Astana (for example, decorative products made from natural materials). To occupy these niches of the market, in parallel with providing work for the socially unprotected population — this has become a key factor in the development of a social enterprise. and, according to the author of the project, the key problem of the development of social entrepreneurship is not the imperfection of the legislative framework, but the inability to find additional sources of funding. Sometimes potential investors are not interested in this. Thus, it becomes obvious that in addition to the main factors hindering the development of a social enterprise, there is a search for new ways of financing. Since the traditional methods of financing sometimes exhausted themselves.

Crowd funding can become one of the perspective directions of search of alternative ways of financing. Crowd funding is a possibility of collecting necessary means for implementation of the project on the basis of interest of target audience [14]. Now around the world crowd funding is one of effective instruments of collecting necessary means for implementation of projects. To become the main objective for the author of the project need of an accurate message to target audience about need of implementation of this project.

Within social entrepreneurship crowd funding can become the most effective of methods of monetization of the social project. But for a start the social businessman has to solve two important problems inherent in the joint venture: low awareness of society on the project and low level of business knowledge. Crowd funding in social business is also important problem the fact that the bulk of authors of projects do not consider crowd funding as a way of additional financing. It happens because of the strong opinion that crowd funding is a fund raising only on the Internet [15].

In the Republic of Kazakhstan there are already successful examples of crowd funding. For example, in Temirtau social organization (SO) «Temirtau Youth Club» realizes projects within the joint venture in a number of the directions: work with youth (including with children), volunteering, ecology, projects on strengthening of family, team of club cheerful and resourceful, etc. [16]. A large number of projects is implemented within partnership with «Zhas Otan» (youth wing of the party of Nur Otan). Within monetization by the management of SO «Temirtau Youth Club» the decision on the organization of production of clothes with logos was made. This undertaking yielded positive results: at existence of considerable communications with various public and commercial organizations which take part in social projects of Society commercial orders for logo products began to arrive that allowed to gain income. In too time of means for implementation of the project on the organization of production of logo products were received with use of system of crowd funding: fund raising was announced through social networks and within the charitable actions.

Other example of successful realization of crowd funding can become projects on platform decisions of «Start-time.kz» and «Baribirge.kz». These Internet platforms carry out search of sources of financing of commercial and noncommercial projects in the Republic of Kazakhstan [17]. According to reports on successful implementation of projects, the main share (58,4 %) fell on charity and creativity. At the same time a considerable part of projects lies in the field of work with physically disabled people. All funds for implementation of these projects were raised by means of crowd funding [18]. Thereby, it is clear to become that even by means of crowd funding applicants of projects sometimes solve social problems of society.

In too time it should be noted that if crowd funding as the instrument of search of additional financing and can take place in social business, then it does not guarantee high-quality implementation of monetization of the social project yet in general. Still relevant are problems of the business organization of the social project, its high-quality information maintenance. If solutions of the second current problem of the joint venture it is still possible with insignificant financial expenses (for example, constant participation in specialized information campaigns, participation in forums and meetings with business community, work with the Internet companies on promotion of the project in the Internet, etc.), then with business education of social businessmen everything is much more difficult. Today in Kazakhstan there is rather large number of business schools at which train in business bases. But training cost at such business schools is high [19]. And, in the conditions of extreme limitation of money at the social businessman, business training for it to become inaccessible. Also considerable restriction of high-quality business education is that today in the Republic of Kazakhstan there are no such experts who could train in conducting socially oriented business within the joint venture. Within support of social businessmen various meetings with representatives of business community and state organized on platforms of public organizations, business associations and public institutions are held. But they, as a rule, have formal character where problems of development of the joint venture are discussed, and finally sometimes do not bear in themselves practical benefits for the specific social businessman. Also within development of business education among such businessmen meetings and trainings which are provided by successful social businessmen who could realize the project productively will be organized. They impart experience, tell other social businessmen certain features of business. But a problem remains the fact that such business consultations have narrowly targeted character, success of implementation of the social project as a rule, lies only in a certain area. Thereby for the social businessman there are unresolved questions of the organization of business process, search of investors, monetizations of the project.

Conclusion

Thus, today it is possible to say that social entrepreneurship as a special form of business, only gains steam in the Republic of Kazakhstan. There is a large number of barriers to development of the joint venture: low availability of financial means, lack of information of society on such social projects, imperfection of the legislation, low skills of the social businessman in questions of the organization of business processes and management. One of the most important problems of the joint venture remains search of necessary financial resources. A solution of this problem monetization of the social project has to become possible. But before breaking to creation and implementation of the effective social project, it is necessary to find new ways of financing since traditional sources of investment sometimes sputtered out. And here the effective tool can become crowd funding which can help to solve not only a problem of financing, but also to increase knowledge of society of realization socially directed projects in the Republic of Kazakhstan.

Also unresolved is a problem of business education of social businessmen. Their low competence of the organization of effective business process, management, negatively affects the end result of implementation of the social project. The problem of availability of business education can be solved by redistribution of the arriving money in case of successful monetization of the project.

Article is executed within research work on the order of Committee of science of the Ministry of Education and Science of the Republic of Kazakhstan.

References

- 1 Askerov, E. About social entrepreneurship in Kazakhstan. *greental.kz*. Retrieved from <http://www.greental.kz/blog/post/emin-askerov-o-socialnom-predprinimatelstve-v-kazahstane>
- 2 Dees, J.G., & Emerson, J. (2001). *Enterprising nonprofits: A toolkit for social entrepreneurs*. New York: John Wiley & Sons.
- 3 Salamon, L.M., & Anheier, H.K., et al. (2014). Global Civil Society. Dimensions of the Nonprofit Sector. *The Johns Hopkins Center for Civil Society Studies. Baltimore, Vol. 4, 10*.
- 4 Harvard Center To Study Nonprofit Sector. *exed.hbs.edu*. Retrieved from <http://www.exed.hbs.edu/programs/pmno/Pages/hauser-center.aspx>
- 5 Shaw, E. (2007). Social entrepreneurship: theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of Small Business and Enterprise Development, Vol. 14, Issue 3, 418–434*.
- 6 Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: convergences and divergences. *Journal of Social Entrepreneurship, Vol. 1, Issue 1, 32–53*.
- 7 Social entrepreneurship: new tasks. *atameken.kz*. Retrieved from <http://www.atameken.kz/ru/news/23819-social-noe-predprinimatel-stvo-novye-zadachi>

- 8 Mair, J., Battilana, J., & Cardenas, J. Organizing for Society: A Typology of Social Entrepreneuring Models. *emes.net*. Retrieved from http://www.emes.net/content/uploads/events/4th-emes-international-research-conference-on-social-enterprise/Mair-Battilana-Cardenas-2012-JBE-Organizing-for-Society_01.pdf.
- 9 Fund of development of the social projects «Samruk-Kazyna Trust». *sk-trust.kz*. Retrieved from <http://www.sk-trust.kz/ru/menin-elim>.
- 10 Reports on activity of «Samruk-Kazyna Trust». *sk-trust.kz*. Retrieved from <http://www.sk-trust.kz/ru/documents/otcheti>.
- 11 Aytbay, I. Results of the research «Opportunities and the Prospects of Development of Social Business in Kazakhstan». *almai.edu.kz*. Retrieved from <http://www.almai.edu.kz/images/uploads/files/bda82b1d10db74df3098e7606c5e76f8.pdf>.
- 12 Problems of social entrepreneurship have to be covered more widely in media. *vteme.kz*. Retrieved from http://www.vteme.kz/news/problemny_sotsialnogo_predprinimatelstva_dolzny_bolee_shiroko_osveshatsja_v_smi/2017-09-19-217.
- 13 The center of day stay for elderly people of «Asar». *ru-ru.facebook.com*. Retrieved from <http://www.ru-ru.facebook.com/centerasar>.
- 14 Aytbayeva, A. Many a little: how to raise money through crowd funding. *the-village.kz*. Retrieved from <http://www.the-village.kz/village/business/opyt/1321-crowdfunding>.
- 15 JSC Fund of Development of Business Damu. *damu.kz*. Retrieved from <http://www.damu.kz/programmi/programmy-dlyanachinayushchikh-predprinimateley/crowdfunding>.
- 16 Information website Temirtau youth club. *tmk-mk.com*. Retrieved from <http://www.tmk-mk.com>.
- 17 The information website of the platform for placement of the Start-time.kz projects. *Start-time.kz*. Retrieved from <http://www.Start-time.kz>.
- 18 As crowd funding in Kazakhstan arises and how to cultivate the culture of mercy and mutual aid. *forbes.kz*. Retrieved from http://www.forbes.kz/finances/finance/kak_zarozhdaetsya_kraudfanding_v_kazahstane.
- 19 Anuarbek G. About trends in the sphere of business education. *kapital.kz*. Retrieved from <http://www.kapital.kz/business/64527/o-trendah-v-sfere-biznes-obrazovaniya.html>.

Н.Н. Гелашвили, Е.Д. Орынбасарова, Б.К. Жуманова

Қазақстан Республикасындағы әлеуметтік кәсіпкерліктің даму мәселелері: шешімдері мен құралдары

Мақалада әр түрлі бизнес-модельдер маңызды рөл атқаратын қазіргі экономиканың үрдістерін есепке ала отырып, Қазақстандағы әлеуметтік кәсіпкерліктің даму мәселелері қарастырылған. Қазақстандағы әлеуметтік кәсіпкерлік мемлекеттегі әлеуметтік саясатты дамытудың жаңа бағыты деп санауға болады. Сонымен қатар, шет елдердің тәжірибесі әлеуметтік кәсіпкерлік арқылы елдегі әлеуметтік саясатты іске асырудың жоғары тиімділігін дәлелдейді. Авторлар әлеуметтік кәсіпкерліктің дамуындағы негізгі кедергілерді қарастырған. Қазіргі уақытта Қазақстандағы әлеуметтік кәсіпкерлік сервистік экономиканың дәстүрлі бағыттары бойынша дамып келе жатқаны дәлелденді. Бұл әлеуметтік кәсіпкерлікті одан әрі дамыту мүмкіндігін едәуір шектейді. Осылайша әлеуметтік кәсіпкерлікті дамытудағы кедергілерді еңсерудің жаңа әдісін іздеу өзекті болып табылады. Бұл жерде жұмысты ұйымдастырудағы дәстүрлі емес тәсілдерді іске асыруға негізделген бизнес-модельдер үлкен маңызға ие болуы мүмкін. Әлеуметтік жобаларды қаржыландыруды іздеу басты мәселе болып отыр. Мақала авторлары дәстүрлі көздерден басқа, әлеуметтік жобаларды қаржыландыруды іздестірудің балама тәсілдерін ұсынды.

Кілт сөздер: әлеуметтік кәсіпкерлік, коммерциялық емес ұйымдар, әлеуметтік жобаларды монетизациялау, әлеуметтік жауапты бизнес, бизнес-модель, краудфандинг

Н.Н. Гелашвили, Е.Д. Орынбасарова, Б.К. Жуманова

Проблемы развития социального предпринимательства в Республике Казахстан: пути решения и инструменты

В статье рассмотрены проблемы развития социального предпринимательства в Казахстане с учетом тенденций современной экономики, в которой значительную роль играют различные бизнес-модели. Социальное предпринимательство в Казахстане можно считать новым направлением развития социальной политики в государстве. В то же время опыт зарубежных стран доказывает высокую эффективность реализации социальной политики в стране посредством социального предпринимательства. Авторами рассмотрены базовые барьеры развития социального предпринимательства. Доказано, что в настоящее время социальное предпринимательство в Казахстане развивается по традиционным направлениям сервисной экономики. И это в значительной степени ограничивает возможности дальнейшего развития социального предпринимательства. Тем самым становится актуальным поиск новых методов преодоления барьеров в развитии социального предпринимательства. Большое значение

могут иметь бизнес-модели, основанные на реализации нетрадиционных подходов в организации работы. Ключевой проблемой остается поиск финансирования социальных проектов. Авторами статьи представлены альтернативные пути поиска финансирования социальных проектов, помимо традиционных источников.

Ключевые слова: социальное предпринимательство, некоммерческие организации, монетизация социальных проектов, социально ответственный бизнес, бизнес-модель, краудфандинг.

Репозиторий КАРГУ