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DIRECTIONS OF PUBLIC SUPPORT FOR SMALL BUSINESSES IN KAZAKHSTAN

ҚАЗАҚСТАНДАҒЫ ШАРУАШЫЛЫҚ ЖҮРГІЗУДІҢ ШАҒЫН НЫСАНДАРЫН МЕМЛЕКЕТТІК ҚОЛДАУ БАҒЫТТАРЫ

НАПРАВЛЕНИЯ ГОСПОДДЕРЖКИ МАЛЫХ ФОРМ ХОЗЯЙСТВОВАНИЯ В КАЗАХСТАНЕ

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Abstract. The relevance of the research topic lies in the importance of development of small agribusiness entities for increasing production of agricultural products, increasing the level of employment and income of the rural population, solving social problems of the village. The system of public support measures for agricultural sector, developed by the Ministry of Agriculture of the Republic of Kazakhstan as part of the implementation of the State Program on AIC Development for 2017-2021, which includes subsidizing production costs, property insurance, preferential taxation, investment subsidies for construction of facilities or their modernization, subsidizing the repayment of the interest rate for concessional lending. The article analyzes the main technical and economic indicators: gross agricultural output by type of activity; structure of agricultural crops, their yield, incl. in small-scale commodity farms of the republic, including general harvest of grain and oilseeds. The authors have developed proposals for the use of a new financial instrument - an agricultural receipt, which allows investors (creditors) to finance agricultural production and sale of goods in small business structures; recommendations for exemption from income tax for a period of three years for taxpayers applying special tax regimes, improving lending to agricultural enterprises by commercial banks, mechanisms that allow in the future to reduce the amount of funds allocated from the state budget to support the industry. It is concluded that the further development

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of small business structures in AIC and their public support will improve socio-economic processes of the formation and functioning of all forms of family farms on the basis of meeting the needs of the population for food; to increase the employment rates of rural residents, taking into account the development of alternative directions based on cooperation and integration.

Аңдатпа. Зерттеу тақырыбының өзектілігі-ауыл шаруашылығы өнімдерін өндіру көлемін арттыру, ауыл халқының жұмыспен қамтылу деңгейін және табысын арттыру, ауылдың әлеуметтік проблемаларын шешу үшін шағын агробизнес субъектілерін дамытудың маңыздылығы болып табылады. АӨК дамытудың 2017-2021 жылдарға арналған мемлекеттік бағдарламасын іске асыру шеңберінде Қазақстан Республикасы Ауыл шаруашылығы Министрлігі әзірлеген аграрлық секторды мемлекеттік қолдау шараларының жүйесі қаралды, ол өнім өндірудегі шығындарды субсидиялауды, мулікті сақтандыруды, жеңілдікпен салық салуды, объектілер құрылысына немесе оларды жаңғыртуға арналған инвестициялық субсидияларды, жеңілдікпен кредит беру кезінде сыйақы мөлшерлемесін өтеуді субсидиялауды қамтиды. Мақалада негізгі техникалық-экономикалық көрсеткіштер: қызмет түрлері бойынша ауыл шаруашылығының жалпы өнімі; ауыл шаруашылығы дақылдары егістерінің құрылымы, олардың түсімділігі, оның ішінде дәнді және майлы дақылдарды жалпы жинауды қоса алғанда, республиканың ұсақ тауарлы шаруашылықтары да талданған. Авторлар жаңа қаржы құралын – инвесторларға (кредиторларға) шағын кәсіпкерлік құрылымдарда аграрлық өндіріс пен тауар өткізуді қаржыландыруға мүмкіндік беретін аграрлық қолхатты пайдалану бойынша ұсыныстар; арнаулы салық режимдерін қолданатын салық төлеушілерді үш жыл мерзімге табыс салығын төлеуден босату, ауыл шаруашылығы кәсіпорындарын коммерциялык банктердің кредиттеуін, болашақта саланы қолдауға мемлекеттік бюджеттен бөлінетін ақша қаражатының көлемін қысқартуға мүмкіндік беретін тетіктерді жетілдіру жөніндегі ұсынымдар әзірледі. АӨК-дегі шағын кәсіпкерлік құрылымдарды одан әрі дамыту және оларды мемлекеттік қолдау халықтың тамақ өнімдеріне қажеттілігін канағаттандыру негізінде отбасылық шаруашылықтың барлық нысандарының қалыптасуы мен жұмыс істеуінің әлеуметтік-экономикалық процестерін жетілдіруге; кооперация мен интеграция негізінде баламалы бағыттардың дамуын ескере отырып, ауыл тұрғындарын жұмысқа орналастыру көрсеткіштерін арттыруға мүмкіндік береді деген қорытынды жасалған.

Аннотация. Актуальность темы исследования – в важности развития субъектов малого агробизнеса для наращивания объемов производства сельхозпродукции, повышения уровня занятости и доходов сельского населения, решения социальных проблем села. Рассмотрена система мер государственной поддержки аграрного сектора, разработанная Министерством сельского хозяйства Республики Казахстан в рамках реализации Государственной программы развития АПК на 2017-2021 годы, которая включает субсидирование затрат в производстве продукции, страхование имущества, льготное налогообложение, инвестиционные субсидии на строительство объектов или их модернизацию, субсидирование погашения ставки вознаграждения при льготном кредитовании. В статье проанализированы основные технико-экономические показатели: валовая продукция сельского хозяйства по видам деятельности; структура посевов сельскохозяйственных культур, их урожайность, в т.ч. в мелкотоварных хозяйствах республики, включая общий сбор зерновых и масличных культур. Авторами разработаны предложения по использованию нового финансового инструмента – аграрной расписки, позволяющей инвесторам (кредиторам) финансировать в малых предпринимательских структурах аграрное производство и реализацию товаров; рекомендации по освобождению от уплаты налога на доход сроком на три года налогоплательщиков, применяющих специальные налоговые режимы, совершенствованию кредитования сельскохозяйственных предприятий коммерческими банками, механизмы, позволяющие в перспективе сократить объемы денежных средств, выделяемых из государственного бюджета на поддержку отрасли. Сделан вывод, что дальнейшее развитие малых предпринимательских структур в АПК и их государственная поддержка позволят совершенствовать социально-экономические процессы становления и функционирования всех форм семейного хозяйства на основе удовлетворения потребности населения в продуктах питания; повысить показатели трудоустройства сельских жителей с учетом развития альтернативных направлений на основе кооперации и интеграции.

Key words: small businesses, crop production, agricultural commodity producer, public support, subsidies, concessional lending, taxation, insurance, agricultural receipt.

Түйінді сөздер: шаруашылық жүргізудің шағын нысандары, өсімдік шаруашылығы, ауыл шаруашылығы тауарын өндіруші, мемлекеттік қолдау, субсидиялау, жеңілдікпен кредит беру, салық салу, сақтандыру, аграрлық қолхат.

Ключевые слова: малые формы хозяйствования, растениеводство, сельскохозяйственный товаропроизводитель, государственная поддержка, субсидирование, льготное кредитование, налогообложение, страхование, аграрная расписка.

Introduction. The development of small businesses in agriculture is one of the important conditions for the development of agro-industrial complex, increasing production of agricultural products, strengthening food security, increasing employment level and income of the rural population, solving social problems of rural areas.

In Kazakhstan, small businesses in 2019 produced 31% of all gross agricultural production, taking into account specialization, technology for growing crops and animals, as well as organizational and economic mana-gement conditions [1].

The practice of functioning of small businesses in agricultural sector indicates the need to increase public financial support, taking into account the specialization of specific economic entities due to its regional distribution, depending on the degree of investment with reference to the level of efficiency of agricultural production (increa-sing productivity of all sectors and profitability).

Subsidizing of agricultural production of small businesses should be linked to the results of their activities, the level of achievement of the set goals and organized on a long-term basis (investment subsidies, leasing of agricultural machinery and equipment, purchases of animals and poultry and provision of preferential loans).

The effective way of small business development with participation of the State in the context of the WTO makes it possible to increase the level of employment, incomes of the rural population, solve social problems of rural areas, and strengthen the country's food security.

Material and methods of research. The article focuses on public support (subsidies, lending, taxation, insurance) for small businesses in agriculture. In the process of the study, various methods of economic research were used: economic and statistical - when analyzing and assessing the current state of public support, as well as its development trends; abstract-logical method - in identifying problems and developing proposals on State regulation measures in agriculture in the Republic of Kazakhstan. The analysis of the

development of crop and livestock production sectors is carried out, and indicators of profitability of small entities in the context of the regions of Kazakhstan for 2018-2019 are presented.

The regulative - legal acts on the public support mechanism for agriculture, materials of the Committee on Statistics of the MNE of the Republic of Kazakhstan and the Ministry of Agriculture of the Republic of Kazakhstan, as well as publications in the newspapers and magazines, Internet resources served as an information basis. We also used the results of analyzes and researches which were carried out by the authors when writing this article.

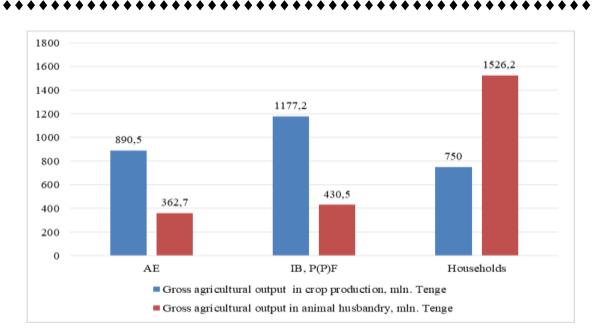
The research results can be used as information and advisory materials by agricultural entities and other interested parties.

Results and their discussion. The agriindustrial complex is one of the main sectors of economy of Kazakhstan, the satisfaction of the population's needs for food products, the provision of industry with agricultural raw materials, and food security of the State depend on the results of its activities [2].

In the Republic of Kazakhstan, small economies, which number today is 219,813 units, with agricultural land area of 60,192 thous. ha, have a very real impact on the country's economy.

In 2019, small businesses produced gross agricultural output in the amount of 1,608 bln tenge, the share of agricultural enterprises in the total volume of all categories was 24.6%, small enterprises - 31.2%, households - 44.2% (figure) [3].

The seasonal nature of production, high capital intensity, dependence on natural and climatic conditions, risks in obtaining incomes, price inelasticity of demand for food, a significant time lag between production costs and receipt of products reduce their competitiveness. However, there are problems that impede their intensive development; insufficiently high rates of production modernization; low income, difficulties in sales of manufactured products; high risks due to the specific features of agriculture; insufficient investment level.



Note: MNE RK. Gross agricultural output of the RK, 2019

Figure 1 – Gross agricultural outputby type of activity, 2019

In 2019, in all categories of farms, 22 136 thous. ha were occupied by crops, including agricultural enterprises - 13 043 thous. ha (58.9%), small economies - 8 893 thous.ha (40.2%). In

the structure of sowing areas of small farms, cereal crops prevail- 5 566 thous. ha, or 62.3%, oilseeds- 1227 thous. ha (13.8%), fodder crops - 1 724 thous.ha (19%) (Table 1).

Table 1 – Structure of agricultural crops areas in the Republic of Kazakhstan, 2019

Crop type	Total	Including		
		Agricultural enterprises	Small farms	Households
The whole sown area, thous. ha	22 136	13 043	8 893	200
incl.				
Cereals, total	15 397	9 825	5 566	6
of them:				
Wheat	11 414	7 609	3 805	
Barley	2 995	1 649	1 346	
Oilseeds	2 861	1 633	1 227	1
Vegetables and melons	261	17	169	74
Potatoes	193	17	150	117
Fodder	3 277	1 541	1 724	12
Note: MNE RK, Gross harvest of agricultural crops in the RK, Volume 2, 2019				

In 2019 the gross harvest of cereals by small businesses amounted to 6,180 thous. tons, or 36% of the total volume of all farms categories, oilseeds - 1,344, or 52%, potatoes - 1,443 thous. tons, or 37%, meat of all types in slaughter weight of 215 thous. tons, or 19%, milk - 1 183 tons, or 20% (table 2).

One of the important conditions for the progressive development of the AIC is the involvement of small businesses in agricultural cooperation; effective use of financial public support measures; creation of conditions for efficient use of land resources; increase in the

provision of equipment and chemical means; development of trade and logistics infrastructure; scientific- technological, personnel and information- marketing support.

The refusal from State regulation and decrease in the level of support, price disparity for agricultural and industrial products led to the destruction of large enterprises and social sphere of the village, decreased labor productivity, break in economic ties, weakening of material-technical basis, outflow of the rural population to other spheres of activity, which affected the level of food security of the country.

Аграрная политика: механизм реализации

Table 2 – Production of main types of agricultural products by small businesses in the RK, 2019

Name of product	Volume, thous. tons	Spec. weight in total volume, %			
Cereals, total	6 180	36			

Cereals, total	6 180	36		
of them: wheat	3 593	31		
Barley	1 664	43		
Oilseeds	1 344	52		
Vegetables and melons	4 352	67		
Potatoes	1 443	37		
Meat of all types in slaughter weight	215	19		
Milk	1 183	20		
Note: MNE RK, Gross harvest of agricultural crops in the RK, Volume 2, 2019				

However, in the Republic of Kazakhstan, the potential for the small businesses development is still underestimated. Their development is quite difficult and it takes place solely thanks to their own potential and internal motivation. Small business has a number of advantages compared to large production: entering the market and leaving it does not present serious problems for them, flexibility in economic activity makes it possible to quickly respond to changes in market conditions, savings on intra-farm transportation compared to large farms, presence of many factors stimulating effective labor [4].

The system of public support measures for agriculture, including small businesses, includes subsidies for production costs, insurance, lending, preferential taxation, investment subsidies for the construction of facilities or their modernization, subsidies for the repayment of interest rate of preferential loans.

Subsidies are aimed at reimbursing the cost of purchasing fertilizers, herbicides, bioagents (entomophages) and biological products, and others which are intended for crop processing, in the amount not exceeding the minimum market value, regardless of the country of origin. Subsidies for agricultural products become relevant especially after the adoption of the State Program on the Deve-lopment of Agrilndustrial Complex of the Re-public of Kazakhstan for 2017-2021. By the re-sults of 2019, 107 thous. agricultural producers received subsidies, of which 60-70% - small businesses in the amount of 356.3 bln tenge.

In Kazakhstan, a fundamentally new agricultural sector development system has been developed, in particular, the model of subsidizing AIC has been revised, the amounts allocated per hectare of crops, per head of livestock and redirected, more effective support measures.

Since 2019 hectare subsidies are completely excluded in crop production, from 2020 - in animal husbandry: for meat, eggs, kumys, shubat, since there is a sufficient level of self-sufficiency in these products [5,6].

In addition, the reduced subsidies will be directed to financial instruments (interest rate reimbursement, investment subsidies, agri insurance). The basic subsidies in crop production sector aimed to reduce cost of seeds, fertilizers, plant protection products and irrigation water supply have been preserved [7].

Produce unit subsidies create effective economic incentives for increased output, with emphasis on support of industrial and technological production. However, this type of public support should be temporary, until the domestic market is saturated.

In this connection, it is proposed to grade public support measures with abolition of ineffective subsidies for performance-oriented subsidies. In general, public policy is aimed at ensuring equal access to subsidies for representatives of small, medium and large businesses.

At the same time, the loan guarantee system is being improved. Since 2019 guarantees up to 30% of the loan amount are received by representatives of small and medium-sized businesses in priority areas of agriculture and those that have not enough collateral for development.

In the lending- financial infrastructure of small businesses, it is advisable to outline two independent subsystems: financial and lending. The basis of the financial subsystem is formed by the relations between economic entities regarding the formation, distribution and use of the funds, financial support for the development of all branches of agriculture.

In order to improve lending to agricultural organizations by commercial banks, the following directions can be proposed:

- development of preferential lending to agriculture for seasonal production needs;
- creation and support of trust funds for lending with the issuance of loans to direct agricultural organizations;
 - development of lending cooperatives.

Investment subsidies will stimulate the renewal of the machines and tractors, promote the modernization and creation of new enterprises in AIC, including issues of import

substitution and implementation of export potential. In order to increase the productivity of farm animals, provide measures to create a solid forage base, closely related to the zonal climatic conditions.

Cooperation facilitates production and sale of products - the main development of the system of production, sales, processing of products, material and technical supply, credit, service, information and marketing services.

To solve the problem of selling agricultural products at objective prices, it is envisaged to introduce a new financial instrument - agricultural receipt, which allows the investors (creditors) to finance small farms in production of agricultural products by selling them before their actual harvest (secured by the future harvest). At the same time, restrictive mechanisms are envisaged which are based on statistical data for the last 3-5 years on yield and costs. The launch of electronic agri receipts in accordance with new financial instruments for small businesses and the supposed issue of uncertified non-issue debt securities with their subsequent redemption by supply of agricultural products or payment of debt [8].

One of the stimulating forms of support is taxation of agricultural producers. Peasant (private) farms that previously worked under a special tax regime (STR) based on the payment of a single land tax, made calculation without using cash control registers (CCR), from January 2020 they are obliged to use CCR for calculations done by means of cash and (or) payment cards.

From 01.01.2020, amendments to the Tax Code came into force in the Republic of Kazakhstan in terms of changing the object of taxation for a taxpayer applying a special tax regime for peasant or private farms based on payment of a single land tax. The unified land tax was calculated earlier on the assessed value of land plots rented or owned by peasant farm and was not tied to the turnover from the sale of agricultural products. According to the changes made to the Tax Code, the sales turnover will be imposed to the unified land tax (ULT). For example, a farm that has received income from the sale of produced or processed raw materials will be subject to a single land tax at a rate of 0.5% per calendar year. This innovation will allow taxpayers who apply special tax regimes and the recognized as micro or small business object to receive exemption from income tax for a period of three years.

At the same time, it is foreseen that taxpayers who apply special tax regimes and are recognized as micro or small businesses are exempted from paying income tax for a period of three years. Also, taxpayers working under a special tax regime for peasant and private farms reduce by 100% the amount of the single land tax calculated in accordance with Article 704 of the Tax Code [9]. Agricultural enterprises that export manufactured products will not be able to take advantage of the tax incentive.

Public support for the agro-industrial complex should consist not only in expanding subsidies and benefits provided to enterprises, but also through the development of agro-industrial insurance. Despite the existence of insurance with State participation, fewer agricultural enterprises use insurance instruments. This tool is a fairly common method in many countries and has shown positive results. Thus, the use of mutual insurance associations and insurance companies will increase the share of insured farms in conditions of limited own funds of agricultural entities.

In agricultural production, voluntary risk insurance in crop and livestock production is foreseen. The State will subsidize not insurance payments, but the purchase of insurance policies by farmers, which can be used as additional security when issuing loans, and obtaining loans from second-tier banks [10]. This reduces costs and makes insurance processes and receipt of insurance payments transparent. These changes will make it possible to build an effective agricultural insurance system, which ultimate goal is to increase the availability of financing for the sector by protecting production from risks.

Another area of public support for the AIC should be the modernization of the applied forms of public-private partnership. Thus, the size of private investment in the industry is currently small. This is primarily due to the high risk of the industry and long payback periods. Business is not interested in investing in the development of the sector in current conditions. Consequently, in order to maximize the attraction of financial resources to the AIC, as well as with the aim of developing innovation system, it is necessary to develop and implement such agro-industrial entities of cluster type, in which the risk of investors would be minimized, for example, in the form of innovation clusters. The use of this form of public-private partnership will attract more investment to the industry by reducing business risks.

The proposed mechanisms will allow to reduce in the future the amount of funds allocated from the State budget aimed to support the sector, attract private investment, promote the accumulation of own funds of agricultural producers, which will ultimately lead to the overall increase in the efficiency and competitiveness of the republic's agri-industrial production.

Conclusion

- 1. In 2019, small businesses produced 31% of the total gross agricultural output, taking into account specialization, technology of growing crops and animals, as well as organizational and economic management conditions.
- 2. The system of public support measures for agriculture, including small forms of business include subsidizing production cost, insurance, lending, preferential taxation, investment subsidies for the construction of facilities or their modernization, subsidies for the repayment of interest rates of preferential loans.
- 3. Subsidizing agricultural production of small businesses should be linked to the results of their activities, level of achievement of the set goals and be organized on a long-term basis (investment subsidies, leasing of agricultural machinery and equipment, purchases of animals and poultry with provision of preferential loans).
- 4. Investment subsidies stimulate the renewal of the machines and tractors, promote the modernization and creation of new enter-prises in the AIC, including the issues of import substitution and realization of export potential.

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