Youth entrepreneurship in the Republic of Kazakhstan: concept, problems and solutions

Abstract
Object: The inclusion of the younger generation in entrepreneurial activities is one of the solutions to the problem of employment, especially aggravated during the COVID-19 pandemic. Considering the importance of the development of youth entrepreneurship for the processes of innovative transformation of the economy, as well as the relevance of managing the process of social adaptation of young people, involving them in creative activities and providing opportunities for maximum personal self-realization, it can be argued that the mechanism for supporting and developing youth entrepreneurship is a central element in solving social and economic development of the Republic of Kazakhstan. The purpose of this study is to analyze the causes of youth unemployment in order to determine the variable forms and types of youth entrepreneurship aimed at solving the problems of youth employment.

Methods: The collected theoretical and practical data on the cause-and-effect factors of the functioning of youth entrepreneurship were analyzed using the methods of system analysis, structuring information, building hypotheses and polling.

Findings: On the basis of scientific approaches to understanding the structural elements of youth, the conceptual essence of youth was systematized, an objective approach to the concept of youth entrepreneurship was determined, which was considered in accordance with its target, aimed at carrying out entrepreneurial activities. Moreover, the cause-and-effect factors of the development of youth entrepreneurship have been determined, a classification of youth entrepreneurship has been developed according to the main types. Through a survey the situation on the labor market regarding the problems of the development of youth entrepreneurship was studied and ways of solving the problem of youth unemployment were proposed.

Conclusions: A clear systematization of scientific approaches to the concept of youth entrepreneurship, identification of the causes of youth unemployment, problems of the development of youth entrepreneurship will ensure the progressive development of youth entrepreneurship to achieve full employment of youth and the population in the labor market.

Keywords: youth, youth entrepreneurship, business and entrepreneurship, entrepreneurial activity, unemployment, employment, classification, innovative activity, competitiveness.

Introduction
In modern conditions of the development of a market economy in the Republic of Kazakhstan the problems of small and medium-sized businesses are becoming especially acute. It is this sector of the economy that is assigned the main role in the formation of a middle class capable of becoming a reliable support for the industrial and innovative development of Kazakhstani society. A necessary strategic resource for the development of small and medium-sized businesses is active youth employment and youth entrepreneurship.

The allocation of youth entrepreneurship as a special segment of entrepreneurship occurs because, unlike other types of entrepreneurship, it has its own specific features: innovative activity, innovative thinking; mobility, flexibility of approaches, quick response to the development of new markets; the ability to constantly update knowledge and skills in accordance with changing production and market requirements; the ability of young people to withstand the increased work and nervous stress that accompanies entrepreneurial activity, especially at its initial stage; risk predisposition of young people.

At the macroeconomic level, youth entrepreneurship in the Republic of Kazakhstan has, on the one hand, socio-economic foundations, and on the other hand, institutional foundations. The socio-economic foundations of youth entrepreneurship involve solving the social problems of youth, ensuring stable employment and income for this category of the population. Institutional foundations indicate that youth entrepreneurship is not just a socio-economic phenomenon, but also become an important and significant institu-
tion of the market economy, which at a certain stage ensures economic growth, innovation and competitiveness of the economic system.

At the present stage the issues of the formation and development of youth entrepreneurship in the Republic of Kazakhstan remain poorly researched, there are no clear boundaries of the conceptual apparatus of youth entrepreneurship, its types, problem-target priorities of reform.

**Literature Review**

E.G. Shumik, E.V. Belik, M.P. Blinov (2017) believe that the term trends in the formation and development of youth entrepreneurship are directly related to the age of the participants in this process.

A.V. Ivanova (2013), N.V. Akhiyarova (2009) give directly subjective age limits of youth entrepreneurship, in such a range as 30–35 years, arguing that the this group of society has the maximum potential for innovative ideas. K. Mannheim (2010) considers youth as a reserve of human resources for adaptation to rapidly changing economic and market conditions. According to the scientific views of K. Mannheim, youth is neither progressive nor conservative, but is considered as the potential for perception of a dynamically changing culture, civilization, and economy. C.R. McConnell and S.L. Brue (2009) believe that entrepreneurship is a systemic dynamic process of connecting all types of available resources into a single process of producing a good or service. The main idea of K.R. McConnell and S.L. Bru focuses on the fact that the sought-for target landmark of entrepreneurship is the process of creation (production) of the final type of any product or service. In the future, the production process is complemented by a commercial (sales) process, which leads to education, making a profit. J. Schumpeter (1982) believes that entrepreneurship is the process of transforming a new idea or invention into a successful innovation. Entrepreneurs' innovation leads to long-term economic growth. Zh.M. Zhartai (2019) presented a methodological framework that makes it possible to analyze the qualitative and quantitative parameters of the development of youth entrepreneurship, which will increase the effectiveness of the implementation of state support for initiatives.

Zh.S. Khusainova, Zh.M. Zhartai (2020) developed the methodological foundations of the Foresight model for the development of youth entrepreneurship. We examined the main types of foresight and gave their characteristics, substantiated the position of increasing the effectiveness of the brainstorming method in relation to young entrepreneurs. Zh.M. Zhartai, Zh.S. Khusainova, B.S. Esengeldin (2020) presented an analysis of the development of youth entrepreneurship in the Republic of Kazakhstan. The results of the analysis will improve the efficiency of the mechanism for supporting young people engaged in entrepreneurial activity.

**Method**

The key research methods were the methods of system analysis, structuring information, the statistical method of research, the method of constructing hypotheses, the method of polling. Systems analysis methods covered analytical and synthetic research methods. Within the framework of the analytical research method youth entrepreneurship as an economic category was considered in two components: the conceptual apparatus of youth and modern scientific approaches to understanding entrepreneurial activity. As a result, based on the analysis of terminology, a synthetic method was applied, which made it possible to develop a refined author's definition of youth entrepreneurship. On the basis of the method of structuring information, theoretical aspects were developed regarding the cause-and-effect factors of the emergence of youth entrepreneurship, its classification directions of systematization, including types. The search for practice-oriented information made it possible to simulate the current economic situation in the field of youth entrepreneurship in the Republic of Kazakhstan. The survey method made it possible to determine probabilistic forecasts and hypotheses for the development of youth entrepreneurship.

**Results**

The term youth entrepreneurship, using the analytical research method, is relevant to consider taking into account two approaches: subjective and objective.

The subjective approach indicates that the main subject of youth entrepreneurship is youth. In modern scientific periodicals, global information resources, youth is associated with a social-age group that has the following attributes:

- age range;
- certain status in society (V.A. Lukov, 2012).

The age range of young people is governed by the legal and regulatory framework of each country separately. In the complex, the average age range of young people varies within the following limits:
When considering youth entrepreneurship, almost all scientists and researchers, both foreign and Kazakhstani, focus on the age qualification. So, for example, in a scientific study of scientists of the Russian Federation E.G. Shumik, E.V. Belik, M.P. Blinov, it is noted that the term trends in the formation and development of youth entrepreneurship are directly related to the age of participants in this process (E.G. Shumik, E.V. Belik, M.P. Blinov, 2017).

A number of other scientists, such as A.V. Ivanova, N.V. Akhiyarova, within the framework of their dissertation research directly give the subjective age boundaries of youth entrepreneurship in the range of 30–35 years, arguing that this group of society has a maximum potential for innovative ideas (A.V. Ivanova, 2013; N.V. Akhiyarova, 2009).

Along with the age criteria of young people, this category of society is endowed with a certain qualitative status in society, which is characterized, on the one hand, by the transition from childhood to adolescence, and, on the other hand, by the emergence and growth of social responsibility.

The attribute of social responsibility is considered by the German sociologist K. Mannheim, who considers youth as a reserve of human resources for adaptation to rapidly changing economic and market conditions. According to the scientific views of K. Mannheim, youth is neither progressive nor conservative, but is considered as the potential for perception of a dynamically changing culture, civilization, economy (K. Mannheim, 2010).

An objective approach to considering the concept of youth entrepreneurship is focused on the main target — entrepreneurial activity.

There are multifaceted scientific approaches to the concept of entrepreneurial activity, which in turn are delimited into historical stages.

Within the framework of the 20th century, the most accurate definition of entrepreneurship was presented in the works of K.R. McConnell, S.L. Brue. According to these scientists, entrepreneurship is a systemic dynamic process of connecting all types of available resources into a single process of producing a product or service (McConnell K.R., Bru S.L., 2009).

The main idea of K.R. McConnell and S.L. Brue focuses on the fact that the sought-for target landmark of entrepreneurship is the process of creation (production) of the final type of any product or service. In the future, the production process is complemented by a commercial (sales) process, which leads to education, making a profit.

Another approach to the definition of entrepreneurship was put forward by the Austrian-American economist J. Schumpeter. According to him, entrepreneurship is the process of transforming a new idea or invention into a successful innovation. Creation of innovations by entrepreneurs leads to long-term economic growth (J.A. Schumpeter, 1982). Entrepreneurial activity is logically interconnected with the concept of "business". Despite the fact that in practice business and entrepreneurship are often identified, they have a different theoretical essence. Business is a systematic process of receiving, earning the accumulation of funds, both in entrepreneurial and other activities.

It should be noted that in most cases entrepreneurial activity is always associated with business as a result. In the reverse order, a business may not always be entrepreneurial.

In the 21st century entrepreneurship has taken on new qualitative forms and targets. Along with business, the targets for entrepreneurial activity are:

- social goals;
- environmental goals;

In modern information sources there are general, logical, non-systematized concepts of entrepreneurial activity, which are focused on the ultimate goal — making a profit. So, for example, in Wikipedia (the free encyclopedia) entrepreneurship is interpreted as an independent activity of citizens, focused on the systematic receipt of profit under the following conditions: use of property, sale of goods, performance of work, service; responsibility for risk; registration of an entrepreneur in accordance with the established procedure.

Analysis of approaches to the definition of entrepreneurship allows us to model the concept of this term, which is reflected in accordance with Figure 1.
Youth entrepreneurship in the Republic of Kazakhstan:

The conceptual apparatus of youth entrepreneurship can be represented in accordance with the Figure 2.

The main criteria for youth entrepreneurship are age qualifications and entrepreneurial ability. Similar approaches take place in scientific research of other scientists. Thus, in the scientific presentations of Russian researchers it is noted that citizens under 35 are young entrepreneurs. In other information resources it is noted that youth entrepreneurship is a comprehensive system of measures aimed at accumulating entrepreneurial thinking, abilities, starting opportunities for an entrepreneurial activity and adapting to modern market relations among young people.

Youth entrepreneurship has its own cause-and-effect factors, which, in our opinion, should be divided into two areas:

- problems of youth employment (unemployment);
- striving to meet needs.

The dominant factor in the development of youth entrepreneurship is the problem of youth employment (unemployment).

Youth employment problems are most associated with natural unemployment, which in turn includes such subspecies as:

<table>
<thead>
<tr>
<th>Social and age groups</th>
<th>Entrepreneurship ability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age of 18-35</td>
<td>Resource potential</td>
</tr>
<tr>
<td>Social and age groups</td>
<td>Production of a product or service</td>
</tr>
<tr>
<td></td>
<td>Commercialization process</td>
</tr>
</tbody>
</table>

### Figure 1. The main structural elements of the conceptual apparatus of entrepreneurship

*Note: compiled by the authors*

The conceptual apparatus of youth entrepreneurship can be represented in accordance with the Figure 2.

### Figure 2. The main structural elements of the conceptual apparatus of youth entrepreneurship

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Youth employment problems are most associated with natural unemployment, which in turn includes such subspecies as:
– frictional unemployment;
– structural unemployment.

The natural level of unemployment is characterized by a situation in the labor market when the total number of citizens in search of work is roughly comparable to the total number of vacancies in enterprises, firms, companies and other organizations.

The natural unemployment rate is characterized by the following trends:
– the process of training (teaching young people in universities, colleges);
– the process of finding a job when moving from one job to another (frictional unemployment);
– the process of training and retraining of personnel, the search for a new job in connection with the closure and the emergence of new types of industries under the influence of factors of scientific and technological progress (structural unemployment).

Taking the above into account, it should be assumed that natural unemployment, including that inherent in young people, is inevitable and natural. Along with natural unemployment, youth employment problems can be associated with cyclical unemployment, which is directly dependent on the conjuncture cycles of the economic system. This type of unemployment is comparable to the problems of a significant economic downturn (K.R. McConnell, S.L. Brue, 2009).

The orientation of youth entrepreneurship in solving the problems of youth unemployment is touched upon in the scientific works of Kazakh scientists D.E. Mukhambetova, S.Ch. Primbetova, who note that youth entrepreneurship plays a certain role in solving social and economic problems (D.E. Mukhambetova, S.Ch. Primbetova, 2020).

Taken together, in general, the cause-and-effect factors of youth entrepreneurship are presented in Figure 3.

![Figure 3. Causal factors of youth entrepreneurship](image)

Note: compiled by the authors

Along with solving the problems of unemployment, youth entrepreneurship involves solving the problems of meeting the initial basic economic needs, both their own and public. This leads to the development of the economic system, economic growth, increased innovation activity and competitiveness of the economy, including through the development of small and medium-sized businesses.
Classic types of entrepreneurship correspond to youth entrepreneurship. Basic types of youth entrepreneurship are formed, in accordance with Figure 4, by subject matter and by organizational and legal form. By subject matter, youth entrepreneurship is subdivided into:

- industrial entrepreneurship — the target is the organization of the production of goods and services;
- commercial entrepreneurship — the target is trade and intermediary activities;
- financial entrepreneurship — the target is the provision of financial services (A.N. Asaul, 2009).

According to the organizational and legal form, youth entrepreneurship is divided into three types:

- sole ownership (individual entrepreneurship) — a form of entrepreneurial activity by one citizen in his own interests;
- partnership — conducting entrepreneurial activities in which two or more citizens agree on the ownership and management of an economic entity;
- corporation — doing business, in which economic activity is based on share capital divided into shares owned by direct and indirect participants in the business process.

The optimal initial option for the development of youth entrepreneurship is individual entrepreneurship, which in the future, within the framework of development, can be transformed into a partnership or corporation (joint stock company).

The organizational and legal forms of youth entrepreneurship closely correlate with the types of entrepreneurial activity in terms of size:

- individual entrepreneurs, as a rule, form the sphere of small business (the number of employees is up to 50 people);
- partnerships can correspond to both the sphere of small and medium-sized businesses (the number of employees is from 50 to 500 people);
- corporations are identified with large-scale entrepreneurship (the number of employees is more than 500 people).

An important type of youth entrepreneurship forms a subjective attribute. Within the framework of this feature, the following types of youth entrepreneurship should be designated:
enterprises — organizations performing one or more functions for the production and distribution of goods and services in the country's economy;

— firms — organizations owning and managing the activities of two or more enterprises;

— farms — enterprises in the system of the agrarian complex.

It should be noted that the basic postulate of the formation and development of youth entrepreneurship is the creation of small businesses.

On an objective basis, youth entrepreneurship can be implemented both in the classical and in the innovative format, which provides for:

— manifestation of leadership qualities and generation of new ideas;

— production and release of innovative goods and services;

— improvement of existing goods and services on the market;

— application of innovative business models in the practice of entrepreneurial activity;

— a systemic focus on innovative management and marketing;

— the use of innovative technologies in production.

Studying and analyzing the main scientific approaches to understanding the essence and economic role of youth entrepreneurship, we can conclude that youth entrepreneurship is an integral element of traditional entrepreneurial activity and forms a kind of reserve and potential for production opportunities, economic growth, innovation and competitiveness of the country's economy. Youth entrepreneurship is implemented through variable forms, types and is focused both on meeting social needs and on solving problems of youth employment. The dynamic progressive development of youth entrepreneurship contributes to the achievement of a progressive level of natural unemployment and full employment of young people and the population in the labor market.

As for the study of the situation in the Republic of Kazakhstan, the economic characteristics of the population aged 15–34 in the Republic of Kazakhstan are presented in accordance with Table 1.

Table 1. Economic characteristics of the population aged 15–34 years in the Republic of Kazakhstan

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor force, person</td>
<td>3,993,400</td>
<td>3,975,100</td>
<td>4,022,900</td>
<td>3,955,700</td>
</tr>
<tr>
<td>The share of the labor force in the total labor force, %</td>
<td>44,38</td>
<td>44,03</td>
<td>44,02</td>
<td>42,9</td>
</tr>
<tr>
<td>Employed population, people</td>
<td>3,780,300</td>
<td>3,768,500</td>
<td>3,807,200</td>
<td>3,753,300</td>
</tr>
<tr>
<td>Employees, people</td>
<td>2,896,000</td>
<td>2,909,000</td>
<td>2,974,000</td>
<td>2,900,000</td>
</tr>
<tr>
<td>Self-employed, person</td>
<td>884,300</td>
<td>859,400</td>
<td>833,400</td>
<td>853,700</td>
</tr>
<tr>
<td>Nominal unemployment rate, %</td>
<td>5,34</td>
<td>5,2</td>
<td>5,36</td>
<td>5,12</td>
</tr>
<tr>
<td>Real unemployment rate, %</td>
<td>32,53</td>
<td>32,16</td>
<td>30,89</td>
<td>31,29</td>
</tr>
</tbody>
</table>

Note: compiled by the authors on the basis of statistical compilations "Demographic Yearbook of Kazakhstan", "Employment in Kazakhstan"

The unemployment rate can be reduced by developing youth entrepreneurship. Among the problems that hinder the development of youth entrepreneurship are:

— personal or motivational difficulties of young people (Larchenko A.V., 2015);

— lack of professional and specific knowledge in the field of entrepreneurship, theoretical support and experience (Laricheva A.A., 2014; Petrishche V.I., 2015);

— the lack of a clear legislative definition of the concept of “youth entrepreneurship” and, as a consequence, the impossibility of identifying its subjects for the purposes of accounting and analysis, which prevents an objective assessment of the effectiveness of the legislative and executive measures taken (A.O. Zhidikova, M.S. Rakitina 2014; V.I. Ignatov, 2015).

As part of the study, a survey was conducted among student youth of the Pavlodar region. The survey involved 600 schoolchildren, undergraduate and graduate students, of whom 450 were girls and 150 were boys.

The conducted research has shown that more than 54 % of the respondents are interested in organizing their own business. At the same time, 30 students already have a business, 202 students plan to do business during their studies, 95 — after studies; the rest believe that they will not engage in entrepreneurial activity (Figure 5).
Thus, on the part of young people, the level of those interested in organizing their own business is quite high. 60 % of students starting from the 3rd–4th year already earn extra money. At the same time, the study showed that students mostly do not work in their specialty (J.M. Zhartai, 2019). One of the main reasons for the current situation in the youth labor market is the imbalance in the professional training of young specialists and the existing demand for labor in the labor market. Currently the situation with the staff in many industries, services and education has acquired a systemic and problematic nature. Long-term workers leave their jobs due to their age, and the necessary influx of young people is not observed.

Mechanisms for promoting youth employment in the Republic of Kazakhstan can be divided into two broad areas:

– general mechanisms for the formation of youth employment;
– mechanisms focused on youth participation in business entrepreneurship.

In order to reduce youth unemployment in infrastructure terms, from a theoretical point of view, a special role is assigned to “employment centers”. The employment center is a specialized place in which mediation is carried out between entrepreneurs and unemployed or hired workers looking for a new job. Typically, the employment center owns a database of job vacancies from different companies and a database of job seekers.

State employment centers, in addition to help in finding a job, carry out a general study of the demand and supply of labor, provide information on the required professions, provide vocational guidance, retraining young people, register the unemployed and pay benefits at the expense of the state budget.

The leading element of the general mechanisms for the formation of youth employment in the Republic of Kazakhstan, in accordance with Figure 6, is the training of professional personnel (training of young people in colleges and universities under the programs of professional, higher and postgraduate education).

In the Republic of Kazakhstan, when training youth in the framework of vocational education, the following tasks are solved at a systematic level:

– development and implementation of state general educational standards for vocational education, their updating taking into account the situation on the labor market and structural changes in the economy;
– creating conditions for increasing the availability of vocational education;
– support for the non-state sector of vocational education;
– organization and development of social partnership in the vocational education system;
Figure 6. Modern mechanisms to promote youth employment in the Republic of Kazakhstan

Note: compiled by the authors

Along with the general mechanisms for ensuring employment and employment of youth, in the Republic of Kazakhstan the formation of mechanisms focused on the participation of youth in business entrepreneurship is considered as a strategic direction. These mechanisms provide for:
- organization of activities and functioning of regional business incubators;
- functioning of republican youth associations, associations aimed at the development of youth entrepreneurship;
- formation of the infrastructure of consulting and financial support for youth entrepreneurship;
- development of the activities of entrepreneurial universities.

Conclusions
Summarizing the above, it should be noted that motivational reasons, starting conditions for young people, state support are not sufficient conditions for starting a business. Young people often lack basic knowledge to run their own business. The development of youth entrepreneurship will be facilitated by the process of integrating the interests of educational institutions, entrepreneurs, the population (the public) and public authorities, which will achieve a synergistic effect.

To solve the problems of youth entrepreneurship the state should involve civil society institutions, public and non-profit organizations, and entrepreneurs themselves. At the same time, it is important to understand that young people should be a direct participant in the solution of regional problems and should not be exclusively in the role of an object of education, training and socialization. These measures, in our opinion, will contribute to the development of youth entrepreneurship, creating comfortable conditions for it; the state, in turn, can initiate the mass attraction of young people to entrepreneurial activity.

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Д.Н. Айтжанова, М.М. Бегентаев, С.К. Кунязова, А.А. Титков

Казахстан Республикасындағы жастар көсіпкерлігі: түсінігі, маселелері және олардың шешілу жолдары

Аннотация

Цель: Включение в предпринимательскую деятельность молодого поколения является для них одним из решений проблем трудовой занятости, особенно обострившейся в период пандемии COVID–19. Учитывая важность развития молодежного предпринимательства для процессов инновационной трансформации экономики, а также актуальность управления процессом социальной адаптации молодежи, вовлечения ее в созидательную деятельность и предоставления возможностей для максимальной личностной самореализации, можно утверждать, что механизм поддержки и развития молодежного предпринимательства является центральным элементом решения проблем социально-экономического развития Республики Казахстан. Цель данного исследования заключается в анализе причин возникновения молодежной безработицы с целью определения вариативных форм и видов молодежного предпринимательства, ориентированных на решение проблем занятости молодежи.

Методы: Собраны теоретические и практические данные о причинно-следственных факторах функционирования молодежного предпринимательства были проанализированы с использованием методов системного анализа, структурирования информации, построения гипотез и опроса.

Результаты: На основе научных подходов к пониманию структурных элементов молодежи была систематизирована понятийная сущность молодежи, определен объективный подход к понятию “молодежное предпринимательство”, которое рассмотрено в соответствии с его целевым ориентирем, направленным на осуществление предпринимательской деятельности. Более того выявлены причинно-следственные факторы развития молодежного предпринимательства, разработана классификация молодежного предпринимательства по основным видам. Посредством проведения опроса изучена ситуация на рынке труда относительно проблем развития молодежного предпринимательства и предложены пути решения проблемы молодежной безработицы.

Выводы: Чёткая систематизация научных подходов к понятию молодежного предпринимательства, выявление причин безработицы среди молодежи, проблем развития молодежного предпринимательства позволят обеспечить поступательное развитие молодежного предпринимательства для достижения полной занятости молодежи и населения на рынке труда.
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