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## MICROCREDIT AS A FACTOR OF AGRICULTURE DEVELOPMENT IN THE REPUBLIC OF KAZAKHSTAN

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Micro lending, founded by Muhammad Yunus, founder of Grameen Bank of Bangladesh and winner of the 2006 Nobel peace prize, has been promoted by development agencies as a route to self improvement for very poor families considered too risk by traditional banks. [1]

One of primary purposes of micro lending is expansion of access to financial services of socially vulnerable layers of population and development of enterprise initiative, including in rural locality. Development of micro lending in rural area assists development of rural enterprise, which in turn results in the increase of profits of population in regions, to the decline of unemployment rate.

The folded situation in socio-economic development of country characterized by certain disproportion of standard of living between separate territories: by large and small cities, settlements and rural settlements. The market of micro lending on a village differs in a variety, and his basic segments it is today been: [2]

- Household of population (personal subsidiary household);
- Peasant (farmer) households.

54% of population of country live in rural locality of republic to date, and in 2015 17,7% of population of village had profits below than size of living wage.

About 27% of rural population are involved in the field of agroindustrial complex. Thus, about 20% of population of republic are in the zone of the so-called socially vulnerable layers of population.

From data of Committee of statistics of Ministry of national economy of Republic of Kazakhstan, economically active population of Kazakhstan in 2015 year made about 8961,8 thousand persons, from them rural population 3925,3 thousand persons. From a number an economically active population in rural area the quantity of employed rural population made 3733,1 thousand, quantity of unemployed rural population is 192250 persons. Thus almost 1507,2 million or 38% of quantity of employed rural population persons is the so-called independently concerned contingent, mainly, in the personal subsidiary households. [3]

In addition, there is a question of availability of financial means for rural entrepreneurs that can provide the workplaces of villagers. In Kazakhstan on the beginning of 2015 year it is registered 192 632 from which is 157 766 operate. In average, about 4-5 persons work in one households on permanent basis. In the presence of sufficient volumes of financing, there is a possibility to increase of

quantity employed on permanent basis to 7-8 persons, and taking into account a seasonal factor to 15-20 persons.

Most operating peasant (farmer) households of republic are located in two regions: in South-Kazakhstan region, where about 36% of all peasant households and Almaty region are concentrated, on that there are 26,5% from an incurrence on a republic. Active application of levers of micro lending for development of peasant (farmer) household is actual.

Generally, commercial banks perceive crediting of rural households and small farmer educations as low earning measure the second level, taking into account the high degree of risk, small size of one credit and high level of the charges related to advancement of every loan. [4] For the decision of providing of availability of financial services for a rural population and forming of financial infrastructure on a village, from 2006 Conception of development of network of micro lending organizations realizes for crediting of agricultural commodity producers, ratified by the decision of Government of Republic of Kazakhstan from April, 28, 2006.

On a background of the declining of activity of second tier banks, reductions of number of branches of STB in rural regions, and also insignificant volumes of crediting outside JSC “Fund of Financial Support for Agriculture”. JSC “Fund of Financial Support for Agriculture” is one of basic financial service providers in rural locality. Basic activity of Fund is micro lending of rural population and agricultural producers, crediting of micro lending organizations. The results of activity of JSC “Fund of Financial Support for Agriculture” of 2015 shown in the table 1.

Table 1- The results of activity of JSC “Fund of Financial Support for Agriculture”

Main factors	2013 year	2014 year	2015 year
Loan portfolio (mln. tg.)	38 118	57 133	69 204
Quantity of active borrowers (people)	19 395	24 537	28 941
Withdrawal (quantity)	11 594	13 428	8 354
Release (mln. tg.)	29 678	38 590	27 335
Employed (people)	9 570	14 216	13 505

In addition, the program of micro lending of rural population, which is realizing through the filial branches of propulsion JSC “Fund of Financial Support for Agriculture” is worked out by the Ministry of agriculture of RK. During of the realization of program of micro lending JSC “Fund of Financial Support for Agriculture” approximately 48000 micro lends was given out on a lump sum an about 10 billion tenge. These volumes allowed to provide a scope 4,2% of target

groups : households with the average level of profits and profits below than living level, here the level of overdue loans does not exceed 3,1% from the general credit brief-case of “Fund of Financial Support for Agriculture”. For the greater scope of target groups, taking into account a current economic situation and probability of reverse migration (city-village) it is necessary to continue practice of socially oriented.

One of primary purposes of grant of micro lending is creation of favorable terms for carrying on business to the rural population of Republic of Kazakhstan. Expansions of access to micro lending comes true by means of the next programs:

-Micro finance organization crediting of micro lending organizations for the further micro lending of rural population and agricultural producers. (for 2015 13 loans are given out to the amount of 1,9 billion tenge, including within the framework of the "Travelling map of business 2020" financed by Micro Finance Organization in Akmola region to the amount of 300,0 million tenge.);

-«Employment» - micro lending of participants of the Travelling map of employment - 2020 (for 2015 5 223 loans is give out by the Fund to the amount of 11,9 billion tenge, 11 505 persons are provided with employment);

-«Monocities» – micro lending within the framework of Program of development of monocities of republic (in 2015 the attracted facilities of 2014 year were mastered. Only in 2014-2015 514 loans are given out to the amount of 1,4 milliards of tenge. On the given out facilities 730 persons are provided with employment.);

- «Murabakha» - micro lending of rural population in accordance with principles of the Islam financing (in 2015 265 loans are given out to the amount of 1 040,0 million tenge, on the given out facilities 347 persons are provided with employment);

Micro lends of JSC “Fund of Financial Support for Agriculture” undoubtedly, influenced on the improvement of standard of living of villagers. Thus, in obedience to statistical data stake of rural households, having a profit below than living wage, went down as compared to 2014.

Traditionally, micro lending is sent to rendering support and stimulation of enterprise. For providing of availability of micro lends a rural borrower must create Micro Finance Organizations in every region, coming from the amount of potential borrowers, and taking into account the location of rural settlements, possibilities of credit officers on maintenance of borrowers and accordingly self-repayment of Micro Finance Organization.

Thus, creation of the system of micro lending, which will provide access of rural borrowers to the necessary credit resources, will help in the decision of social problems by creation of additional workplaces, decline of level of poverty and increase of profits on a village.

## References

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