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## **FEATURES OF DOING BUSINESS IN A CRISIS**

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The development of the small business sector and maintaining a high level of competition are a key step towards ensuring sustainable and predictable development of the national economy. Small business contributes to the structural development and restructuring of the economy, an increase in production volumes, the introduction of innovative solutions in the production of goods and services, the mass creation of new jobs in demanded areas and the prompt satisfaction of the population's demand in those sectors, niches and geographic locations where big business would be inefficient [1] (Shchetinin, 2001).

A unique characteristic and advantage of small and medium enterprises (SMEs) is their mobility and high speed of response to changing market conditions. However, these features of the small and medium-sized businesses can also be a weakness of companies during periods of economic crisis, which entails a sharp drop in consumer demand.

The purpose of research work is to analyze the measures of state support for small businesses in the crisis conditions of the pandemic, compare the support provided with the needs of entrepreneurs in various areas of activity, and also substantiate the possibility of using the existing international experience in supporting small businesses in crisis situations. The relevance of the topic is due to the sharply increased pressure on small businesses in Kazakhstan due to the implementation of policies to curb the spread of the new disease COVID-19, as a result of which the threat of bankruptcy and exit from the market for a significant share of small enterprises has increased.

Based on materials from open sources on the measures being introduced to support small businesses in the context of a pandemic in Kazakhstan, as well as scientific sources on the needs of entrepreneurs in state support and publications describing the experience of supporting entrepreneurship in crisis situations abroad, a comparison was made of the government measures being introduced with the needs of small businesses, the available results of the support measures being introduced with forecasts for the development of the impact of the pandemic on the economic conditions for doing small business in Kazakhstan.

The scientific novelty of the article lies in comparing the support provided to small businesses not only with the specific circumstances of the economic situation

in the face of reduced demand and limited economic activity in the context of a pandemic, but with the existing needs of small businesses, which have become aggravated in a crisis situation. A description of the existing international experience in supporting small businesses in times of crisis allows us to identify the most effective measures and forms of such support.

#### Small business support

The main difficulties in the development of small businesses in the Kazakhstan market at the moment can be called the instability of the legal environment governing the work of SMEs, the low availability of borrowed funds, the bureaucratic complexity of procedures for obtaining support, hard-to-reach tools for scaling and bringing businesses to the international market, insufficient competitiveness and innovative potential of companies in sphere of high technologies [2]. Most of them boil down to the root problem of Kazakhstan small and medium-sized businesses - the instability and unreliability of funding sources.

Speaking about the main sources of financing for SMEs in descending order of popularity among domestic entrepreneurs, the following picture is formed:

1. Self-financing.
2. Investment resources.
3. Borrowed financial resources

The popularity of self-financing and a certain avoidance of credit institutions by domestic entrepreneurs when looking for funds to start or develop a business are determined by the continuing problems with the availability of credit for small enterprises in Kazakhstan economy. The high interest rates on risky start-up loans are the most significant reason for the popularity of self-financing. Concessional lending programs for small businesses operating at the regional and municipal levels, designed to expand the availability of credit for start-up entrepreneurs, for the most part have a number of restrictions that significantly narrow the pool of entrepreneurs who have access to benefits [3]

The second most popular investment resources include a range of debt instruments used by private and institutional investors. Funding received by companies through these investment resources can be in the form of subsidies, subventions, tax credits and third party investments [4].

Borrowed financial resources are primarily traditional bank and commercial loans. All activity in the market of borrowed financial resources for small businesses in Kazakhstan is mainly carried out at the level of short- and medium-term products, while access to project and long-term investments is extremely limited.

Financial support for SMEs is one of the most relevant areas of government support programs aimed at small and medium-sized businesses, primarily due to a number of unresolved business problems with access to financial resources.

#### References

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