



Publisher

<http://jssidoi.org/esc/home>



---

DEVELOPMENT OF THE YOUTH ENTREPRENEURSHIP: EXAMPLE OF KAZAKHSTAN\*

Zhanibek Zhartay <sup>1</sup>, Zhibek Khussainova <sup>2</sup>, Baurzhan Yessengeldin <sup>3</sup>

<sup>1,2,3</sup> Academician Ye.A. Buketov Karaganda State University, Karaganda, Kazakhstan

E-mails:<sup>1</sup> [zhartayzh@gmail.com](mailto:zhartayzh@gmail.com); <sup>2</sup> [zhibekh11@mail.ru](mailto:zhibekh11@mail.ru); <sup>3</sup> [yessen\\_baur@inbox.ru](mailto:yessen_baur@inbox.ru)

Received 15 November 2019; accepted 8 August 2020; published 30 September 2020

**Abstract.** The article deals with the socio-economic analysis of youth entrepreneurship in Kazakhstan. Youth entrepreneurship is defined as a tool to ensure the growth of employment, the involvement of young people in economic activities, their socialization and self-realization. The development of this direction allows to use the creative potential of the younger generation in the interests of innovative development of the country. The author presents the results of socio-economic analysis conducted in the framework of the topic among young entrepreneurs and students of the Republic of Kazakhstan. Published a complex description of the socio-economic subjectivity of youth in Kazakhstan, a systematic analysis of youth entrepreneurship, its quantitative and qualitative parameters, development effectiveness and its impact on the main macroeconomic indicators that characterize the growth of the economy and its innovative flexibility. Received the dynamics of the development of the economically active population of the Republic of Kazakhstan aged 15-28 years according to the indicators presented in the article. Also, the level of youth unemployment and its relationship with the youth category NEET - Not in Education, Employment or Training. The implementation of the common efforts of the state, business, civil society institutions will contribute to the development of youth entrepreneurship is substantiated. The conclusion that only the implementation of common efforts of the state, business, civil society institutions (NGOs) will contribute to the development of youth entrepreneurship is substantiated.

**Keywords:** youth; entrepreneurship; business activity of youth; startups; young unemployment; young employment; Spearman Coefficient.

**Reference** to this paper should be made as follows: Zhartay, Zh., Khussainova, Zh., Yessengeldin, B. 2020. Development of the youth entrepreneurship: example of Kazakhstan. *Entrepreneurship and Sustainability Issues*, 8(1), 1190-1208. [http://doi.org/10.9770/jesi.2020.8.1\(80\)](http://doi.org/10.9770/jesi.2020.8.1(80))

**JEL Classifications:** I 25, O43

---

\* The article was prepared based on the results of an intermediate stage of research " Development of a foresight model for the development and activation of youth entrepreneurship in the mechanism of industrial and innovative growth of the Republic of Kazakhstan ", carried out under grant funding of the Ministry of Education and Science of the Republic of Kazakhstan Grant Agreement Number AP05132543

## **1. Introduction**

Intensive development of youth entrepreneurship, especially its innovative type, is a key determinant of the modernization of the national economy and investment and innovation multiplication of its growth. Youth entrepreneurship (due to the socio-psychological characteristics of young people as the most active, creative, reflective part of society) is more flexible and susceptible to changes in the external environment, which contributes to the implementation of the innovative potential of the economy, commercialization of innovations and the introduction of innovative technologies.

Besides, broad involvement of youth in business activity is one of effective tools of a solution of the problem of unemployment and ensuring full employment of a manpower that is especially important in the conditions of the crisis and post-crisis periods of development of national economy and regions. The business activity of young people, on the one hand, promotes strengthening of financial position of young people, and on the other hand – provides their professional and personal realization.

Allocation of youth business as a special segment of business is caused by his specific signs, special characteristics of strong and weaknesses. Strengths of youth business: high innovative activity, innovation of thinking; high mobility, flexibility of approaches, speed of reaction on development of the new markets; high level of opportunities of systematic updating of the entrepreneurial knowledge and skills according to the changing requirements of production and market; potential ability of young people to maintain the increased labor and nervous tension accompanying business activity, especially at her starting stage; predisposition of youth to risk.

Weaknesses of youth business: insignificant social experience; lack of business reputation; weak practical skills of application of economic laws and mechanisms; problem of formation of the starting capital.

The perspective of youth business is one of relevant tasks of the modern economic theory and practice as in her both economic, and social calls of the modern world are accumulated.

The purpose of this stage of research is to systematize methodological approaches to the study of youth entrepreneurship with the specification of its institutional support in the domestic economy.

## **2. Research background**

Actualization of youth entrepreneurship in modern conditions grows out of the specificity of analytical tools. This specificity is based on the spread of methodological pluralism on the subject-object characteristic of the phenomenon under study. This approach seems to be the most objective, since most economic processes are now developing under the influence of a huge number of endogenous and exogenous factors. Moreover, endogenous factors are also ambiguous in their conceptual design (Europe 2020: A strategy for smart, sustainable and inclusive growth. European Commission. Brussels, 2010). Therefore, the assessment from the perspective of methodological pluralism will allow to allocate modern dominants more carefully, to integrate them into the mechanism of post-industrial development, to determine the boundaries of the lacunae of uncertainty, to differentiate risks. And in the context of youth entrepreneurship, the conceptual framework is diversified and acquires additional specification on the main two determinants: subject and object.

First, the subjective determinants of youth entrepreneurship – youth – impossible without her social evaluation. Thus, the essential sociological characteristics of "youth", highlighting his dominant subject, and alumnae place. At the same time, from this social nature of youth grows its economic constitution, the motives and opportunities of labor and business participation in national reproduction, the limits of business implementation and a unique

place in the micro- and macroeconomic structure. So, from the subjective side, "youth entrepreneurship" like no other socio-economic phenomenon is subject to interdisciplinary dualism (simultaneous analysis from both sociological principles and from the perspective of modern economic theory) (Youth on the move. Luxembourg, Publications Office of the European Union, 2010).

Secondly, the object determinant of youth entrepreneurship – entrepreneurship – in this key is also in a special methodological corridor of its implementation. After all, modern entrepreneurship is a heterogeneous system based on different concepts. Fragmentary and discrete conceptualization of theoretical and methodological foundations of entrepreneurship is the cause of inefficiency of state support measures and the emergence of institutional "trap", when the adopted legal norms and regulatory instruments do not correspond to economic realities and objective laws of entrepreneurship (Bridging the gap: New opportunities for 16 – 18 year olds not in education, employment or training, 1999).

The proposed classification of business concepts, taking into account the methodological features of economic schools, allows us to divide the existing concepts into two groups:

1) Functional concept that considers the entrepreneurship from the point of view of its functions:

– the classical concept of entrepreneurship as bearing the burden of risk and uncertainty (R. Cantillon (Cantillon, 2004), A. Smith (Smith, 2007), J.H. Thunen (Thunen, 2008), F.H. Knight (Knight, 2003));

– neoclassical concept of entrepreneurship as a combination of factors of production (J.B. Say (Say, 2016), A. Marshall (Marshall, 2018), J.B. Clark (Clark, 2017));

– innovative (modernization) concept of entrepreneurship (I.A. Schumpeter (Schumpeter, 2007));

– neoliberal multifunctional concepts of entrepreneurship as an engine of effective functioning of the market economy (L. Mises (Mises, 2015), T. U. Schultz (Schultz, 2004), I. Kirzner (Kirzner, 2017), F. Hayek (Hayek, 2001), M. Friedman (Friedman, 2016)).

2) Interdisciplinary concepts at the intersection of applied and managerial economics with legal, sociological, philosophical and psychological sciences:

– the concept of entrepreneurship of the German historical school and Keynesianism as a set of certain psychological qualities of the individual entrepreneur (J.M. Keynes (Keynes, 2016), V. Zombart (Zombart, 1994), M. Weber (Weber, 1990));

– institutional and post-institutional concepts of entrepreneurship as a multidisciplinary phenomenon (R. Cowes (Cowes, 2018), G. Pinchot (Pinchot, 1985), P. Drucker (Drucker, 2007), R. Hisrich (Hisrich, 2018), M. Peters (Peters, 2018), M. Coulter (Coulter, 2017), S. Robbins (Robbins, 2017)).

In scientific literature, the phenomenon of youth as a social object is given great attention. Moreover, this interest is differentiated in the following areas. Thus, the importance of youth as a separate but integral social strata is analyzed in the works of E. Durkheim (Durkheim, 1995), T. Parsons (Parsons, 1998), P. A. Sorokin (Sorokin, 2016). The ideology of socio-cultural status is considered in the works of R. Merton (Merton, 2017), E. Fromm (Fromm, 2018); models of intergenerational interaction are formulated in the works of A. Schutz (Schutz, 2017), P. L. Berger (Berger, 1995), T. Luckmann (Luckmann, 1995), understanding the value and ideological differentiation of the youth environment is analyzed in the works of K. Mannheim (Mannheim, 2017), M. Mead (Mead, 1988). Factors affective youth entrepreneurship are analysed by e.g. an-Cristian Dabija, Brandusa Mariana Bejan, Vasile Dinu (2019), Voda, Martinez, Tiganas, Maha, Filipeanu, (2019), Gavurova, Kubak, Huculova, Popadakova, Bilan, (2019).

In post-socialist countries, youth entrepreneurship is at the initial stages of institutionalization, and therefore requires the ordering of the categorical apparatus, organizational design and legislative consolidation. Existing studies of the nature of youth entrepreneurship show that the conceptualization of this phenomenon is fragmented in the presence of different definitions and treatment of this phenomenon. The Researchers (F. Chigunta (Chigunta, 2002), W. Schoof (Schoof, 2017), E. K. Oseifuah (Oseifuah, 2017), S. Riahi (Riahi, 2018), S. G.

Petrosyan (Petrosyan, 2016), D. Y. Vostrukhina (Vostrukhina, 2018), N. N. Masuk (Masuk, 2019), R. I. Malikov (Malikov, 2018), A. G. Komarov (Komarov, 2018), S. Yu. Bogdanova (Bogdanova, 2018), E.E. Kaurova (Kaurova, 2015), E. Yu. Kochemasov (Kochemasov, 2016) A. I. Dalibozhko (Dalibozhko, 2017) identify different criteria for the definition of the term, based on different cultural, social and economic factors and traditions.

Thus, youth is defined as a socio-demographic group of society, allocated on the basis of age characteristics and the characteristics of the social status of young people, their place and functions in the social structure of society, as well as their specific interests and values (Youth neither in employment nor education and training (NEET), European Commission, 2011). The uniqueness of youth entrepreneurship as a special segment of the business sector is due to the specific age and personal characteristics of young people, their social status and behavioral models as well as high mobility, activity and adaptability of this social group.

The relevance of this stage of the research is due to the fact that, despite the relevance of youth entrepreneurship in world practice, its development in Kazakhstan is quite specific and differs from its analogues in the world. The distinctive characteristics of youth entrepreneurship in our country are the following points: the borders of youth entrepreneurship themselves are not relief; more important in the development of youth entrepreneurship is not business self-realization, but the task of reducing unemployment; youth entrepreneurship is not structured in the system of small and medium-sized businesses; there is no systematic policy for the targeted development of business activity of young people, there are no separate programs to support youth entrepreneurship; adaptation factors and strategies for activating youth entrepreneurship are not detailed.

### **3. Data, analysis and results**

The main result of recent years was that the population in the Republic of Kazakhstan is steadily increasing. The reason for the increase in the population is a powerful migration flow, a significantly high natural growth, socio-economic effect of demographic reforms in the Republic of Kazakhstan and favorable living conditions (Andarova, Khussainova, Bektleyeva, Zhanybayeva, Zhartay, 2016; Caurkubule, Kenzhin, Bekniyazova, Bayandina, Dyussembekova, 2020).

Socio-economic reforms in the Republic of Kazakhstan led to the transformation of the former economic structure. There are changes in the sphere of labor and employment.

Effective youth employment policy is directly related to the policy in the economic field aimed at creating qualitatively new jobs, the development of youth entrepreneurship and self-employment of young citizens, education policy, the implementation of labor rights of young people, the implementation of active programs in the labor market.

Young people are a dynamic and mobile part of Kazakhstan's society. It is this category of workforce that has increased mobility, potential abilities for rapid learning, non-standard thinking and creativity.

Also, young people are one of the vulnerable groups of the population, which is associated with a low level of competitiveness in the labor market.

The development of effective strategies to overcome youth unemployment is the focus not only of the state, but also of international organizations.

One effective strategy is to support youth entrepreneurship, which serves to realize the potential of young people, the opportunity to justify the education they receive, as well as the beneficial multiplier effect on the economy as a whole.

From the above number of young economically active population aged 15-28 years, we can distinguish the category as self-employed young people who are engaged (can be engaged) in entrepreneurial activity.

Thus, statistics show that among the self-employed and entrepreneurs, the majority are young people. And this category today is not sufficiently covered by the social guarantees provided by the state.

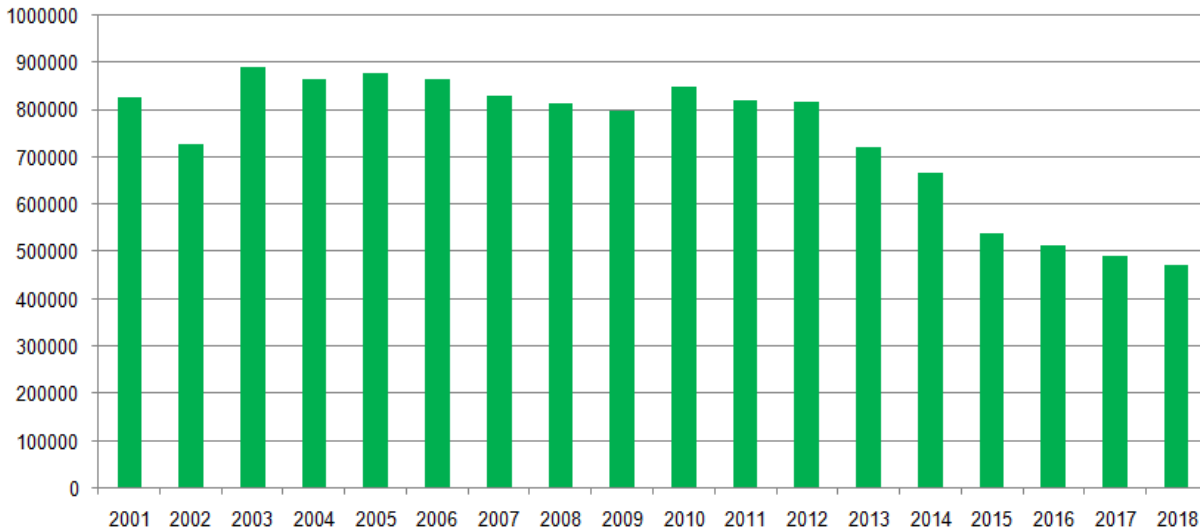
In 2018, the number of self-employed young people in the Republic of Kazakhstan (15-28 years) amounted to 471 300 people, i.e. 23.5% of the employed population of the Republic of Kazakhstan aged 15-28 years (Table 1).

**Table 1.** Number of self-employed young people of the Republic of Kazakhstan aged 15-28 years for 2011-2018

Year	Employed population of the Republic of Kazakhstan aged 15-28 years (1)	self-employed young people of the Republic of Kazakhstan aged 15-28 years (2)	Share (2) of (1), %
2001	1 656 600	828 200	50,0
2002	1 563 200	730 000	46,7
2003	1 872 800	891 000	47,6
2004	1 960 900	864 300	44,1
2005	1 995 200	879 600	44,1
2006	2 038 400	866 800	42,5
2007	2 082 000	830 700	39,9
2008	2 127 000	814 500	38,3
2009	2 107 000	799 400	37,9
2010	2 180 400	851 100	39,0
2011	2 222 100	821 900	37,0
2012	2 298 900	818 700	35,6
2013	2 259 600	722 100	32,0
2014	2 341 100	667 300	28,5
2015	2 275 300	540 500	23,8
2016	2 182 700	513 000	23,5
2017	2 057 300	492 500	23,9
2018	2 007 900	471 300	23,5

*Source:* compiled by authors

In comparison with 2001, the number of self-employed young people of the Republic of Kazakhstan at the age of 15-28 years has decreased by 2 times (2001 - 828 200 people, 2018 - 471 300 people) (figure 1).

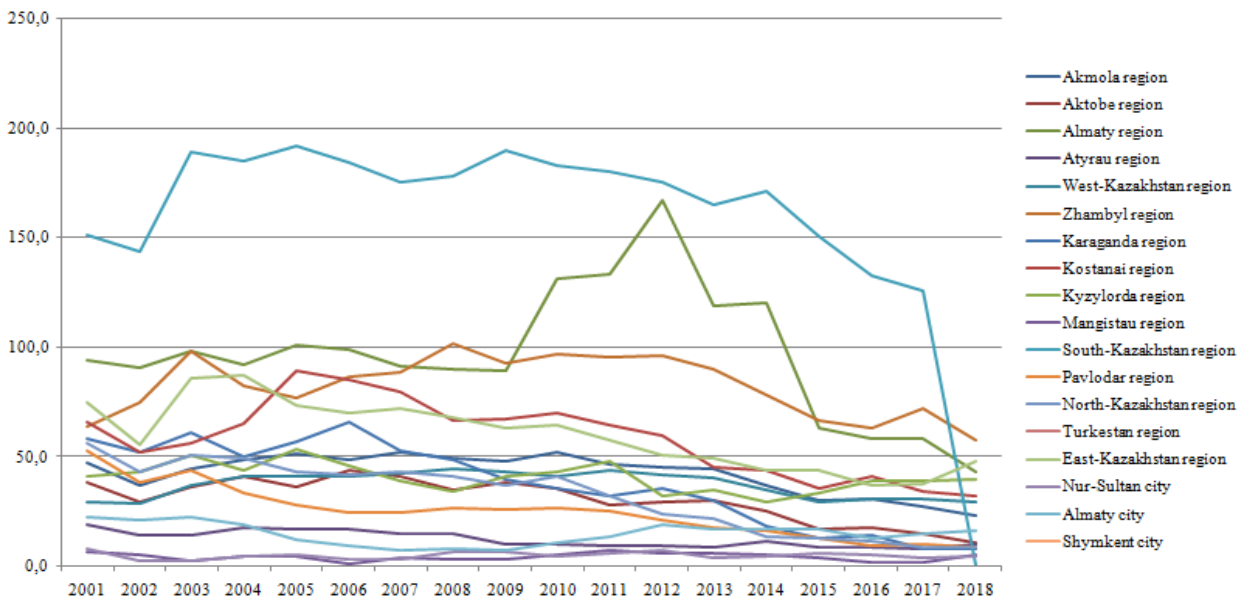


**Figure 1.** Number of self-employed young people of the Republic of Kazakhstan aged 15-28 years for 2001-2018  
 Source: compiled by authors

The share of self-employed young people in 2018 of the total economically active population of the Republic of Kazakhstan aged 15-28 years (9 151 600 people) is 5.15% (471 300 people).

Taking into account the regional analysis of self-employed young people of the Republic of Kazakhstan, we can conclude the following:

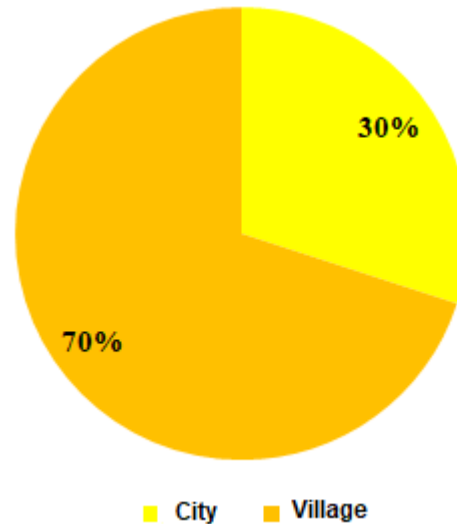
- 17 regions, the leading ones in the number of self-employed young people aged 15-28 years are Turkestan (106 600 people), Zhambyl (57 400 people) and East Kazakhstan (48 100 people) regions;
- the minimum number of self-employed young people aged 15-28 years was in the city of Nur-Sultan city (4,200 people), Mangystau (4 800 people), Karaganda (7 600 people), Pavlodar (8 400) and North Kazakhstan (8 400) regions (figure 2).



**Figure 2.** Number of self-employed young people of the Republic of Kazakhstan aged 15-28 years for 2001-2018 by region  
 Source: compiled by authors

Every nineteenth young man in the Republic of Kazakhstan is engaged in his own business.

Statistical data of figure 3 show that 70% of self-employed young people of the Republic of Kazakhstan at the age of 15-28 years do business in villages, the remaining 30% of young people are employed in cities (Kaliev, Kaidarova, 2018).



**Figure 3.** Number of self-employed young people of the Republic of Kazakhstan aged 15-28 years for 2011-2018 by type of area  
*Source:* compiled by authors

According to the International classification of employment status (ICSE-1993), employees are divided into employees (paid) and self-employed.

Employees are those employees who work under a contract of employment (written or oral), providing for payment in the form of remuneration (salary).

There are the following groups of self-employed:

- employers;
- self-employed;
- unpaid family workers;
- cooperative member.

Employers include persons engaged in business activities in any economic activity and employing one or more employees on a permanent basis.

Self-employed persons are persons who carry out an economic activity and do not employ employees on a permanent basis (Seidakhmetov, Seidakhmetova, 2016).

Unpaid family workers are employees of family firms who receive their remuneration not in the form of wages, but on the basis of intra-family distribution of profits.

The members of the cooperative are persons who are members of a labor cooperative engaged in entrepreneurial activity (Shapoval, 2016).

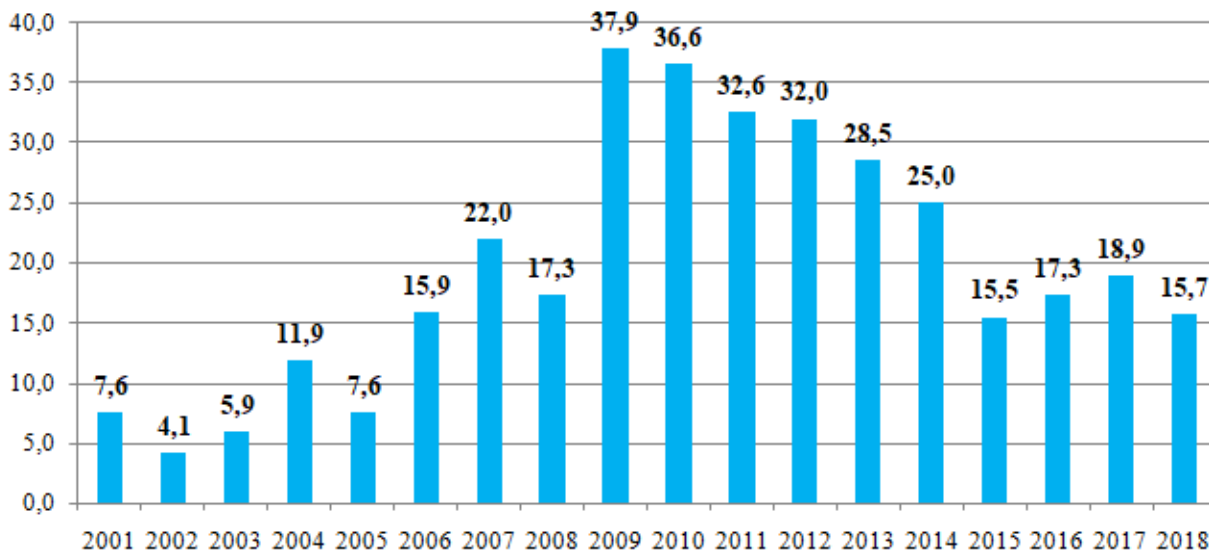
Among self-employed young people in the Republic of Kazakhstan at the age of 15-28 years, in 2018, we can distinguish such categories as self-employed (90%), employers (5%), helping (unpaid) workers in family businesses (3%) and the members of the cooperative (2%).

90% of self-employed young people are self-employed, i.e. 453,000 people engaged in any kind of economic activity, out of the total number of young people in the Republic of Kazakhstan.

15,700 people (2 007 900 young people in Kazakhstan) engaged in the force was played out in entrepreneurial activities, representing 0.8% of the total employed population of the Republic of Kazakhstan at the age of 15-28 years (figure 4).

2,000 young people are members of the cooperative, benefiting from entrepreneurial activities (0.1% of the total number of young people in the Republic of Kazakhstan).

600 people are subject to the category of helping (unpaid) employees of family businesses, which does not imply direct profit from doing business.



**Figure 4.** Dynamics of the number of young employers aged 15-28 years in the period 2001-2018

*Source:* compiled by authors

It should be noted that the number of young people in the 15-28 years of age increased 5-fold in the period from 2001 to 2009. From 2009 to the present day there is a methodical (smooth) decrease in the number of young entrepreneurs, which is associated with the beginning of the world economic (financial) crisis of 2010.

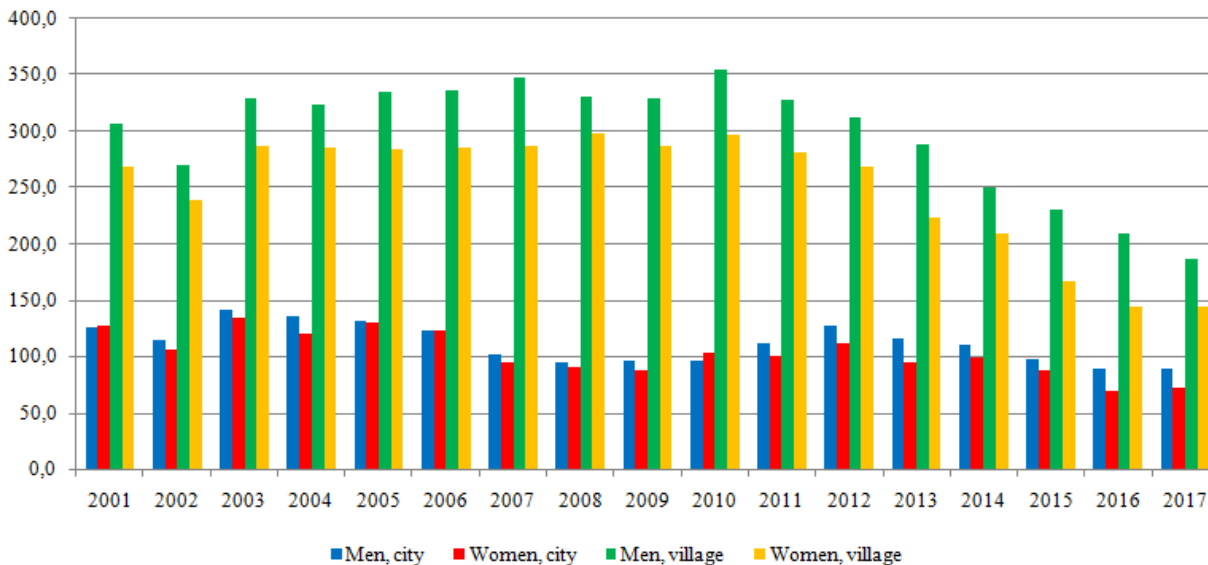
258 100 people or 55% of self-employed youth in 2018 - men, of whom 245 500 young people - self-employed, 10 500 people - employers, 1 900 men helping (unpaid) workers in family businesses and 200 people - members of the cooperative (figure 5).





**Figure 5.** Number of self-employed young people aged 15-28 in the period 2001-2018  
*Source:* compiled by authors

213 200 people or 45% of young people in the labor market of the country in 2018 are representatives of the female half of society, of which 207 400 young people are registered as independent workers, 5 200 people are employers, 300 women members of the cooperative and 200 people are helping (unpaid) workers of family enterprises.



**Figure 6.** Number of self-employed young people aged 15-28 in the period 2001-2018, by gender and type of locality  
*Source:* compiled by authors

Among the self-employed young people aged 15-28 years in 2018, 153,900 people live in the cities, of which 146 500 people are independent workers, 6,800 people are employers and 500 people are helping (unpaid) workers of family enterprises.

153 900 people of the urban population employed in their own business, 75 700 people - men, 78 300 young people were female.

Among self-employed young people aged 15-28 years in 2018 in the villages live 317 300 people, including 306 400 people - self-employed, 8 900 people - employers and 1,500 people are helping (unpaid) workers in family businesses.

317 300 people of the rural population employed in their own business, 182 400 people - men, 134 900 young people were female (figure 6).

Based on the statistical data of the Committee on statistics of the Ministry of national economy of the Republic of Kazakhstan, we will assess the impact of external effects of youth entrepreneurship on the growth and modernization of the economy (Zhartay, Khussainova, Abauova, Amanzholova, 2016).

Spearman rank correlation coefficient was used to identify the correlation. Spearman's rank correlation coefficient is a nonparametric method used to statistically study the relationship between phenomena. In this case, the actual degree of parallelism between the two quantitative series of the studied features is determined and the closeness of the established relationship is estimated using a quantitatively expressed coefficient.

When using the rank correlation coefficient, the closeness of the relationship between the signs is conventionally estimated, considering the values of the coefficient equal to 0.3 and less - indicators of weak closeness of the relationship; values more than 0.4, but less than 0.7 - indicators of moderate closeness of the relationship, and values 0.7 and more - indicators of high closeness of the relationship.

The time lag from 2001 to 2018 was determined, when calculating the coefficient. Significant correlations were revealed between the number of young people (youth) of the Republic of Kazakhstan aged 15-28 years and the gross domestic product (GDP) of the country, employment growth, growth of tax revenues to the state budget, innovative flexibility of the economy and the speed of its adaptation to the development of innovative products and new technologies and the cost of information and communication technologies.

The statistical analysis revealed significant correlations between the number of registered young people aged 15-28 who are business entities and indicators of employment growth, growth of tax revenues to the state budget and the cost of information and communication technologies.

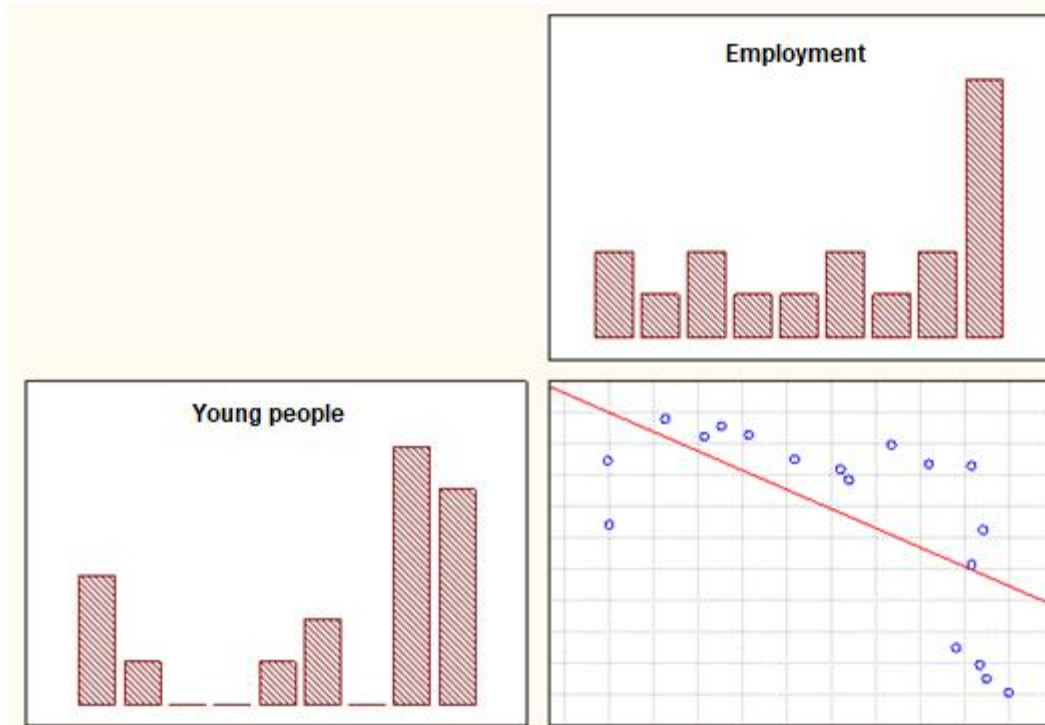
A detailed analysis showed that there is an inverse statistically significant correlation between the number of registered young people aged 15-28 years who are business entities and employment growth indicators ( $S = -0.756$  at  $p < .05000$ ) (Table 2).

**Table 2.** Correlation between the number of registered young people aged 15-28 and employment growth rates

Indicator	Period	Spearman Coefficient	t(N-2)	p-degree.
The number of young people & employment growth	2001-2018	-0,756450	-4,62624	0,000280

*Source:* compiled by authors

This correlation reflects the following pattern in the specified time lag: the increase in the number of young people engaged in entrepreneurial activity leads to a decrease in the official growth of employment (figure 7).



**Figure 7.** Correlation between the number of registered young people aged 15-28 and employment growth rates  
*Source:* compiled by authors

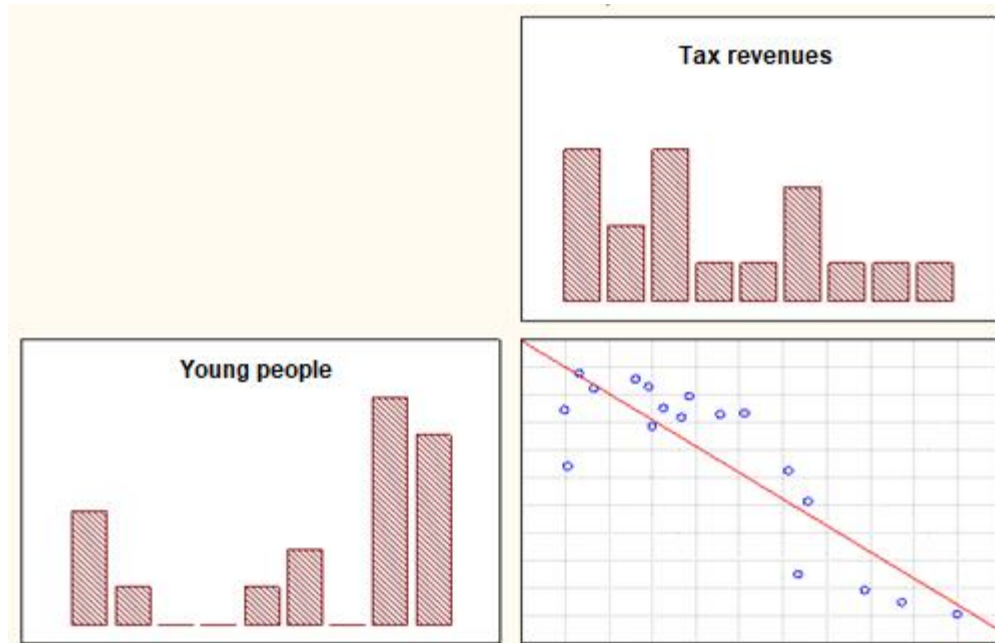
The reason for this correlation may be informal employment of young people, temporary (seasonal) employment of young people, ignorance of labor legislation, sale of "ideas" at the stage of origin of large business entities. The analysis showed the presence of the inverse statistically significant correlation between the number of registered young people aged 15-28 years, who are subjects of entrepreneurial activity and indicators of growth of tax revenues ( $S = -0.766$  at  $p < ,05000$ ) (table 3).

**Table 3.** Correlation between the number of registered young people aged 15-28 years and the growth of tax revenues

	Period	Spearman Coefficient	t(N-2)	p-degree.
The number of young people & growth of tax revenues	2001-2018	-0,766770	-4,77796	0,000205

*Source:* compiled by authors

According to the data of Table 1, the revealed correlation reflects the following pattern in the specified time lag: the increase in the number of young people engaged in entrepreneurial activity leads to a decrease in the growth of tax revenues (figure 8).



**Figure 8.** Correlation between the number of registered young people aged 15-28 years and the growth of tax revenues  
 Source: compiled by authors

This correlation confirms the above-mentioned pattern of decline in official employment, that is, as a consequence of informal, temporary (seasonal) employment of young people, ignorance of labor legislation, the sale of "ideas" at the stage of origin of large business entities, is subsequently expressed by a decrease in tax revenues to the state and local budgets.

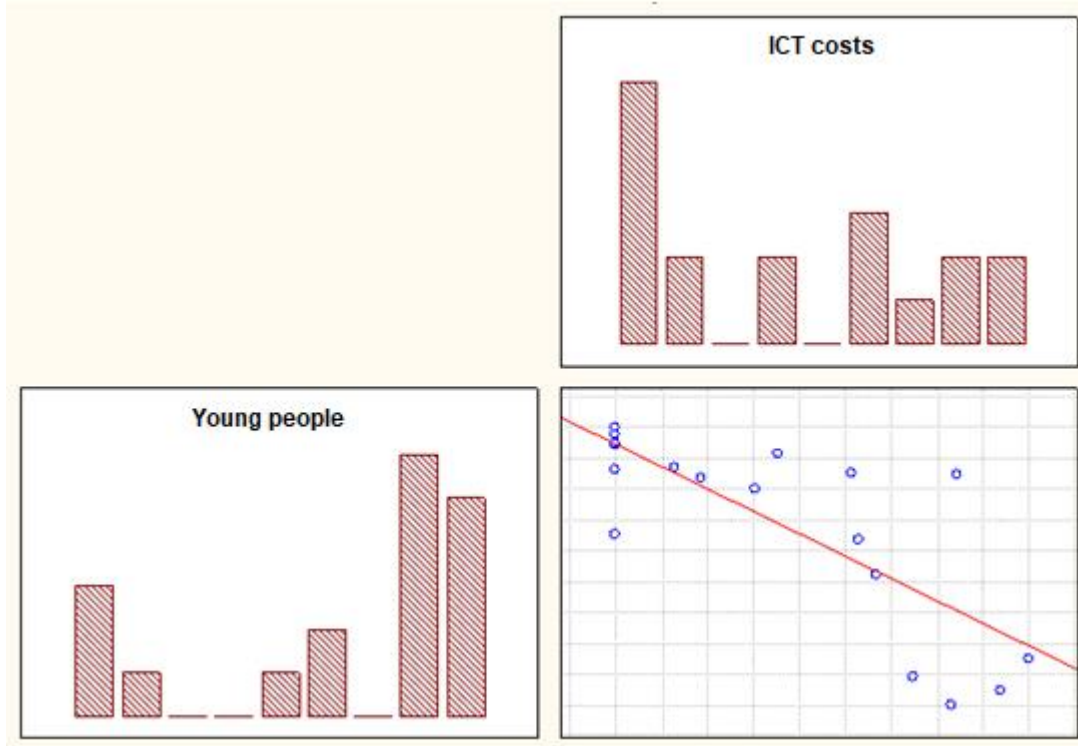
The analysis revealed the existence of an inverse statistically significant correlation between the number of registered young people aged 15-28 years, who are business entities and indicators of growth in the cost of information and communication technologies ( $S = -0.779$  at  $p < .05000$ ) (table 4).

**Table 4.** Correlation between the number of registered young people aged 15-28 and the growth of information and communication technology costs

Indicator	Period	Spearman Coefficient	t(N-2)	p-degree.
The number of young people & growth of information and communication technology costs	2001-2018	-0,779953	-4,98502	0,000135

Source: compiled by authors

The revealed correlation shows that the increase in the number of young people in Kazakhstan at the age of 15-28 years does not lead to an increase in the cost of ICT, but rather a marked decrease in this indicator (figure 9).



**Figure 9.** Correlation between the number of registered young people aged 15-28 years and growth rates of information and communication technology costs  
 Source: compiled by authors

The reasons for this decrease is the lack of connection between the costs of ICT allocated by the state and the monitoring of the market and the need of young people associated with projects and startups in the IT sphere.

The analysis revealed a moderate correlation between the number of registered young people aged 15-28 years who are business entities and indicators of employment growth, growth of tax revenues to the state budget and the cost of information and communication technologies.

A detailed analysis showed the existence of an inverse statistically significant correlation between the number of registered young people aged 15-28 years who are subjects of entrepreneurial activity and indicators of innovative flexibility of the economy and the speed of its adaptation to the development of innovative products and new technologies ( $S = -0.654$  at  $p < .05000$ ) (table 5).

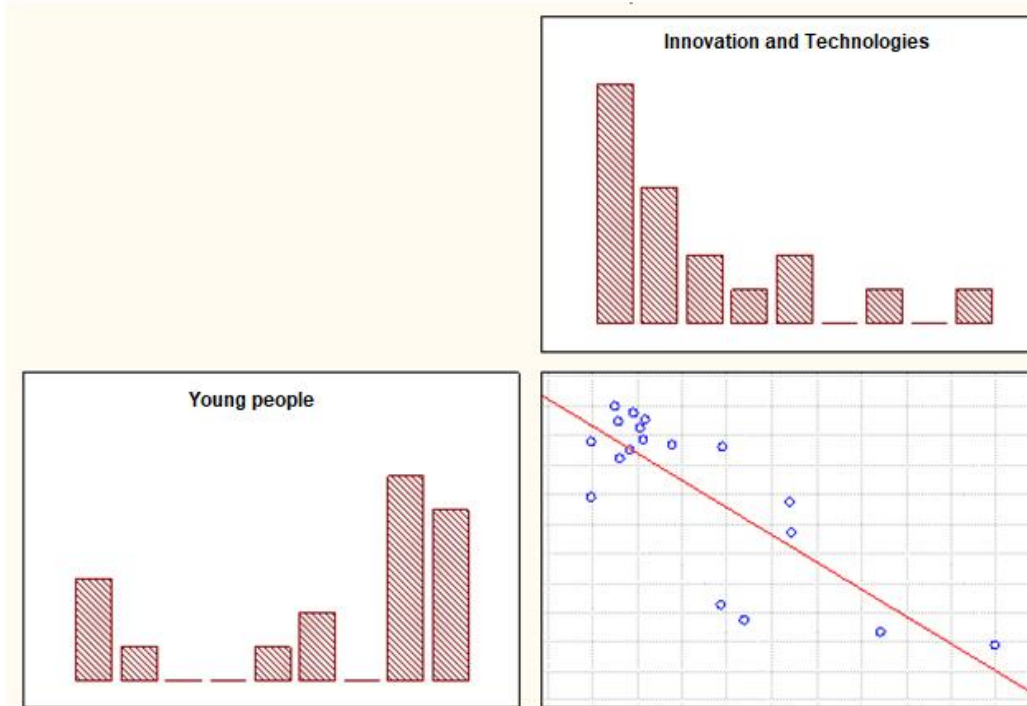
**Table 5.** Correlation between the number of registered young people aged 15-28 years and indicators of innovation flexibility of the economy

Indicator	Period	Spearman Coefficient	t(N-2)	p-degree.
The number of young people & innovation flexibility of the economy	2001-2018	-0,654621	-3,46380	0,003199

Source: compiled by authors

The revealed correlation reveals a negative trend between the above indicators, that is, the growth of youth in Kazakhstan does not lead to an increase in innovation and new technologies in the economy. This is a

consequence of the lack of awareness among young people of the innovation policies pursued by public authorities, which also results in youth activities focusing on traditional forms of business rather than on innovative ones, and rather on the small number of state and non-state institutions helping to generate innovative ideas among young people (figure 10).



**Figure 10.** Correlation between the number of registered young people aged 15-28 years and indicators of innovative flexibility of the economy and the speed of its adaptation to the development of innovative products and new technologies

Source: compiled by authors

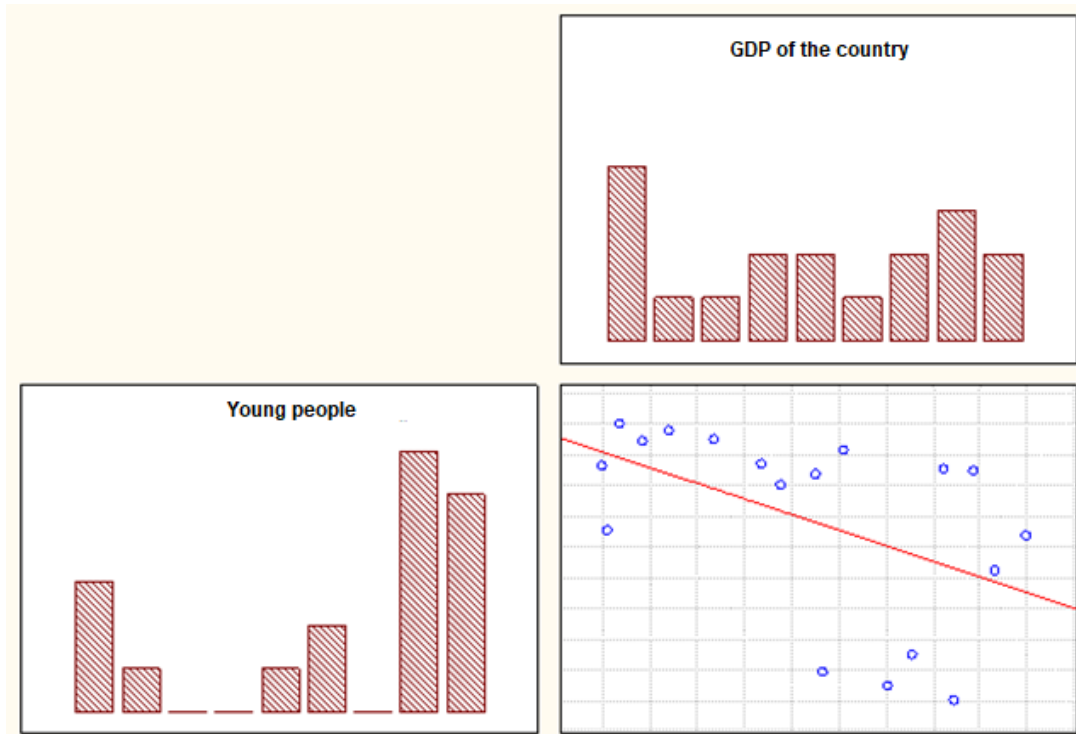
The correlation between the indicators of the number of registered young people aged 15-28 years who are business entities and the gross domestic product (GDP) of the country is not significant, that is, these two indicators are not interrelated ( $S = -0.589$  at  $p < ,05000$ ) (table 6).

**Table 6.** Correlation between the number of registered young people aged 15-28 and the gross domestic product (GDP) of the country

Indicator	Period	Spearman Coefficient	t(N-2)	p-degree.
The number of young people & GDP of the country	2001-2018	-0,589267	-2,91739	0,010071

Source: compiled by authors

According to table 1, the correlation is moderate but statistically insignificant, since t empirical below t is critical ( $t(N-2) = -2,917 > t_{-2,120}$ ) (figure 11).



**Figure 11.** Correlation between the number of registered young people aged 15-28 and the country's gross domestic product (GDP)  
*Source:* compiled by authors

Thus, there is a significant pronounced inverse correlation between the number of registered young people aged 15-28 years who are subjects of entrepreneurial activity and indicators of employment growth, growth of tax revenues to the state budget and the cost of information and communication technologies. A significant moderate inverse correlation with the indicator of innovative flexibility of the economy and the speed of its adaptation to the development of innovative products and new technologies and a moderate but insignificant correlation with the gross domestic product (GDP) of the country are revealed.

#### 4. Conclusion

The research of regional aspects of the development of youth entrepreneurship in Kazakhstan allowed us to draw the following conclusions:

1. During the analyzed period, the highest concentration of registered youth business entities was recorded in Astana (with a slight decrease in the share from 15.9% in 2016 to 13.9% in 2017 and to 14.1% in 2018), Almaty (with a constant increase in the share from 13.1% in 2016 to 17.1% in 2017 and to 17.3% in 2018). The minimum number of registered youth business entities among the regions of Kazakhstan was recorded in the North Kazakhstan region with an annual drop in its share in the total number of youth business entities from 2.3% in 2016. up to 1.9% in 2017 and 1.7% in 2018.

2. The largest share (from 90%) of active (active) young entrepreneurs in the total number of registered youth business entities is typical for the Mangistau region (in 2016 – 96.7%, in 2017 – 93.6%, in 2018 – 94.8%), Atyrau region (in 2016 – 96.0%, in 2018 – 90%) and in 2018 – for the Turkestan region (92.7%).

Among the registered subjects of youth entrepreneurship, 79-86% of men and 78-88% of women were active (active) young entrepreneurs during the analyzed period.

The research of youth entrepreneurship in the context of locality (city/village) allowed us to draw the following conclusions:

1. During the analyzed period, the highest concentration of registered youth entrepreneurs was recorded in urban areas – on average 80-82% (with a slight annual decrease in this share from 81.6% in 2016, to 81.0% in 2017, to 80.3% in 2018).

2. The largest share of active young entrepreneurs in the total number of registered youth business entities is typical for rural areas: in 2016 – 91.7% (against 85.8% of urban areas), in 2017 – 81.8% (against 78.2% of urban areas), in 2018 – 87.3% (against 83% of urban areas).

The correlation between the number of youth business entities (employers) and individual macroeconomic indicators shows the following:

1) there is a high statistically significant correlation between the number of youth business entities (employers) and indicators of unemployment reduction ( $S = -0.756$  at  $p < 0.05000$ ), reduction of the state budget deficit ( $S = -0.766$  at  $p < 0.05000$ ), and expenditures on information and communication technologies ( $S = -0.779$  at  $p < 0.05000$ );

2) there is a moderate statistically significant correlation between the number of youth business entities (employers) and indicators of innovative flexibility of the economy and the speed of its adaptation to the development of innovative products and new technologies ( $S = -0.654$  at  $p < 0.05000$ ). The revealed correlation reveals a negative trend between the above indicators, that is, an increase in the number of young entrepreneurs does not lead to an increase in innovation and new technologies in the economy. This is due to the lack of awareness among young people about the state innovation policy and tools to support innovation activity, which means that the entrepreneurial activity of young people is focused on traditional industries and forms of business, rather than on innovative ones.

3) the correlation between the number of youth entrepreneurs (employers) and the economic growth (GDP growth) of the country is not significant, that is, these two indicators are not interrelated ( $S = -0.589$  at  $p < 0.05000$ ). The correlation is moderate, but statistically insignificant, since  $t$  is empirical and  $t$  is critical ( $t(N-2) = -2.917 > t-2.120$ ).

Thus, as a result of the research conducted in this section, a comprehensive characteristic of the socio-economic subjectivity of youth in Kazakhstan was given and a systematic analysis of youth entrepreneurship, its quantitative and qualitative parameters, development effectiveness and its impact on the main macroeconomic indicators that characterize the growth of the economy and its innovative flexibility was carried out. However, a systemic problem in analyzing the parameters of youth entrepreneurship is the lack of a unified register of youth business entities and comprehensive statistical accounting of their performance indicators.

The revealed subject and object determinants of youth entrepreneurship, its endogenous and exogenous factors, as well as multiplicative and accelerative effects, supplemented by effective support tools, form an optimal model of modern youth entrepreneurship in the mechanism of industrial and innovative growth of the economy.

## References

Andarova, R., Khussainova, Z., Bektleyeva, D., Zhanybayeva, Z., Zhartay, Z. 2016. Eurasian economic union: Potential, limiting factors, perspectives. *International Journal of Economic Perspectives*, 3 (10), 13-23.

Berger, P. 1996. *Invitation to sociology: a Humanistic perspective*. M.: Aspect-Press, 168 p.

Berger, P., Luckmann, T. 1995. *Social construction of reality. Treatise on the sociology of knowledge*. M.: Medium, 323 p.

Blaug, M., Thunen, J. 2008. *100 great economists before Keynes*. SPb.: Economicus, 352 p.

Report by the Social Exclusion Unit. 1999. *Bridging the gap: New opportunities for 16 – 18 year olds not in education, employment or training*. Retrieved from <http://dera.ioe.ac.Uk/15119/2/bridging-the-gap.pdf>



- Cantillon, R. 2004. Essay on the nature of trade in General. World economic thought. Through the prism of centuries. Moscow: Thought, 260 p.
- Caurkubule, Zh. L., Kenzhin, Zh. B. Bekniyazova, D.S., Bayandina, G.D., Dyussebekova, G. S. 2020. Assessment of competitiveness of regions of the Republic of Kazakhstan. Insights into Regional Development, 2(1), 469-479. [http://doi.org/10.9770/IRD.2020.2.1\(6\)](http://doi.org/10.9770/IRD.2020.2.1(6))
- Chigunta, F. 2002. Youth Entrepreneurship: Meeting the Key Policy Challenges. Oxford University: Oxford Univ. Press, 320 p.
- Clark, J. 2017. Distribution of wealth. Moscow: Helios ARV, 367 p.
- Coulter, M., Robbins, S. 2017. Management. M.: Williams, 888 p.
- Cowes, P. 2018. Firm, market and law. M.: New publishing house, 224 p.
- Dalibozhko, A. 2017. Concept of youth entrepreneurship and its place in the development of the country's economy. Bulletin of the Belgorod University of cooperation, Economics and law, 3 (14), 307-315.
- Dan-Cristian Dabija, Brandusa Mariana Bejan, Vasile Dinu. 2019. How Sustainability Oriented is Generation Z in Retail? A Literature Review. Transformations In Business & Economics, (18, 2(47)), 140-155.
- Drucker, P. 2007. Business and Innovation. M: Williams, 423 p.
- Durkheim, E. 1995. Sociology. Its subject, method, purpose. M.: Canon, 352 p.
- Official report of European Commission. 2010. Europe 2020: A strategy for smart, sustainable and inclusive growth. Brussels, 78p.
- Friedman, M. 2016. Capitalism and freedom. Moscow: New publishing house, 240 p.
- Fromm, E. 2018. Healthy society. The doctrine of Christ. M: ACT, 571 p.
- Gavurova, B., Kubak, M., Huculova, E., Popadakova, D., Bilan, S. (2019). Financial Literacy and Rationality of Youth in Slovakia. Transformations in Business & Economics, 18(3(48)), 43-53.
- Hayek, F. 2001. Individualism and economic order. M.: Isograph, 256 p.
- Hisrich, R., Peters, M. 2018. Entrepreneurship, or how to start your own business and achieve success. Entrepreneur and entrepreneurship. M: Progress, 160 p.
- Kaliev, T., Kaidarova, A. 2018. National report "Youth of Kazakhstan – 2018». Astana, 410 p.
- Kaurova, E. 2015. Analysis of international practice of financial support of youth entrepreneurship. Modern problems of science and education, 2 (11), 416-423.
- Keynes, J. 2016. General theory of employment, interest and money. Moscow: Helios ARV, 352 p.
- Kirzner, I. 2017. Competition and entrepreneurship. M.: Unity-Dana, 239 p.
- Knight, F. 2003. Risk, uncertainty and profit. M: Case, 360 p.
- Kochemasov, E. 2016. Study of the basic problems and prospects of youth entrepreneurship development in Russia. Juvenis Scientia, 1 (5), 50-51.
- Malikov, R., Komarov, A., Bogdanova, S. 2018. Modern tendencies of formation of organizational culture of youth entrepreneurship. Problems of modern economy, 3 (51), 172-175.
- Manheim, K. 2017. Favorites: Diagnosis of our time. M.: RAO Talking book, 744 p.

- Marshall, A. 2018. Principles of economic science. M.: KNORUS, 313 p.
- Masuk, N. 2019. The development of entrepreneurial competences of young people through voluntariste on the example of VSUES. *Economy and entrepreneurship*, 4 (12), 932-936.
- Mead, M. 1988. Culture and world of childhood. Moscow: Science, 360 p.
- Merton, R. 2017. Social theory and social structure. Moscow: ACT, 873 p.
- Mises, L. 2015. Human action: a treatise on economic theory. M.: JSC NPO Economics, 670 p.
- Oseifuah, E. 2017. Financial Literacy and Youth Entrepreneurship in South Africa. *African Journal of Economic and Management Studies*, 1 (2), 164–182. <https://doi.org/10.1108/20400701011073473>
- Parsons, T. 1998. System of modern societies. M.: Aspect Press, 270 p.
- Petrosyan, S. 2016. Directions and forms of state support of youth entrepreneurship. *Management Of Economic Systems*, 12 (36), 12-18.
- Pinchot, G. 1985. Why You don't Have to Leave the Corporation to Become an Entrepreneur. New York: Harper & Row, 277 p.
- Riahi, S. 2018. Youth Entrepreneurship. Ottawa's portfolio in talent development. *Technology Innovation and Management Review*, 5 (7), 33-41. <https://timreview.ca/article/394>
- Say, J. 2016. Treatise on political economy. M.: Business, 232 p.
- Shapoval, M. 2016. Features of the youth labor market. *Young scientist*, 28 (98), 598-601.
- Seidakhmetov, A., Seidakhmetova B. 2016. Problems of youth employment in the labor market of Kazakhstan. *Bulletin Of The Treasury. Economic series*, 1(113), 177-182.
- Schoof, U. 2017. Stimulating Youth Entrepreneurship: Barriers and incentives to enterprise start-ups by young people. Geneva: International Labour Office, 105 p.
- Schultz, T. 2004. Economics of poverty. *World economic thought. Through the prism of centuries*. M.: Thought, 358-372 pp.
- Schumpeter, J. 2007. Theory of economic development. Capitalism, socialism and democracy. M.: Expo, 864 p.
- Schutz, A. 2017. Favorites: the world of glowing sense. M.: ROSSPEN, 1056 p.
- Smith, A. 2007. Study on the nature and causes of the wealth of peoples. M Eksmo, 957 p.
- Sorokin, P. 2016. Public textbook of sociology. M.: Science, 560 p.
- Voda, A.I., Martinez, I., Tiganas, C.G., Maha, L.G., Filipeanu, D. (2019). Examining the Effects of Creativity and Willingness to Take Risk on Young Students' Entrepreneurial Intention. *Transformations in Business & Economics*, 18(2A (47A)), 469-488.
- Vostrukhina, D. 2018. Development of the concept of youth entrepreneurship development (on the example of Taganrog). *Modern science-intensive technologies*, 3 (7), 81-82.
- Weber, M. 1990. Protestant ethic and the spirit of capitalism. Selected works: translated from German. M.: Progress, 808 p.
- Publications Office of the European Union. 2010. Youth on the move. Luxembourg. Retrieved from [https://europa.eu/youthonthemove/docs/communication/youth-on-the-move\\_EN.pdf](https://europa.eu/youthonthemove/docs/communication/youth-on-the-move_EN.pdf)
- Presentation of data for the 27 Member States. 2011. Youth neither in employment nor education and training (NEET). European Commission, EMCO Contribution. Retrieved from <https://webmaster.yandex.kz/siteinfo/?site=ec.europa.eu>

Zhartay, Z., Khussainova, Z., Abauova, G., Amanzholova, B. 2016. Prospects of development of Silk Road economic belt and new opportunities of economic growth. Journal of Advanced Research in Law and Economics, 4(5), 1116-1125.

Zombart, V. 1994. Bourgeois: studies on the history of the spiritual development of modern economic man. M.: Science, 443 p.

### **Acknowledgements**

*The article was prepared based on the results of an intermediate stage of research " Development of a foresight model for the development and activation of youth entrepreneurship in the mechanism of industrial and innovative growth of the Republic of Kazakhstan ", carried out under grant funding of the Ministry of Education and Science of the Republic of Kazakhstan Grant Agreement Number AP05132543.*

**Zhanibek ZHARTAY** is Doctorate Student in Economics of Y.A. Buketov Karaganda State University, Karaganda, Kazakhstan. Research interests: youth entrepreneurship, business, startups, national economy

**ORCID ID:** [orcid.org/0000-0002-4676-4140](http://orcid.org/0000-0002-4676-4140)

**Zhibek KHUSSAINOVA** is Dean of Economic Faculty of Y.A. Buketov Karaganda State University, Candidate of Economic Sciences, Professor, Karaganda, Kazakhstan. Research interests: entrepreneurship, business, startups, microeconomic effect, macroeconomic effect

**ORCID ID:** [orcid.org/0000-0002-2617-838X](http://orcid.org/0000-0002-2617-838X)

**Bauyrzhan YESSENGELDIN** is Dean of Economic Faculty of Kazakh University of Economics, Finance and International Trade, Doctor of Economic Sciences, Professor, Nur-Sultan, Kazakhstan. Research interests: finance, corporate finance, budget system, taxes and taxation, finance planning of entrepreneurship

**ORCID ID:** [orcid.org/0000-0002-2617-838X](http://orcid.org/0000-0002-2617-838X)

---

Make your research more visible, join the Twitter account of ENTREPRENEURSHIP AND SUSTAINABILITY ISSUES:  
@Entrepr69728810

---

Copyright © 2020 by author(s) and VsI Entrepreneurship and Sustainability Center  
This work is licensed under the Creative Commons Attribution International License (CC BY).  
<http://creativecommons.org/licenses/by/4.0/>

