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## **THE ROLE OF SMALL AND MEDIUM ENTERPRISES IN THE FORMATION OF A SUSTAINABLE TOURISM INDUSTRY IN AKMOLA REGION**

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**The role of small and medium enterprises in the formation of a sustainable tourism industry in Akmola region**

**Abstract.** The article examines the role of small and medium enterprises in the formation of the tourism industry and the overall growth of economic activity. The quantitative indicators and qualitative criteria used in determining small and medium enterprises, as well as the principles of sustainable destinations defined by the World Economic Forum, are analyzed. The program documents aimed at the development of various sectors of the economy, including tourism, are considered through the prism of the presence in them of measures to support small and medium enterprises, as well as the sustainability principles. The content of the main program documents of the tourism sector is analyzed in terms of the sustainability principles. The article also studies the trends in the development of small and medium enterprises in the Akmola region tourism industry.

**Key words:** tourism, small and medium enterprises, tourism industry, tourism economy, tourism sustainability.

Евлоева Аза Султановна, Утегенова Жүлдүз Сайрановна

**Ақмола облысының тұрақты туристік индустриясын қалыптастырудығы шағын және орта бизнесінің маңызы**

**Аннотация.** Мақалада турристік индустрияны қалыптастырудығы және экономикалық қызметтің жалпы есүндегі шағын және орта бизнес субъектілерінің маңызы қарастырылған. Шағын және орта көсіпкерлікті анықтауда қолданылатын сандық көрсеткіштер мен сапалық критерийлер, сондай-ақ Дүниежүзілік экономикалық форум айқындаған тұрақты дестинациялар қағидаттары зерделенді. Экономиканың түрлі салаларын, оның ішінде туризмді дамытуға бағытталған бағдарламалық құжаттар оларда шағын және орта бизнесі қолдау жөніндегі шаралардың, сондай-ақ тұрақтылық қағидаттарының болуы призмасы арқылы қаралды. Тұрақтылық қағидаттары тұрғысынан турристік саланың негізгі бағдарламалық құжаттарының мазмұны талданды. Сонымен қатар, мақалада Ақмола облысының туризм индустриясындағы шағын және орта көсіпкерліктің даму тенденциялары зерттелген.

**Түйінді сөздер:** туризм, шағын және орта бизнес, турристік индустрия, туризм экономикасы, туризмнің тұрақтылығы.

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**Роль малого и среднего бизнеса в формировании устойчивой туристской индустрии в Акмолинской области**

**Аннотация.** В статье рассмотрена роль субъектов малого и среднего бизнеса в формировании туристской индустрии и общем росте экономической деятельности. Изучены количественные показатели и качественные критерии, применяемые при определении малого и среднего предпринимательства, а также принципы устойчивых дестинаций, определенные Всемирным экономическим форумом. Рассмотрены программные документы, направленные на развитие различных отраслей экономики, в том числе туризма, через призму наличия в них мер по поддержке малого и среднего бизнеса, а также принципов устойчивости. Проанализировано содержание основных программных документов туристской сферы с точки зрения принципов устойчивости. Также в статье изучены тенденции развития малого и среднего предпринимательства в индустрии туризма Акмолинской области.

**Ключевые слова:** туризм, малый и средний бизнес, туристская индустрия, экономика туризма, устойчивость туризма.

**Introduction.** The modern development of the tourism industry is characterized by a number of trends existing both regionally and internationally. One of these trends is the increasing influence of the tourism industry on the economy. Due to its versatility and complexity, tourism enhances the process of job creation, tax collection, and the development of related sectors. The tourism industry system can be considered as a platform that makes it possible to operate in economically depressed regions and developing tourist destinations. The tourism and hospitality industry is often represented by small and medium businesses – enterprises that are the most flexible and open to meet market opportunities.

Small and medium enterprises create many advantages for tourist destinations, providing direct contact with tourists and creating direct revenues to the local budget, thereby stimulating a multiplier effect. Traditionally dominating developed tourist destinations, small and medium tourist enterprises provide tourists with a wide range of services, such as accommodation, meals, transport, sights and activities, and thus make a significant contribution to the range, diversity, authenticity and quality of their positive tourist experience.

Another trend characteristic of the modern tourism industry is the sustainable development of particular tourist territories and entire tourist destinations. Sustainable development is generally considered to be a set of measures aimed at meeting current human needs while preserving the environment and resources, that is, without compromising the ability of future generations to meet their own needs. These measures are permanent for tourism and involve the conscious consumption of tourist resources in the present in order to preserve them for future generations. Sustainable development consists of economic, social and environmental sustainability, and it is possible only with the balanced implementation of the sustainability principles in all three categories – economy, society and the environment. In the international practice, there are many examples of such a balance achieved through the thoughtful development of tourism business, environmental protection, cultural and environmental education of the local population and visiting tourists, the right priorities in the development of tourism in general and reasonable consumption [1].

Akmola region is one of the most developed tourist destinations of the Republic of Kazakhstan. Most of its territory is occupied by specially protected natural territories, therefore, the key goal of tourism development remains a sustainable

tourism industry with a competitive tourism business and a high-quality tourist product. The basis of the tourism business in Akmola region consists of small and medium enterprises, which makes them significant and indicates their direct impact on the overall development of the industry. So what is the connection between thriving tourism enterprises and sustainable tourism territories?

**Methodology and research organization.** The research in this article was conducted according to the methods generally accepted for such studies. The main sources were regulatory and policy documents in the tourism sector – materials of the Tourism Industry Committee of the Culture and Sports Ministry of the Republic of Kazakhstan, the National Company “KazakhTourism”, data from the National Statistics Bureau, as well as materials of the World Tourism Organization regarding the sustainable development of tourism and tourism entrepreneurship.

Methods of description, diagnosis, analysis and synthesis, comparison were used in the course of the study. Descriptive and diagnostic methods were used to establish the state of the object of study, the comparison method made it possible to compare the state of the study object with the given one, methods of analysis and synthesis were used to establish common features that characterize the process under study [2].

**Findings and discussion.** In general, small and medium enterprises are the engine of the national economy, which plays a very important role in the overall economic development of each country. Small and medium enterprises are the main source of technological innovation and new product development [3].

There is no single definition of small and medium enterprises in the scientific literature. From one perspective, small and medium enterprises are considered through the prism of economic indicators, from the other – by analyzing qualitative indicators.

In the field of tourism, views on the definition of small and medium enterprises are also different. On average, small and medium tourism businesses include all enterprises that work in the tourism industry and employ up to 100 employees, and also include individual operators who do not hire any personnel. In addition to quantitative indicators, foreign authors list a wide range of qualitative criteria that can be used to determine the correct scale of tourism enterprises, such as organizational structure, participation in hotel consortia or chains, turnover, distribution of responsibility in decision-making, financial stability, hiring and training practices, decision-making process, entrepreneurial

involvement and control, the level of integration, family participation in the organization management, internationalization of activities, marketing functions and management experience [4].

Kazakhstan's legislation is also based on the above-mentioned criteria – quantitative and qualitative. Thus, in accordance with the Entrepreneurial Code of the Republic of Kazakhstan, micro, small and medium businesses are allocated depending on the number of employees and income [5].

Small and medium enterprises are the key object of a large number of policy documents aimed at the development of various sectors of the economy. In the Republic of Kazakhstan as a whole, and in the Akmola region in particular, the state business support and development program "Business Roadmap 2025", business support programs of the Entrepreneurship Development Fund "Damu" and others are being implemented [6]. The program documents of the tourism industry are no exception. Thus, one of the goals of the Tourism Industry Development Concept of the Republic of Kazakhstan until 2023 is the development of entrepreneurship, including SMEs in related sectors of the economy, and human potential, in the whole country and regions, including rural areas [7].

In the long-term planning of tourism activities in the Republic of Kazakhstan, special emphasis is placed on:

- the development of SMEs engaged in agritourism;
- the formation of methodological manuals, providing advisory assistance to entrepreneurs opening guest houses;
- identification of effective tools for information support;
- promotion of guest houses at the local level.

Also, within the framework of the concept, a number of measures have been defined. These measures are aimed at strengthening of the work with entrepreneurs in the field of restaurant business, as well as related fields of activity to identify levers that contribute to the effective operation of state support tools in the field. The measures to develop gastronomic tourism, including economic incentives for small and medium enterprises have been implemented as well.

In accordance with the program for the development of the tourism industry for the period of 2019-2025, the share of tourism is no more than 5% in the total number of projects on measures of state support for small and medium enterprises (Table 1).

Table 1 – Number of projects on measures of state support for SMEs, projects [8]

Measures	Total	Tourism	Tourism share
Conditional placement of funds in second-tier banks	30 394	1 167	4%
Subsidizing of a remuneration rate	12 083	634	5%
Loan guarantee	3 729	196	5%

A similar situation prevails in terms of the funds amount allocated to support small and medium tourism enterprises (Table 2).

Table 2 – The amount of funds allocated for measures of state support for SMEs, billion tenge [8]

Measures	Total	Tourism	Tourism share
Conditional placement of funds in second-tier banks	1 671	48	3%
Subsidizing of a remuneration rate	1 911	101	5%
Loan guarantee	133	7	5%

Thus, the ratio of the number of projects and the funds allocated for their implementation indicates weak support for the tourism industry from the state, the inconsistency of the proposed measures to support small and medium enterprises with the specifics of tourist enterprises and, as a result, the inefficiency and unattractiveness of such measures.

Nevertheless, the tourism industry of the Republic of Kazakhstan in general, and the Akmola region in particular, is developing rapidly. Having declined under the influence of the pandemic, the main tourist indicators for 2021 increased dramatically. For example, the number of accommodations and the number of visitors served

increased by 4.9% and 52.8%, respectively [9]. It is necessary to note that the accommodation facilities of the Akmola region are mostly represented by small and medium businesses. In accordance with

the Map of tourism in the Akmola region, projects of republican and regional significance are being implemented (Figure 1).

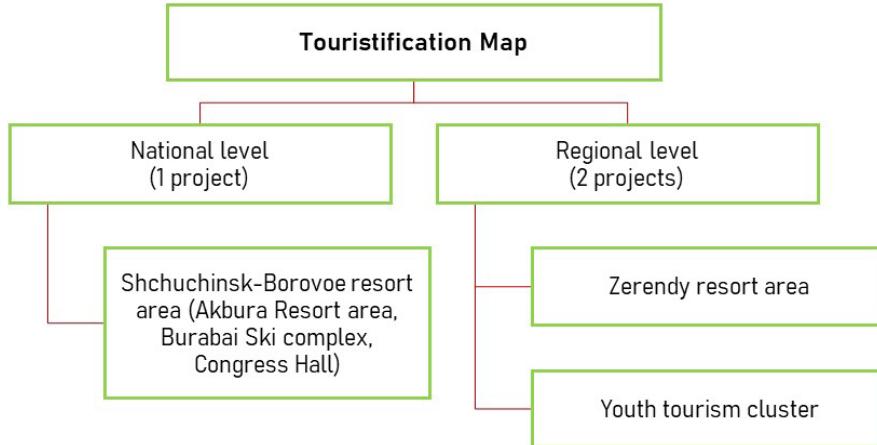


Figure 1 – Projects implemented in the territory of Akmola region [8]

The basis of these projects are also small and medium enterprises that are part of the region tourist cluster. Small and medium enterprises include regional travel agencies, accommodation facilities, recreation areas, entertainment complexes and others.

In 2022, the Global Future Council for Sustainable Tourism of the World Economic Forum, in order to help businesses, governments, tourist destinations, tourists and local communities, developed principles designed to accompany the

design process of tourist destinations and their long-term management practices [10]. The tourism policy of both the Akmola region and Kazakhstan as a whole is reflected in two main documents already mentioned earlier – the Tourism Industry Development Concept until 2023 and the State Program for the Development of the tourism industry for 2019-2025. The content of these documents is considered below through the prism of the principles of sustainable tourist destinations (Figure 2).

	The concept of the tourism industry development until 2023	The state program for the tourism industry development for 2019-2025
Principle 1: Certify and monitor scientifically	●	●
Principle 2: Cultivate the workforce	●	●
Principle 3: Prioritize communities	●	●
Principle 4: Align visitors	●	●
Principle 5: Protect heritage	●	●
Principle 6: Protect nature	●	●
Principle 7: Produce and consume responsibly	●	●
Principle 8: Calibrate infrastructure	●	●
Principle 9: Govern effectively	●	●
Principle 10: Embed resilience	●	●

- The principle meaning is reflected in the document
- The principle meaning is not reflected in the document

Figure 2 – Analysis of the content of the main program documents in terms of the sustainability principles (compiled by the authors)

As shown in the figure above, the sustainability principles are fragmentally reflected in the analyzed documents. However, it is necessary to take into account the fact that the principles were formed in view of the consequences of the pandemic and the resulting new tourist trends, while the Concept and the state program were developed in the pre-pandemic period. However, these documents practically do not consider possible risks and ways to counter them, and there are also no mechanisms to ensure the flexibility of the tourist system as a whole and its individual elements in particular, both nationwide and within specific regions. Such measures, mechanisms, policies and long-term

plans have a critical role for small and medium enterprises that permeate the entire structure of the tourism industry.

**Conclusions.** Summarizing the above, the role of small and medium enterprises in the tourism industry is crucial, which makes it possible to consider them as an important generator of the regional and national economy. In this regard, it is necessary to provide comprehensive and targeted support to small and medium enterprises engaged in tourism activities, which will create conditions for the progressive development of Akmola region tourist territories in the long term perspective.

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