



Organization for Security and Co-operation in Europe
OSCE Center in Almaty

**Welcome speech by Ambassador Anton Rupnik, Head of the OSCE Center
in Almaty**

Dear training participants!

I am very pleased to meet with you today and it is my honor to welcome you at the training “Cooperation of Business and State in Advocacy Strategy” organized by the “Forum of Kazakhstani Businessmen” Association and the OSCE Center in Almaty.

In general, the Organization for Security and Cooperation in Europe is engaged in matters of security in the region. The OSCE approach to security is comprehensive and is based on political, military, human, economic, social and environmental elements. As a rule, any political, social or environmental tension involves economic ill-being, constitutes a real threat to stability, and, moreover, is a potential source of crisis for such an important direction as human rights. In this sense, economic security is of special importance for the OSCE. In addition to political aspects of the public involvement in the decision-making process, participation of citizens in the economical development of the country and formation of private business sector is a prerequisite to economic security. In this regard, issues of favorable tax climate for local small and medium sized enterprises must be first thought over.

Currently, small businesses produce only 1/5 of the Gross National Income of the Republic of Kazakhstan. The slow development of small businesses in Kazakhstan affects the socio-political environment. After all, this economy sector is important because:

- first and foremost, of more jobs it generates;
- second, of the domestic market it creates, at which domestic capital increases; and
- the last, of it being a source of public revenues.

The more people are involved in small business, the more stable and healthy is the economy of the State.

As shown in practice, the main problems that hinder small business progress are administrative and economic obstacles. Such obstacles arise by virtue of decisions made by administrative authorities that fail to rely upon the provisions of laws and regulations. Corruption and arbitrariness of officials exercising unjustified inspections, red-tapery, limitation of access to communal property facilities not in use, high rents for the lease of premises, expensive bank loans, unauthorized assumption of control and supervisory power of state agencies by Republic



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state-owned enterprises, unlawful resolutions by Akims, and other administrative obstacles evidence that businesses in Kazakhstan have to progress and operate in heavy conditions.

In order to solve the problems that small and medium sized enterprises face, it is necessary to coordinate the work of small and medium sized enterprises, state authorities at every level, and local self-government agencies, and also to pursue clear state policy which would support and promote small and medium sized businesses. I believe that the first-priority task for the Government is to create reasonable and transparent rules of play, so that policies pursued by the State including towards small and medium sized businesses be predictable.

What is necessary to implement in order to support small and medium sized businesses? First and foremost, the matter concerns the concept of lawmaking activity in this sphere, and the concept of livening up such activity in regions. Our goal is to render material assistance in the formation and normal progress of small and medium sized business, through which, in the end, the way to the formation of middle class lies, and consecutively to the formation of civil society, which means to democracy.

Small business is a lot of those mature, competent and experienced. We hope that our training seminar will become one more step on the hard way of progress of business activities in Kazakhstan.

I wish you successful, effective and creative work.

Thank you for your attention.