

ABSTRACT

To the dissertation by Leilya Ramilevna Gimranova on the topic “Enhancing Efficiency in the Support System for Manufacturers in Kazakhstan: Assessment and Management Methods” presented for the degree of Doctor of Philosophy (PhD) majoring in 8D04103 “Public and Local Administration.”

Relevance of the Research. Within the framework of the National Development Plan of the Republic of Kazakhstan until 2029, emphasis is placed on activating economic growth drivers through advanced technological foundations, increasing the share of competitive industries in global and regional markets, and advancing sectors based on post-industrial development. To achieve these objectives, there is a need to shift from broad-based business support measures to targeted specific solutions that focus on creating a modern entrepreneurial ecosystem. This shift requires a reduction in state regulation within industries, the establishment of a national scientific and technological base for the digital economy, and the development of modern infrastructure for an innovation system, along with an upgrade across all educational levels.

In response to the tasks set forth in the National Plan, the public sector is expected to ensure increased effectiveness and efficiency in public administration. The main principles of the regulatory model should be based on the concepts of the “New Public Management (NPM)” and “neo-weberianism,” which, to varying extents, are applied in nearly all modern countries. At the core of the new model is the active actor (citizen or business entity), toward whom regulatory measures are directed. Moreover, these measures must be assessed based on their end results, measured in economic or social terms. The public sector is tasked with finding an optimal balance between the strategic objective of facilitating business competitiveness, including the involvement of quasi-state sectors, and the tactical goal of optimizing public resource expenditure.

The current assessment system for assessing the effectiveness of government and local executive bodies proposes general principles, possible methods, and forms of assessment.

However, the specific procedures for monitoring and assessing interim and final outcomes are managed by the respective state and quasi-state organizations, which must consider the unique nature of their tasks and corresponding activities. In the new model of public administration, particular importance is placed on a systemic approach to addressing tactical tasks to achieve strategic goals. In this context, the project-based approach and project management are proposed as primary methodological approaches to implementing support measures, especially in investment support for export-oriented production. This approach requires quasi-state organizations to develop a process implementation algorithm that aligns with management cycle stages. For each stage of this algorithm, it is advisable to develop indicators that best measure the organization’s interim and final outcomes. Certain indicators require justification and separate calculations to ensure the most objective measurement of the quality of specific phenomena.

In this regard, developing proposals to improve the organizational and economic mechanisms of state support for manufacturers in the industrial sector at the macro- and meso-levels, as well as implementing project management at the level of specific quasi-state organizations, is both required in practice and needs methodological support.

The Extent of Previous Investigation of the Dissertation Research. This dissertation examines the challenges of state support for business amidst the intensive structural transformation of the global economy based on innovation and KIBS (Knowledge-Intensive Business Services, digitalization, artificial intelligence). Business support in the context of national competitiveness and its innovation system has been studied in works by I. Miles, M. Savona, F. Bontadini, E. Bolisani, E. Scarso, G. Bhaskar, P. Rajendra, P. Gayathri, M. Buenechea-Elberdin, J. Sáenz, A. Kianto, B.T. Asheim, A. Isaksen, M. Trippl, M. Benner, and L Haukipuro.

The programmatic works of J. Stiglitz, N. Manning, N. Parkinson, T. Christensen, P. Laegreid, D. Osborne, T. Gaebler, G. Frederickson, C. Pollitt, and G. Bouckaert are devoted to reforming the public administration in modern management from the standpoint of efficiency and effectiveness.

The introduction of the project-based approach as a method of managing public sector resources within the framework of WTO-acceptable measures to promote business is associated with the need to improve the efficiency and effectiveness of state authorities. The assessment of changes in the activities of state authorities and quasi-state organizations by the type of corporate governance is presented in the works of L.H. Crawford, J. Helm, O. James, D. Coen, A. Katsaitis, M. Vannoni, Y. Kim, and N. Darnall. In the works of R. Derakhshan, R. Turner, M. Mancini, H. Anouar, H. Brahim, Xin Gao, Z. Saixing, J. Song, and M. Brunet, the factors of efficiency of public administration projects are studied, including for participants in these projects from other sectors of the economy. Many works are devoted to the assessment of changes in the management of state authorities in the context of a new management model, organizational transformations, and the ability to adapt to them in the works of the following researchers: S. Clegg, T. Rodney, D. Roy, T. Rodney, M. Mauro.

A significant array of research on models and methods of public administration in the context of supporting national manufacturers in the modern digital economy has been developed in the post-Soviet space. Notable contributions include works by F.M. Dnishev, F.G. Alzhanova, A. Nurgaliyeva, G. Kenzhetaeva, Z.T. Satpaeva, J.K. Abzhan, G.B. Nurlikhina, I.Ye. Kozhamkulova, Yu.A. Nisnevich, and A.K. Khakhunova.

State policy measures are examined within the framework of management and project management in quasi-state organizations by such authors as A.R. Oynarov, D.Sh. Dushabaev, A.Ye. Kartov, I.V. Miroshnichenko, L.A. Shpiro, and others.

At the same time, the new concept of public administration necessitates that the quasi-state sector seeks rational organizational and legal forms of economic activity, utilizes effective practices in corporate management, and develops algorithms for project management.

The aim of this dissertation is to investigate the system of support for manufacturers in the industrial sector, particularly, within the metalworking and mechanical engineering cluster in Kazakhstan, with the goal of developing recommendations to enhance its effectiveness, taking into account local conditions, global practices, and export-oriented production.

To achieve this aim, the following tasks were identified and addressed:

- The content and practical tools of modern public administration paradigms were identified with a focus on their shared principles;
- Structural elements and tools of the state-supported industrial support system designed to enhance the competitiveness of the national economy were highlighted;
- Principles of managerialism as a methodological foundation for project management in the public sector were systematized within the context of global practices;
- An analysis was conducted on state efforts to assist manufacturers, with an emphasis on the investment process;
- The state investment attraction system was assessed to identify problem areas, and recommendations were developed to improve its effectiveness; and
- A strategic analysis of project effectiveness was conducted, along with the development of methodological recommendations for managing the “International Certification” project within the supplier support service.

The object of this research is business entities within the metalworking and mechanical engineering sector, as well as quasi-state organizations such as National Company ‘Kazakh Invest’ JSC and Kazakhstan Center for Industry and Export ‘QazIndustry’ JSC.

The subject of this research encompasses the theoretical, methodological, and practical aspects of the support system for manufacturers in the industrial sector, primarily within the metalworking and mechanical engineering cluster in Kazakhstan, including issues related to investment and export activities within the scope of National Company ‘Kazakh Invest’ JSC and Kazakhstan Center for Industry and Export ‘QazIndustry’ JSC.

This dissertation examines the theoretical, methodological, and practical foundations of the support system for manufacturers within the industrial sector, with a particular focus on the metalworking and mechanical engineering cluster in Kazakhstan. It addresses investment and export-related aspects within the operational remit of JSC ‘National Company ‘Kazakh Invest’” and JSC ‘Kazakhstan Center for Industry and Export ‘QazIndustry.’”

The theoretical and methodological significance of this research lies in the development of methodological approaches for establishing or refining elements within the organizational and economic mechanisms of the industrial support system, including project management for support initiatives. The research employs systems and institutional analysis, empirical sociological research with results processed in PLS-PM software, as well as economic and statistical analysis.

The empirical base of the research consists of survey data from industrial manufacturers, including studies conducted by independent organizations.

The scientific novelty of the dissertation research results is marked by its assessment of Kazakhstan's support system for industrial manufacturers, particularly within the metalworking and mechanical engineering cluster, in the context of global practices. The research presents proposals for enhancing organizational-economic mechanisms, including project management:

- It delineates the organizational mechanism and structural features of the investment attraction system within Kazakhstan's strategic framework;
- It identifies critical success factors for governmental bodies within Kazakhstan's business support infrastructure;
- It proposes priorities and mechanisms for advancing the industrial support system for manufacturers;
- It develops a series of measures to improve the effectiveness of National Company "Kazakh Invest" JSC, including revisions to its organizational status and the realization of an investment acceleration plan; and
- It identifies parameters and risks within business processes, offering methodological recommendations for managing the "International Certification" project implemented by Kazakhstan Center for Industry and Export "QazIndustry" JSC.

The main scientific provisions for defense include:

- Results from a strategic analysis of Kazakhstan's three-tiered investment attraction system, highlighting its strengths and identifying certain limitations;
- Priorities and mechanisms for improving the support system for manufacturers in the industrial sector, aligning state and quasi-state support for manufacturers with national competitiveness goals;
- A proposed transformation from regulatory oversight to direct management of project investment and investment acceleration, with an expedited implementation of the investment acceleration master plan within the metalworking and mechanical engineering cluster through a change in the organizational status of National Company "Kazakh Invest" JSC to the status of Kazakh Invest Agency of the Republic of Kazakhstan;
- A set of factors of significant influence on the company's performance and the cost of its products after participation in the International Certification project implemented by a national company. The factors were such characteristics as "experience of financial and administrative management," "time spent on participation in the project/program," "indirect (financial) losses from participation in the project," and "availability of training for personnel"; and
- An operational framework for the management cycle by business process stages, alongside a methodology for assessing process flows and final outcomes of the "International Certification" project, which will enable managing the project according to the NPM (New Public Management) methodology, thereby enhancing both project efficiency and effectiveness.

The practical significance of the proposed recommendations lies in the development of the following tools to enhance the manufacturer support system:

- Flow characteristics and business process outcomes of projects implemented by state authorities (including operational process indicators, intermediate, and final results), demonstrated through the case study “International Certification”;
- A methodology for assessing a manufacturer’s potential to determine eligibility for participation in the support project.

Testing and Implementation of Research Results.

The main results of this dissertation have been published in seven scientific papers, including three articles in journals recommended by the Ministry of Education and Science of the Republic of Kazakhstan, one article in a Scopus-indexed journal, and three articles in international scientific periodicals, as well as presentations at international scientific conferences.

Structure and volume of the dissertation. The dissertation work consists of normative references, definitions, designations and abbreviations, introduction, three chapters, conclusion, list of used sources and appendices. The content of the research is outlined in 138 pages, 17 tables and 21 figures. The list of used literature contains 238 sources.

The first chapter of the dissertation examines the theoretical foundations of public administration within the manufacturer support system, including the methodology of public administration in a modern economy, the manufacturer support system in the context of national competitiveness, and the specific features of project management within this support system.

The accumulated variety of public administration models over the centuries represents a significant diversity of forms and mechanisms, based on four primary paradigms, each shaped by various development factors and conditions in different countries. Major global economic leaders have constructed their public administration institutions as a reflection of dominant perceptions about the nature and essence of the state, while also placing practical demands on this institution, primarily, the ability to ensure sustainable and managed development across all societal systems, economic growth, and improved population welfare. Although public administration models have a certain level of versatility, they also exhibit substantial differences and are continually refined or adapted to align with a country’s internal and external development conditions.

While recognizing the uniqueness of each of the three approaches to public administration, it should be concluded that there is an opportunity for integration to solve practical problems. At the same time, each country, based on the historically established institutional framework, adapts and combines empirical methods and management tools depending on specific conditions and feasibility. The combination of different approaches helps to improve the efficiency of management and allows for a more flexible response to changing external and internal conditions while maintaining the stability of state institutions and processes.

Three undisputed provisions remain the uniform principles of state regulation:

- the stability of the state regulation system, which is ensured, among other things, by its adaptability;

- compliance of financial resources with the set regulatory tasks and transparency in the management of these resources; and
- justice from the standpoint of social equilibrium.

The Concept of Public Administration Development in the Republic of Kazakhstan until 2030: Building a Human-Centered Model - “People First” adopted by Kazakhstan in 2021 is a concentrated expression of the synthesis of the neo-weberian paradigm and the new public administration (NPM). The “human-centricity” of the current model assumes a departure from bureaucratic methods of interaction with citizens, economic entities (manufacturers), public associations, and other actors. The ethics and productivity of interactions between state structures and actors come to the fore.

While the emphasis on the servicization of state functions, driven by core principles of effectiveness and efficiency unified with pragmatism, undoubtedly represents the essence of the NPM, the goals outlined in the Concept for proactive governance, alongside an effective and transparent quasi-state sector, direct the manufacturer support system towards prompt problem-solving, transparency in investment decision-making, and accelerated implementation of business projects for promising investors.

Modern public economic regulation aims to build a competitive nation capable of demonstrating stable rates of intensive economic growth on par with leading world economies. Such a nation cultivates effective institutions for human capital development, accurately predicts, mitigates, or compensates for socio-economic risks, thus ensuring a high quality of life for its population.

Systems established by contemporary governments to support national manufacturers are grounded in globally recognized theories of competitiveness, validated through empirical evidence and global trends. These theories provide foundational insights into economic development dynamics and how nations can stimulate the quality of economic growth required.

Economic science has, to date, identified three principal schools regarding national competitiveness, each based on its unique foundational concepts of how to achieve high competitiveness in national economies. There are more than a hundred definitions of “competitiveness” across macro-, meso-, and micro-levels, each highlighting the key factors and processes that impact economic system efficiency. These definitions help clarify the mechanisms that enhance economic quality and resilience.

The manufacturer support system developed by modern states relies on globally recognized theories of competitiveness, identifying the driving forces of economic development in a highly competitive global environment. System actors (state authorities and quasi-state organizations) support manufacturers through financial, organizational, and administrative tools, build infrastructure assets and ensure their accessibility, implement cluster development programs, foster modern technological standards, and integrate manufacturers into global value chains. Integration into global chains, primarily, requires international certification of production and service processes.

The stimulation of investment processes within Kazakhstan necessitates focused and targeted support for investment projects through to their completion. The three-tiered investment attraction system established in Kazakhstan, anchored by the managing structures of Kazakh Invest JSC and the Investment Council (Investment Headquarters), serves as the core structure supporting investment processes. Identifying key issues within investment project support processes and the international certification of Kazakhstan's industrial products and after-sales services will be directly addressed in the analytical portion of our research and the recommendations we propose in the project section of this work.

New Public Management (NPM), as a current paradigm for conceptually substantiating its activities, uses managerialism as the functional basis for strategy and the routine administrative work of a government organization.

A unique aspect of the project management application in Kazakhstan is its use as the primary tool for managing government programs, which does not fully align with global practices. In OECD countries, while fields are indeed formed (for example, the United Kingdom has four fields), they include portfolios of individual specific projects.

Managerialism, as a business management methodology, was introduced into the public sector based on the universal applicability of its principles, focusing on achieving effective management results, a requirement for economic entities across all economic sectors. Efforts to implement managerialism mechanisms, tools, and algorithms aim to increase the effectiveness of state actions and the economic and social efficiency of its activities within organizations, programs, and projects.

Neomanagerialism has expanded the range of theories utilized to adapt applied organizational management to the tasks of public administration, incorporating the principles of public choice theory, agency theory, and transaction cost theory.

The dominant NPM model in developed countries relies on a programmatic and project-based approach to address public sector challenges.

Global experience with project management underscores its utility both in fulfilling the functional duties of government organizations and in tackling unique tasks that require resource and effort concentration on specific priorities, which is typical for programs and projects.

Kazakhstan is adopting global experience and implementing project management at the macro-level in the execution of national projects. For this purpose, a National Project Office was established. National projects refer to national programs focusing on priority areas, including entrepreneurship development.

The second chapter is dedicated to analyzing and assessing the performance of the manufacturer support system. It presents:

- An analysis of the effectiveness of government actions in the support system for domestic businesses in Kazakhstan.
- An assessment of the “International Certification” project managed by Kazakhstan Industry and Export Center (QazIndustry) JSC.

The novelty of this research lies in assessing the effectiveness of actions within the state business support system from the perspective of business entities.

The weaknesses and threats identified in the course of assessing the management of the “International Certification” project necessitate the development and implementation of measures to address weaknesses and mitigate or neutralize threats at various project stages. This will enhance project effectiveness, measured by the proportion of participants who obtain international certificates. Additionally, the results can be adjusted based on the “share of participants who received an international certificate” indicator one year after project completion. A separate assessment can be conducted on the economic impact of participation in the project, measured by the volume of products supplied under contracts requiring international certification.

The third chapter proposes the development and implementation of a Roadmap for integration into the Global Value Chain (GVC) to improve the effectiveness of Kazakhstan’s manufacturer support system.

The Roadmap aims to assist potential participants in the export chain of transnational corporations (TNCs) in technological modernization. It includes measures such as providing loans with state guarantees, accelerating the adoption of international standards, developing new professional standards, and other initiatives. Implementing the Roadmap will enhance the international competitiveness of Kazakh manufacturers.

Organizational tools for developing cluster structures around TNCs, including national clusters, involve memoranda with specific TNC commitments to supply products from local manufacturers and subsidizing the creation of digital platforms by parent companies to enhance the technological level of supplied products and services. This approach promotes and systematically supports export production, including market expansion or the introduction of new (value chain-linked) products to foreign markets through grants and targeted subsidies for businesses with export experience and a niche in foreign market segments.

A proposed change in the status of Kazakh Invest JSC to the status of the Agency would allow investors to address challenges directly with central and local government bodies, leaving systemic issues to the Investment Headquarters. This transformation involves shifting from a regulatory mechanism to direct management of project investment support and investment acceleration processes. We have developed and presented an investment acceleration master plan for the metalworking and machinery cluster in this work.

Strengthening the coordination of regional investment agencies and local administrations through an information platform with analytical capabilities will provide concentrated information and suggest promising investment areas to businesses. Establishing infrastructure sites with connected utilities in the regions— industrial zones and master plans for developing basic industries with classifications for ready-to-implement and niche projects with medium-term demand potential.

Regional development programs will include a commitment for social entrepreneurship corporations (SPCs) to implement at least 5-10 consulting projects for business entities (upon prior agreement) using their own resources or third-party

organizations. Digitalizing all stages of the investment project, from application submission through a single eGov.kz portal to obtaining subsidies, land valuation, and more. Supporting export certification through a project-based approach with a defined final outcome.

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