ABSTRACT

for the dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy (PhD) in the specialty "6D050600 – Economics"

KAZBEKOVA DAMIRA SAMATOVNA

ECONOMIC MECHANISMS FOR STIMULATING ENTREPRENEURIAL ACTIVITIES IN THE MANUFACTURING INDUSTRY

General description of the work. The dissertation is devoted to the development of economic mechanisms for stimulating entrepreneurial activities in the manufacturing industry, using the Akmola region as a case study.

Relevance of the research topic. Over the years of independence, Kazakhstan has achieved significant success in market transformations. The country has established market institutions, mechanisms, and the requisite infrastructure, which have enabled the modernization of the national economy and advancement across various sectors. However, certain socio-economic disparities have also become more pronounced, one of which is the underdeveloped state of the manufacturing industry. Since the onset of active industrial policy, the country has created the basic conditions necessary for the development of the manufacturing sector. The adoption of the Entrepreneurial Code – which consolidated all instruments for supporting entrepreneurs and defined the functions of development institutions – along with the establishment of the Baiterek Holding and the development of specialized support institutions, has enabled a comprehensive approach to the manufacturing industry. Moreover, systematic support for the manufacturing industry continues to be implemented through the development of the required industrial infrastructure in accordance with the Concept for the Development of the Manufacturing Industry of the Republic of Kazakhstan for 2023-2029.

Kazakhstan possesses several advantages in the manufacturing sector. These include substantial volumes of idle production capacity that allow for the launch of new types of products; the availability of low-cost labor with a relatively high level of skills; a well-educated and culturally developed population; and the country's considerable natural and geographical potential.

Despite these favorable preconditions, the manufacturing industry is developing at an insufficient pace. This reflects the existence of systemic challenges in the domestic manufacturing sector and highlights the need to substantiate a comprehensive development strategy. Such a strategy could leverage the favorable macroeconomic environment and the country's existing competitive advantages.

Research objective and tasks. The objective of this dissertation is to develop an economic mechanism for stimulating entrepreneurial activities in the manufacturing industry of the Republic of Kazakhstan. In pursuit of this objective, the following tasks are addressed:

1) to examine the conceptual foundations of economic stimulation of entrepreneurship;

2) to elucidate the essence and principles of economic stimulation of entrepreneurial activity;

3) to analyze foreign experience in the development of entrepreneurship in the manufacturing industry and to formulate recommendations for its adaptation to Kazakhstan;

4) to assess the state of the manufacturing industry in the Republic of Kazakhstan;

5) to analyze the methods of stimulating entrepreneurship in the manufacturing industry of the Republic of Kazakhstan;

6) to identify problems in stimulating entrepreneurship in the manufacturing industry of the Akmola region;

7) to develop an economic mechanism for stimulating entrepreneurship in the manufacturing industry that encompasses improvements in tax policy and the development of financial-credit and investment infrastructure;

8) to identify the factors influencing the growth rate of the manufacturing industry in the Akmola region.

Methodology of the research. In the present dissertation, a systems approach has been employed, which enables a comprehensive examination of the problem of economically stimulating entrepreneurial activity in the manufacturing industry. The methodological framework of the study incorporates both qualitative and quantitative methods, ensuring an all-encompassing analysis of the issue at hand. For the qualitative analysis, methods such as content analysis, the accumulation and selection of facts to identify interrelationships among key indicators, as well as methods of analogy and comparison were applied to explore the economic essence and formulate the concept of entrepreneurship stimulation. A literature review allowed for tracing the evolution of entrepreneurship support concepts and contemporary approaches to its stimulation. In the quantitative part of the study, an analysis of external environment factors and an assessment of resource capacities for developing entrepreneurship in the manufacturing industry of the Republic of Kazakhstan were carried out, along with statistical and descriptive analyses of the state of the industry and the dynamics of entrepreneurial activity. Correlation and regression analysis was used to identify the factors influencing the growth rate of the manufacturing industry in the Akmola region. For the visualization of processes and the presentation of research results, methods of structural grouping and the construction of dynamic models were utilized. This comprehensive approach enabled an in-depth and multifaceted analysis of the research problem, thereby substantiating the practical significance of the developed economic mechanism for stimulating entrepreneurship.

Scientific novelty. The scientific novelty of the dissertation lies in the development of an economic mechanism for stimulating entrepreneurship in the manufacturing industry of the Republic of Kazakhstan and in substantiating practical recommendations for its implementation. The new results obtained allow for the proposal of comprehensive, innovative approaches to analyzing economic mechanisms for stimulating entrepreneurship in the manufacturing sector.

During the course of the dissertation research, the following scientific results were achieved, which determine its novelty:

1) Based on the study and systematization of the conceptual foundations of entrepreneurship and its economic stimulation, the evolution of entrepreneurial theory concepts has been demonstrated, the author’s original vision of the essence of

“entrepreneurship” has been substantiated, and approaches and principles for economically stimulating entrepreneurship have been identified and justified.

2) Through the assessment of the state of the manufacturing industry in the Republic of Kazakhstan and the analysis of methods for stimulating entrepreneurship within the sector – including in the Akmola region – problems and bottlenecks in the existing system for stimulating entrepreneurship development in Kazakhstan have been identified, and recommendations for enhancing entrepreneurship in the manufacturing industry have been formulated.

3) An economic mechanism for state-driven stimulation of entrepreneurship in the manufacturing industry has been developed, together with an algorithm for its implementation, which encompasses improvements in tax policy and the development of financial-credit and investment infrastructure.

4) Based on multiple correlation and regression analysis using the least squares method, the factors influencing the growth rate of the manufacturing industry in the Akmola region for the period 2024-2028 were identified.

Main points proposed for defense.

1) Development of the conceptual foundations for economic stimulation of entrepreneurship: Entrepreneurship is defined as a form of organizing the market economy aimed at producing and delivering goods and services to satisfy the real needs of consumers, with the purpose of earning and appropriating profit at one’s own risk. Within the framework of this study, two approaches to stimulating entrepreneurial activity have been identified and substantiated: one oriented toward the external environment (institutional, market-based) and one oriented toward the internal environment (motivational, managerial). The principles of economic stimulation of entrepreneurship have been systematized, and their essence lies in creating a favorable business environment in which the development of entrepreneurship is regarded not as an end in itself but as a means of enhancing economic efficiency, contributing to increased budget revenues, reducing unemployment, and mitigating social tension through the engagement of entrepreneurs in cooperative interactions.

2) Diagnosis of the problems in stimulating entrepreneurship in the manufacturing industry: Systemic limitations of the existing model for stimulating entrepreneurship have been identified both in the Akmola region and across Kazakhstan. These limitations include the short-term nature of the stimulating measures, a state monopoly in business support, low levels of innovative activity, and a shortage of qualified personnel. Based on this diagnosis, proposals have been developed to improve the mechanisms for stimulating entrepreneurship in the manufacturing industry of the region, including reducing the verification burden on enterprises, simplifying application procedures, establishing a micro-credit system for businesses, concluding long-term contracts, expanding exports, among other measures.

3) Economic mechanism for stimulating entrepreneurship: A comprehensive mechanism for state-driven stimulation of entrepreneurship in the manufacturing industry has been developed, which includes a system of targeted incentives aimed at increasing production efficiency. Its foundation is based on assessing the potential for sustainable development of enterprises, strategic planning, monitoring competitiveness, and

implementing support instruments (such as tax incentives, improved investment climate, and access to credit resources).

4) Factors influencing the growth rate of the manufacturing industry in the Akmola region: The results of the correlation and regression analysis revealed that the growth rate of the manufacturing industry in the Akmola region for 2024-2028 is determined by the growth rate of employment in the sector and the growth rate of the consumer price index.

Contribution of the research results. The results obtained during the course of the dissertation research will contribute to the development of mechanisms for economically stimulating entrepreneurship in the manufacturing industry of Kazakhstan. The conclusions regarding the identification of the peculiarities of entrepreneurial activity in the manufacturing industry, the proposals, and the scientific-practical recommendations for the development of an economic stimulation mechanism may be considered and used in the improvement of state and regional policies for supporting entrepreneurship, as well as in the development and adjustment of strategies for the development of the manufacturing industry. Furthermore, these scientific results can be applied in the activities of enterprises for optimizing their economic strategies and enhancing their competitiveness. The developed economic mechanism for stimulating entrepreneurship in the manufacturing industry can be implemented in accordance with the proposed algorithm, which will create conditions for the sustainable growth of production capacities, an increase in innovative activity, and an enhanced contribution of the manufacturing industry to the national economy. The materials contained in the dissertation can be used in the educational process in the training of specialists in the following specialties: «Management», «Economics», «Public and Local Governance».

Contribution to each publication. The main positions and results presented for defense have been reflected in 12 scientific articles, 1 of which has been published in a journal with a non-zero impact factor and is included in the international information resources Scopus and Web of Science, 4 in scientific publications recommended by the Committee for Quality Assurance in the Field of Science and Higher Education of the Republic of Kazakhstan, and 7 in the proceedings of international scientific-practical conferences.

In the article «Mechanisms for stimulating small and medium enterprises: The experience of Kazakhstan» the doctoral candidate is the first author. In this work, the key factors affecting the development of SMEs, such as expenditures on technological innovations, the average monthly salary, the level of innovative activity, and investments in fixed capital, have been identified. Based on these factors and the diagnosis of the state, a mechanism for state-driven stimulation of entrepreneurship has been developed, which includes financial stimulation, tax benefits, infrastructural support, and targeted training programs. The contribution of the doctoral candidate consists of a literature review in this field, an analysis of economic factors, and the substantiation of the mechanism for state-driven stimulation of entrepreneurship.

In the article «Stimulation of the manufacturing industry in the Republic of Kazakhstan» issues of the strategic development of the manufacturing industry, as well as the programs and measures for state support of the manufacturing industry, are discussed. In the article «Assessment of the state of the manufacturing industry in the Republic of Kazakhstan» an analysis of the development of the most important sectors of

Kazakhstan's manufacturing industry is carried out. As factors restraining the development of the sectors of the manufacturing industry, a low level of accessibility to long-term credit resources, technological backwardness of production, and a shortage of qualified personnel have been identified. These articles were prepared and written independently by the author.

In the article «Strategic issues of the development of the manufacturing industry in the Republic of Kazakhstan» the doctoral candidate is the first author. Under the scientific supervision of a domestic consultant, an analysis of the trends in the development of the manufacturing industry segment has been carried out, and the growth factors of the machine-building sectors, which determine the innovative and technological development and ensure the transition to a new level of industrial production, have been identified. The contribution of the doctoral candidate consists in conducting an analysis of state support programs for industrial production and in interpreting the results obtained.

In the article «The concept of the development of entrepreneurship theory» under the scientific supervision of a domestic consultant, the evolution of the theory of entrepreneurship in economic science has been studied and theoretical concepts have been systematized. The contribution of the doctoral candidate consists in classifying the existing concepts of entrepreneurship from the perspective of their basic and derivative characteristics.

Articles published in the proceedings of international conferences, such as «Development of the manufacturing industry as one of the main factors of economic growth in the Republic of Kazakhstan», "Strategic planning as a priority direction in the development of the manufacturing industry in the Republic of Kazakhstan», «Organization of the development of the manufacturing industry in the Republic of Kazakhstan in the conditions of globalization», «Main barriers to the development of the manufacturing sector in Kazakhstan and ways to eliminate them», «Problems of stimulating entrepreneurship in the manufacturing industry (on the example of the Akmola region)», «Assessment and analytical review of the state of the manufacturing industry in the Republic of Kazakhstan», «Industrial growth: prospective directions and system effects», are devoted to various approaches to the development of the manufacturing industry. The doctoral candidate made a significant contribution to the writing of these articles as an author and co-author, by conducting an in-depth analysis of the scientific foundations and practical aspects of the development of the manufacturing industry, including the study of economic mechanisms for stimulating entrepreneurship.

All scientific results presented in the dissertation and in the doctoral candidate's publications were obtained independently by the author, on the basis of the tasks proposed by domestic and foreign scientific supervisors: Doctor of economic sciences, Professor Alma Kh. Galiyeva and Doctor of economic sciences, Professor Galina A. Shmarlovskaya, within the framework of scientific consulting and supervision of the dissertation research.