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## DECENTRALIZATION OF GOVERNANCE IN KAZAKHSTAN: POLICY TOOLS, FISCAL AUTONOMY, AND IMPLEMENTATION EVIDENCE FROM THE TURKESTAN REGION

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**Abstract.** This article is devoted to the study of the processes of modernization of the local government system in the Republic of Kazakhstan. Due to global changes in management practices and the growing need to decentralize power, this topic is becoming increasingly relevant. The current system of local governance faces a number of challenges, including lack of regional autonomy, limited financial resources at the local level, weak participation of local communities in decision-making processes and low accountability of local authorities to the population. The purpose of the study is to analyze the current state of the local government system in Kazakhstan, identify its main problems and shortcomings, as well as provide ways to modernize by strengthening the decentralization of power, expanding the powers of local authorities and improving their interaction with the central government. An important part of the study is to study successfully implemented decentralized management models in countries such as Germany, France, Sweden and South Korea, and assess the possibility of their adaptation to Kazakhstani conditions. Research methods include a systematic analysis of regulations governing local governance in Kazakhstan, a comparative study of foreign experience, a retrospective analysis of local governance practices, and methods of expert dialogue with state and local government officials. The practical significance of the study is the development of specific mechanisms and proposals for the modernization of the local government system in Kazakhstan based on the analysis.

**Keywords:** modernization of local government, decentralization, financial autonomy, socio-economic development, service, management efficiency.

**Main provisions.** The article evaluates local self-government in Kazakhstan and highlights key constraints – limited fiscal and administrative autonomy, strong dependence on transfers, weak citizen participation, and insufficient accountability – then, using systemic and comparative analysis (Germany, France, Sweden, Republic of Korea) supported by statistics and expert interviews, proposes modernization measures focused on deeper decentralization, expanding local powers and revenue sources, and digitalizing governance and participation

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tools; the Turkestan region case shows transfer dominance and cost optimization with an emphasis on social programs, while 98% of PPP projects are delivered locally and mainly target social infrastructure, and a civil-servant survey reports strong interaction with business alongside persistent financial, legal, and political barriers; recommendations prioritize reallocating taxes toward local budgets, developing inter-municipal cooperation, strengthening anti-corruption safeguards, and upgrading akimat human capacity, concluding that sustainable local governance requires combining financial autonomy, transparency, and active citizen participation.

**Introduction.** Decentralization and the modernization of local governance have emerged as key priorities in Kazakhstan's public-sector reform agenda, reflecting the need to enhance the quality and accessibility of public services, narrow territorial disparities, and increase the responsiveness of authorities to local demands. In a country with a vast territory and marked socio-economic variation among regions, the ability of local administrations to make timely decisions and manage resources efficiently is closely tied to sustainable development outcomes and to citizens' confidence in public institutions [1–3].

Despite continuing reforms, Kazakhstan's local governance framework still operates under a set of structural limitations. Regional and municipal administrations remain heavily reliant on interbudgetary transfers, while their own-source revenues and managerial latitude are constrained. This curtails fiscal independence, makes long-term planning more difficult, and weakens incentives to pursue development policies tailored to local conditions. At the same time, instruments of public participation and accountability are institutionalized unevenly, restricting substantive citizen involvement in local decision-making and limiting the transparency of administrative practices [4–6].

The study aims to evaluate the current condition of local self-government in Kazakhstan and to determine the main bottlenecks that impede effective decentralization. It addresses three specific objectives:

- to review the institutional and legal arrangements that define the allocation of powers between the central government and local authorities;
- to examine the fiscal dimension of local governance, focusing on the composition of local budgets and the role of interbudgetary transfers;
- to compare international decentralization practices and identify instruments that could be adapted to Kazakhstan's circumstances, using the Turkestan region as an illustrative case of implementation.

**Literature review.** Public administration is undergoing continuous reform to meet contemporary demands, and strengthening local government is a key element of this process. Local self-government is increasingly viewed as an important channel of interaction between the state and society, influencing the quality of public services, living standards, and the sustainability of cities and regions. Consequently, the modernization of local governance remains a pressing task. Existing research addresses this agenda from multiple angles, including decentralization, digitalization, efficiency gains, and the consideration of regional specificities (Table 1).



**Table 1** – Analysis of the literature on the study topic

№	Authors	Title	Description
1	Saule Emrikh-Bakenova	Local Governance in Kazakhstan	Analyzes the system of local self-governance in Kazakhstan, its evolution, and current issues. The author examines the transition from the Soviet centralized model to decentralization. The role of local authorities, their powers, and financial stability are comprehensively studied.
2	Komarevtseva O.O.	Decentralization and Regional Specificities	Studies the issues of municipal management decentralization and proposes an original model that considers regional specificities. The main focus is on: - Accounting for regional economic and cultural characteristics; - Strengthening the participation of local communities in decision-making processes; - Reducing regions' dependence on centralized funding.
3	G.M. Aubakirova, F.M. Isataeva	Modernization of the Public Administration System in the Republic of Kazakhstan	Examines the evolution of Kazakhstan's public administration model. Emphasizes strengthening the relationship between state institutions and society, ensuring active citizen participation in governance processes.
4	Tereshchenko S.	Executive Power: Its Role in the Formation of Kazakhstani Statehood. Formation and Development of Modern Kazakhstani Statehood	Investigates the role of executive power in the formation of Kazakhstan's state system. Analyzes reforms aimed at strengthening the structure of public administration.
5	Khudyakov S.	Involvement of Local Communities in Rural-Level Self-Governance	Considers strategies for increasing local community participation in governance processes. Special attention is given to the legislative framework and practical methods.
6	Kaparova M.	Development of Local Self-Governance	Analyzes the development process of local self-governance in Kazakhstan. Key issues include the need for decentralization, low financial independence, and adaptation to current challenges.
7	Zhanuazakova L.T.	Legal Support for the Development of Local Self-Governance Institutions in the Republic of Kazakhstan	Studies the legal foundations of the local self-governance institution in Kazakhstan. Examines the evolution of regulatory legal acts and their impact on the governance system.
8	Nurzhanova Sh.S.	Formation and Development of Local Self-Governance in the Kyrgyz Republic and the Republic of Kazakhstan: A Comparative Analysis	Compares the development processes of local self-governance in Kazakhstan and Kyrgyzstan. Identifies common and distinctive features of decentralization in both countries.
9	Tasmagambetov I.	Transformation of Local Public Administration and Self-Governance: Devolution of Power and Resources from the Center to Regions, from the State to Society	Analyzes the transformation of local public administration and the process of introducing self-governance mechanisms. Reviews reforms aimed at transferring power and resources from the center to the regions.

Note: compiled by the authors based on the sources [7-12]



Against the backdrop of global integration, strengthening local self-government has become an increasingly important component of public administration reform in Kazakhstan, as discussed in the article “Improving local self-government in Kazakhstan: the use of international experience and decentralization.”

The study reviews decentralization practices in several European countries and highlights mechanisms that could be adapted for Kazakhstan’s local governance. It examines current legislation and identifies systemic gaps in the existing model, proposing practical measures to address them. As relevant examples, it considers municipal associations in Denmark and Germany, as well as Finland’s online portal for civil initiatives to strengthen public participation. Overall, the authors emphasize that citizen involvement is essential for sustainable territorial development and that decentralization can significantly reshape Kazakhstan’s local self-government architecture.

The development of local governance is now a core priority of state policy aimed at modernizing public administration and continues the reforms of local authorities initiated by President Kassym-Jomart Tokayev [8]. The article outlines prospects for the evolution of local self-government and proposes measures for its further improvement within a consistent decentralization agenda.

Local authorities shape citizens’ everyday well-being and are central to the development of sustainable cities and rural settlements. Residents expect prompt, transparent action and tangible results, which is why local administrations increasingly rely on digital solutions and technology-based service formats to improve performance. In this context, local governance becomes a necessary element of sustainable public administration: without institutions that can account for local needs, it is difficult to address pressing social and infrastructure challenges, making such structures a prerequisite for effective self-government.

Local authorities influence citizens’ quality of life and the sustainable development of cities and rural areas. In response to growing expectations for openness and efficiency, they increasingly adopt digital solutions and new service formats. Effective local governance is therefore essential for addressing social and infrastructure challenges and ensuring the functioning of local self-government.

The akimat is the main local executive body, responsible for managing socio-economic and financial matters within its territory. It has its own accounts, may assume rights and obligations, and can participate in legal proceedings. The akim heads the akimat, determines its structure, represents local administration, and issues legal acts (Table 2).

**Table 2** – Key areas of organizational and legal forms of administrative activities

№	Area of activity	Description
1	Conducting Meetings and Seminars	Organization and implementation of activities aimed at improving administrative performance and strengthening internal coordination efforts.
2	Organizing Work Planning	Implementation of administrative activities considering local governance and self-governance socio-economic development plans and forecasts.
3	Handling Official Documentation	Ensuring document management by organizing the workflow and correspondence process within the administration.
4	Personnel Management	Working with administrative staff, forming a personnel reserve, and maintaining personnel records (HR documentation management).
5	Task Allocation	Distribution of duties among the head of the administration, deputies, and department heads through a strict hierarchical structure.
6	Other Activities	Implementation of other areas of activity within the local administration’s responsibilities.



Modernizing local governance is viewed as a means to improve efficiency, enhance transparency, and expand public participation. International practice offers diverse models for strengthening and making local authorities more flexible, with relevant examples found in Sweden, the Netherlands, the United Kingdom, and Canada.

Sweden's local governance model is built on strong municipal autonomy, with broad powers and resources to address local issues. Guided by the subsidiarity principle, decisions are taken as close to citizens as possible, which supports transparency, strengthens local accountability, and encourages public involvement (Table 3).

**Table 3** – Key areas of organizational and legal forms of administrative activities

Country	Description	Features
Estonia	The public administration system is fully digitized and automated. Administrative processes are simplified through e-governance.	Municipalities have the right to introduce local taxes, reducing their dependence on the central budget. Public consultations are held to ensure citizen participation.
Netherlands	The governance structure is flexible and adapted to the needs of local communities.	Temporary project teams involving local authorities, residents, and businesses work together to solve issues. Online platforms allow citizens to submit proposals and participate in decision-making.
United Kingdom	The core principles of local governance are transparency and accountability.	Budget discussions are open to the public, and citizen participation is encouraged. Partnerships with non-governmental organizations are widespread.
Canada	Emphasis is placed on supporting civic initiatives and the activity of local communities.	Regular meetings are held to discuss residents' proposals, and grant programs are available for local projects. Public meetings allow citizens to address local authorities.
Germany	Municipalities enjoy a high level of autonomy. Cooperation among multiple municipalities to solve common issues is widespread.	Intermunicipal cooperation reduces costs and improves service quality. Priority is given to green technologies and environmental sustainability.
Japan	Innovative approaches to involving citizens in governance processes are applied.	Under the «City for People» strategy, residents participate in developing sustainable development plans. Smart City technologies are widely used.
Finland	Emphasis is placed on inclusivity and equality.	Advisory councils representing social groups are established. The quality of life is improved through the development of social and educational services.
Australia	Efficiency and performance of governance are prioritized.	Key Performance Indicators (KPIs) are used to evaluate municipal performance. Electronic reporting systems are introduced.
Denmark	Focused on developing public spaces and enhancing environmental sustainability.	Priority is given to developing bicycle infrastructure and pedestrian zones. Green technologies are integrated into urban planning.
New Zealand	Comprehensive crisis planning is conducted.	Special attention is paid to developing infrastructure resistant to earthquakes and natural disasters. Digital technologies and monitoring systems are employed.
Singapore	Focused on creating «smart cities» through integrating sustainable development principles and digital technologies.	IoT technologies are used to manage transport, utilities, and security. E-governance systems allow citizens to access services online.
Note: compiled by the authors based on the sources [6-7, 13-16]		



Given current communication opportunities, it is proposed to legally закрепить the criterion of “transport accessibility” when defining the boundaries of rural settlements to ensure timely access to local authorities. Anti-corruption efforts should combine stricter liability with measures that reshape officials’ attitudes so that corruption is treated as unacceptable. To strengthen the financial basis of local self-government, akimats could be regularly allocated a fixed share of republican and regional tax revenues, increasing local budgets and supporting regional investment. At the same time, greater transparency is needed: citizens should have access to socially significant information, and local authorities must put in place clear mechanisms for providing it.

A key part of Kazakhstan’s extrabudgetary system consists of the State Social Insurance Fund and the Social Health Insurance Fund, which finance social protection, including coverage for illness, disability, and retirement. By channeling resources outside the state budget, these funds help ease budgetary pressure and support more stable funding of social programs. Overall, Kazakhstan’s budget system functions as a multi-level mechanism for allocating resources to national and regional priorities.

**Materials and methods.** This study adopts a mixed-evidence approach that combines analysis of policy documents and legal acts, descriptive statistics on public finance and PPP indicators, and expert interviews. The research aims to identify the institutional and fiscal constraints shaping decentralization in Kazakhstan and to illustrate key implementation features through the case of the Turkestan region.

Data sources and empirical base. The documentary corpus comprises:

- national legislation governing local administration and interbudgetary relations, including the Budget Code of the Republic of Kazakhstan and regulations on PPP;
- presidential acts and strategic planning documents that set the priorities of local self-government reform (for example, the Concept for the Development of Local Self-Government until 2025);
- official analytical reports and statistical publications issued by state bodies.

The quantitative part is based on open administrative statistics and regional fiscal information from the Bureau of National Statistics of Kazakhstan and the official regional statistics portal, as well as budget parameters of the Turkestan region for 2024–2026 and time-series dynamics for 2022–2024.

Within the PPP block, the study employs aggregated official indicators: the number of projects by region and sector, project level (local/republican), implementation status, and annual contract activity for 2015–2023/2024 (Figures 1–5).

Case selection and units of analysis. The Turkestan region is chosen as an illustrative case because it combines a relatively recent administrative-institutional setup (reorganization in 2018) with an active PPP portfolio and a budget structure marked by a high reliance on transfers. This combination makes the region suitable for examining fiscal autonomy and the constraints affecting implementation.

The units of analysis are:

- institutional arrangements, including the allocation of powers between central and local authorities;
- the fiscal structure of the regional budget (own-source revenues versus transfers, and the main expenditure categories);
- the PPP implementation profile (sectoral composition, governance level, project status, and contract dynamics);
- implementation barriers as perceived and reported by civil servants.

Methods and analytical procedure. The study follows four analytical stages:



1. Legal and policy review: regulatory and strategic documents are analyzed to describe the formal division of powers, fiscal competences, and accountability mechanisms in local governance.

2. Comparative overview: international practices (Germany, France, Sweden, Republic of Korea) are reviewed to identify tools for fiscal decentralization, transparency, and citizen participation; these serve as reference points for potential adaptation, not as causal proof.

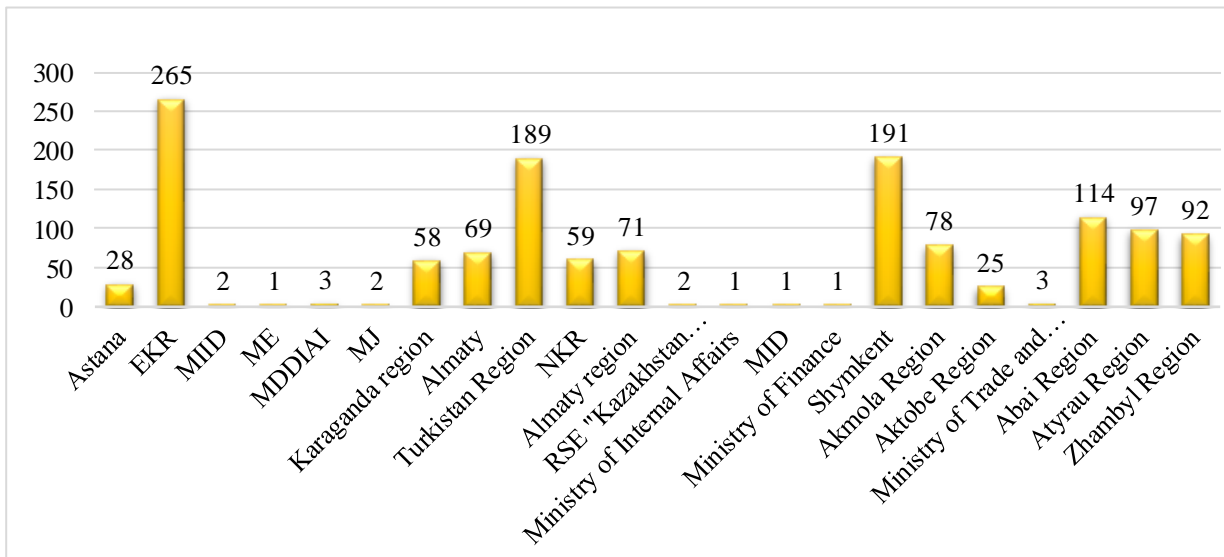
3. Descriptive statistical analysis: budget revenues and expenditures are examined by shares, levels, and dynamics for 2022–2024 and by the planned structure for 2024–2026 (Table 4). PPP indicators are summarized descriptively (counts and proportions by region/sector/status/level); no correlation or regression modeling is applied.

4. Expert and survey evidence: semi-structured interviews with akimats, decentralization experts, and central agencies are used to identify recurring constraints (financial, legal, political, кадровые) and to interpret quantitative patterns. Civil servants' survey results (Table 5) are processed via frequency distributions and thematic grouping of barriers and support needs.

Validity and limitations. The use of several evidence streams – documents, official statistics, and expert assessments – allows the findings to be triangulated. At the same time, the analysis is constrained by reliance on aggregated open PPP data and by the case-oriented design, which targets analytical generalization (mechanisms and constraints) rather than statistical representativeness across all regions.

**Results and discussion.** Empirical evidence on decentralization implementation is demonstrated by examining both the trajectory and composition of public–private partnership (PPP) projects and the fiscal structure of the Turkestan region.

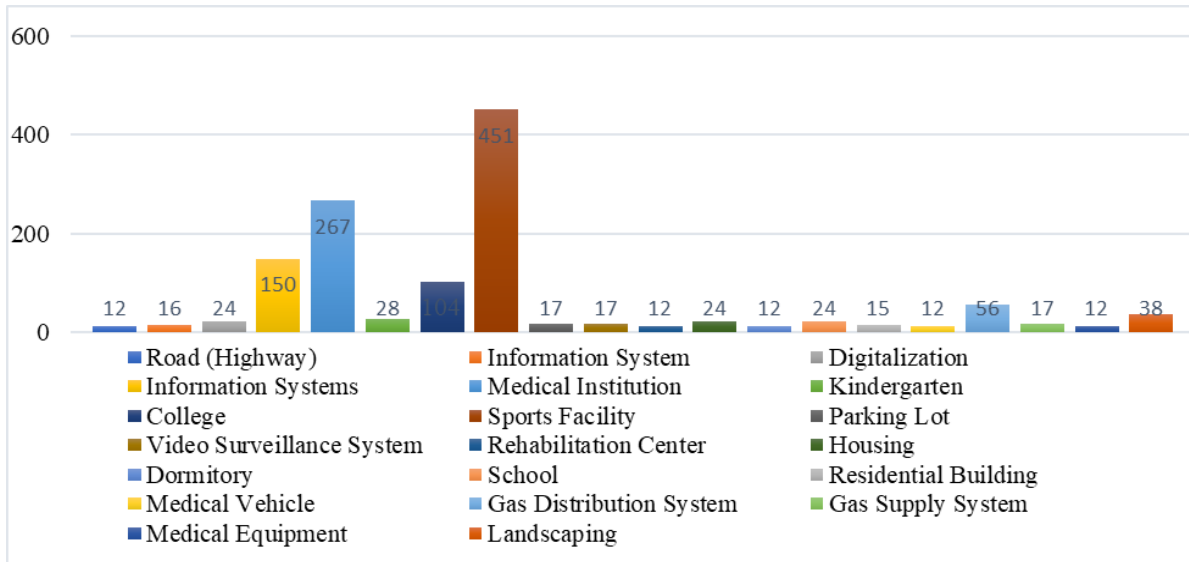
Figure 1 presents the distribution of PPP projects by region and central government body for 2015–2023. The largest numbers are observed in East Kazakhstan Region (265 projects), Shymkent (191), Turkestan Region (189), Abai Region (114), and Astana (28). Overall, the pattern shows that PPP activity is concentrated in a small group of territories, reflecting pronounced regional differences in the intensity of project implementation.



**Figure 1** – Number of projects by region and central government body

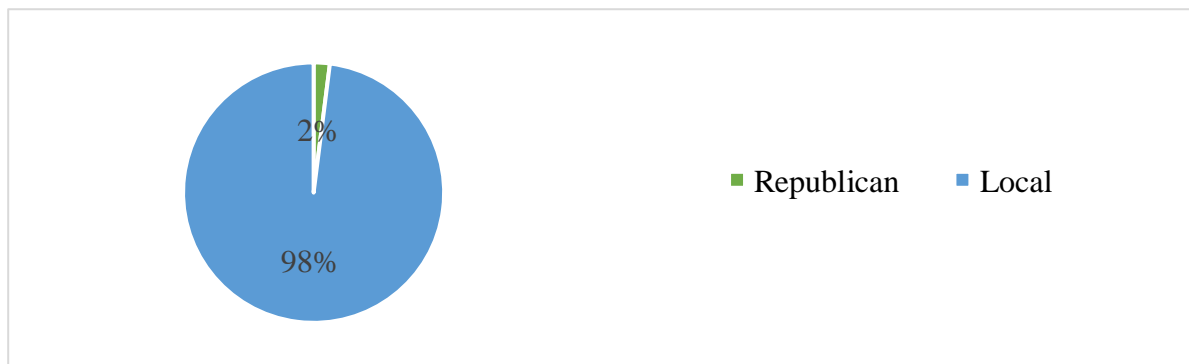


Figure 2 shows that PPP projects are largely concentrated in the social sector. The most substantial shares relate to social facilities and services, including catering infrastructure, healthcare institutions, kindergartens, and sports facilities. This sectoral pattern indicates that PPP mechanisms are applied mainly to meet socially important service delivery needs, rather than to finance large industrial or transport projects.



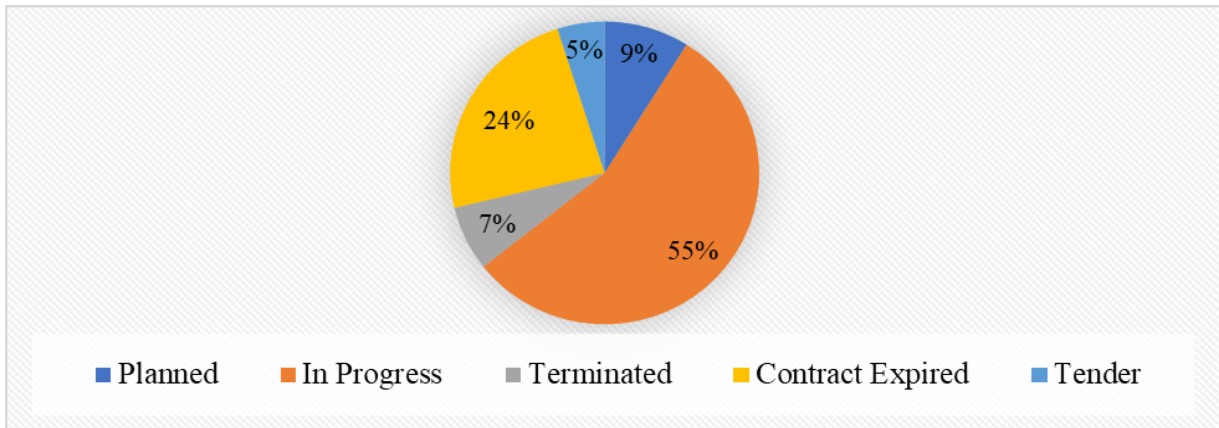
**Figure 2** – Analysis of PPP projects by industry for 2024

Figure 3 indicates that the PPP portfolio is implemented predominantly at the local level: 98% of projects are administered locally, whereas only 2% are carried out at the republican level. This distribution shows that PPP instruments are used chiefly as a mechanism of local development policy and the provision of local service infrastructure.



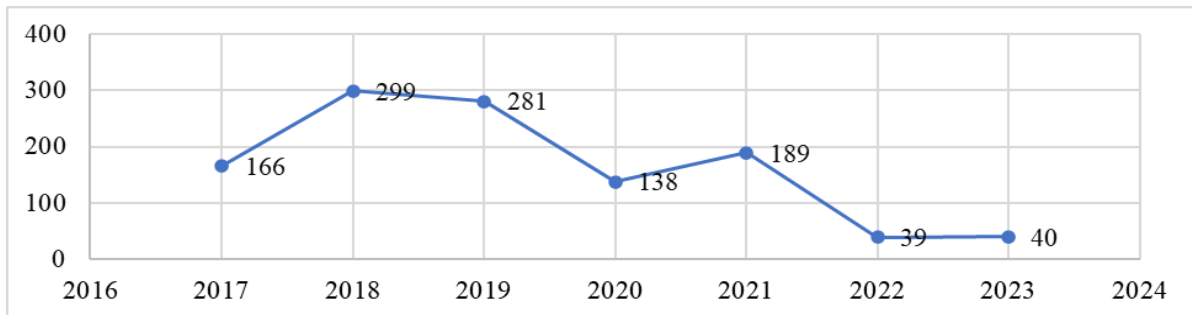
**Figure 3** – Project level

Figure 4 shows the distribution of PPP projects by implementation status. The largest share comprises projects currently being implemented (56%). Completed or expired projects account for 24%. Projects at the competitive stage make up 9%, while suspended or cancelled initiatives represent 7%. Planned projects constitute 4%, which points to a comparatively limited pipeline of new projects relative to the existing portfolio.



**Figure 4 – Status of projects for 2024**

Figure 5 illustrates annual contracting dynamics. The highest number of contracts was signed in 2018, whereas the lowest activity is recorded in 2022–2023. In value terms, the minimum contract amount reported for 2018 is 300.20 KZT, while the maximum – also in 2018 – reaches 510,967,322.00 KZT. The coincidence of peak contracting and the largest contract values in 2018 may indicate the effect of institutional or administrative shifts that temporarily intensified PPP deal-making in that year.



**Figure 5 – Number of contracts awarded 2015-2023**

Turkestan region is selected as a case to assess local self-government performance due to its extensive PPP portfolio and its involvement in recent administrative changes. In 2018, the region was reorganized: Turkestan became the regional center, while Shymkent was granted the status of a city of republican significance. Located in southern Kazakhstan, the region combines significant cultural heritage with a growing economic base, including light and food industries, mining, and construction. It holds reserves of lead, zinc, uranium, and construction materials, which underpin extractive and construction activity. In recent years, public investment has focused on infrastructure and social priorities—roads, administrative buildings, education and healthcare facilities, and tourism-related initiatives. The fiscal parameters of the Turkestan regional budget for 2024–2026 are presented in Table 4.

**Table 4** – Regional budget of Turkestan region for 2024–2026, thousand tenge

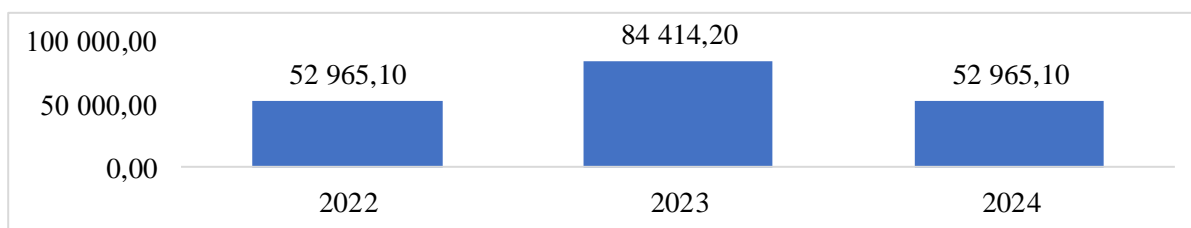
Indicators	Amount (thousand KZT)
Revenues	1,318,647,540
Including:	
- Tax revenues	69,250,391
- Non-tax revenues	36,183,108
- Proceeds from the sale of capital assets	90,431
- Transfers income	1,213,123,610
Expenditures	1,302,961,821
Net budget lending	38,732,310
Including:	
- Budget loans	70,695,836
- Repayment of budget loans	31,963,526
Balance of operations with financial assets	6,000,000
Including:	
- Purchase of financial assets	6,000,000
Budget deficit	29,046,591
Budget deficit financing	29,046,591
Note: compiled by the authors based on the sources [17]	

Table 4 outlines the planned budget parameters of Turkestan region for 2024–2026. Interbudgetary transfers form the main revenue source (1.213 trillion KZT), whereas tax revenues (69.25 billion KZT) and non-tax revenues (36.18 billion KZT) contribute a smaller share. The budget plan also предусматривает a deficit of 29.05 billion KZT, to be covered through standard deficit-financing instruments. In this study, these figures are treated as case evidence showing that a transfer-dominated revenue structure can limit fiscal flexibility at the regional level.

The prevalence of transfers in the Turkestan regional budget (Table 4) shows that the region's fiscal capacity is determined primarily by interbudgetary allocations rather than by locally generated revenues. Under these conditions, medium-term planning is sensitive to shifts in transfer amounts and disbursement schedules, and incentives to strengthen the own-source revenue base tend to diminish. This logic aligns with the observed decrease in total revenues in 2022–2024 and implies that enhancing Turkestan's fiscal sustainability requires measures that secure stable and predictable own-source revenues and limit vulnerability to transfer volatility through clearer medium-term rules and the use of reserve mechanisms.

In 2024, total revenues are projected at 79,113.1 million KZT, including tax revenues of 4,270.0 million KZT, non-tax revenues of 1,161.1 million KZT, and proceeds from the sale of fixed assets of 35.0 million KZT. Transfers from the republican budget remain the main revenue source, totaling 73,647.0 million KZT. The revenue trend reflects a decrease from 97,303.2 million KZT in 2022 to 89,116.1 million KZT in 2023 and 79,113.1 million KZT in 2024. In the interim 2024 execution profile, tax revenues show a slight increase compared with the same period of the previous year, overall execution exceeds planned targets by 4.6%, and capital-related receipts appear to be largely explained by one-off transactions.

Figure 6 shows a reduction in expenditures over the period: 87,907.0 million KZT in 2022, 84,414.2 million KZT in 2023, and 52,965.1 million KZT planned for 2024. In 2024, spending is concentrated in the social block – education, healthcare, social protection, culture, sports, and tourism – totaling 41,364.5 million KZT, whereas allocations for transport and communications (233.7 million KZT) and for industry and construction (28.6 million KZT) are minimal. In the Turkestan case, this structure implies that fiscal adjustment is implemented mainly by compressing non-social and capital-intensive items, which can narrow opportunities for infrastructure growth and economic diversification in the short term.



**Figure 6** – Dynamics of expenditures of the regional budget of the Turkestan region for 2022-2024

**Table 5** – Responses of Civil Servants to the Survey

№	Question	Answer Options	% (Respondents)
1	«What types of projects have been implemented or are planned within the framework of public-private partnerships (PPP) in your department?»	Infrastructure projects (roads, bridges, airports, etc.)	20%
		Social projects (healthcare, education, social services, etc.)	40%
		Energy and environmental projects (energy, water supply, waste management, etc.)	20%
		Innovative projects (development of new technologies, digitalization, etc.)	20%
2	«What key goals and objectives does your department aim to achieve through PPP projects?»	Infrastructure development (roads, bridges, transport systems, etc.)	10%
		Social welfare (healthcare, education, social housing, etc.)	35%
		Environmental sustainability and environmental protection	10%
		Economic growth and attracting investments	20%
		Innovative development and technological projects	25%
3	«What methods and tools do you use to manage PPP projects?»	Project management methodologies (e.g., PMBOK, PRINCE2, etc.)	40%
		Project management software (e.g., MS Project, Jira, etc.)	35%
		Project monitoring and evaluation systems (e.g., KPI, Balanced Scorecard, etc.)	25%
4	«What difficulties do you face in implementing PPP projects, and how do you solve them?»	Financial constraints	35%
		Legal challenges	25%
		Political factors	30%
		Shortage of qualified personnel	10%
5	«What criteria and indicators are used to assess the success of PPP projects?»	Financial instruments (subsidies, grants, preferential loans, etc.)	40%
		Tax incentives and import/export benefits	10%
		Regulation and government support	45%
		Support in finding private investors	5%
6	«What is the impact of PPP projects on regional or national economic and social development?»	Stimulating economic growth and increasing GDP	30%
		Improving infrastructure and living standards	25%
		Creating new jobs and reducing unemployment	20%
		Encouraging innovation and developing small and medium-sized businesses	25%
7	«How do you assess the effectiveness of cooperation with private partners within PPP?»	Very effective	55%
		Sufficiently effective	20%
		Mostly ineffective	10%
		Completely ineffective	5%
		Difficult to answer	10%
8	«What additional resources or support does your department need for the successful implementation of PPP projects?»	Additional funding and investments	40%
		Employee training and capacity building	10%
		Simplifying legal procedures and accelerating decision-making processes	25%
		Establishing partnerships with international organizations and funds	25%

Note: compiled by the authors based on the sources [18-20]



The concurrent decline in expenditures and the dominance of socially focused spending reduce the discretionary capacity of the regional administration. Although prioritizing education, healthcare, and social protection reflects mandatory service obligations, consistently low funding for transport and communications and for economic infrastructure limits the region's ability to strengthen its revenue base over the medium term. Accordingly, the main fiscal challenge is not only to sustain social commitments under tighter budgets, but also to retain a minimum “development corridor” of spending that enables efficiency improvements and supports investment attractiveness.

The 2024 expenditure structure shows a pronounced emphasis on the social block. The largest share is allocated to the social sphere – education, healthcare, social protection, culture, sports, and tourism – amounting to 41,364.5 million KZT, which reflects a focus on quality-of-life outcomes. The next largest item is housing and communal services (3,763.7 million KZT), followed by agriculture, forestry and fisheries together with environmental protection (2,788.6 million KZT). Spending on public order and security totals 1,395.6 million KZT. At the same time, allocations for transport and communications (233.7 million KZT) and for industry and construction (28.6 million KZT) remain modest, indicating that capital-intensive economic infrastructure is not a key short-term budget priority.

The survey findings complement the fiscal evidence from an implementation perspective. Respondents most frequently link PPP projects to the social sector (40%), while infrastructure, environmental, and innovation projects each account for 20%. Regarding PPP objectives, social welfare (35%) and innovation/technology (25%) are highlighted alongside economic growth (20%). The management tools used are spread across project methodologies (40%), software solutions (35%), and monitoring systems (25%), suggesting a diversified administrative toolkit rather than a single standardized approach.

The reported barriers cluster around three main constraint groups: financial (35%), political (30%), and legal (25%), while staffing deficits are mentioned less often (10%). This distribution aligns with the budget evidence: constrained fiscal space and dependence on transfers likely heighten perceptions of financial limitations, whereas legal and political obstacles are linked to approval procedures and the institutional setting of PPP decision-making. At the same time, cooperation with private partners is evaluated positively (55% “very effective” and 20% “sufficiently effective”), although respondents still point to additional support needs – primarily increased funding (40%), along with simplifying legal procedures (25%) and developing international partnerships (25%).

In this study, the recommended measures are derived directly from the empirical results:

- the dominance of transfers and declining revenues support the case for strengthening and stabilizing own-source revenues and improving medium-term fiscal predictability;
- shrinking expenditures and constrained development spending justify instruments that safeguard a minimum investment component;
- the financial, legal, and political barriers reported in the survey point to the need for regulatory simplification and digital workflow tools to speed up PPP processes and enhance accountability at the local level.

Taken together, the budget profile and survey results indicate an implementation gap in decentralization: although PPP is predominantly applied at the local level and partnerships are generally assessed as effective, fiscal dependence and administrative constraints – financial, legal, and political – still restrict local authorities' ability to scale projects and expand them beyond the social sector.



The fiscal analysis in this article is deliberately case-based and uses Turkestan region as an illustrative example of decentralization implementation. The results reflect the constraints and mechanisms observed in this specific region and are not presented as statistically representative of all regions of Kazakhstan. Generalizing the conclusions to other territories would require a separate comparative research design drawing on budget data across multiple regions.

**Conclusion.** This study analyzed local self-government in Kazakhstan using a mixed-evidence approach, with Turkestan region serving as an illustrative case to highlight implementation constraints. The results show that the main bottlenecks stem from fiscal dependence and limited subnational discretionary capacity, which undermine medium-term planning and restrict local authorities' ability to maintain development-oriented spending.

Evidence from Turkestan points to a transfer-dominated revenue structure in the 2024–2026 budget (Table 4) and a reduction of available resources in 2022–2024, alongside a sharp drop in planned expenditures for 2024 (Figure 6). In this context, spending becomes increasingly concentrated in the social block, while allocations for transport, communications, and other capital-intensive development areas remain modest. PPP indicators reinforce this picture: 98% of projects are implemented at the local level and are largely concentrated in social infrastructure (Figures 2–3), and the survey of civil servants highlights a stable set of constraints – financial, legal, and political – together with demand for additional funding and simpler procedures (Table 5). Overall, the findings point to an implementation gap: PPP is widely applied and cooperation with private partners is evaluated positively, yet fiscal and administrative constraints limit project scaling and hinder diversification beyond social facilities.

Based on the reported findings, four applied recommendations are formulated for the Turkestan case:

1. Stabilize and improve the predictability of own-source revenues. Given the transfer-dominated revenue structure (Table 4) and the decline in total revenues during 2022–2024, the regional administration should reinforce revenue planning within the existing legal framework by introducing clearer multi-year forecasting and monitoring procedures, strengthening collection and control of local fees and charges, and institutionalizing regular assessments of non-tax revenue potential (excluding one-off asset sales).

2. Safeguard a minimum “development corridor” in expenditure planning. The sharp expenditure reduction planned for 2024 (Figure 6), combined with low allocations for transport/communications and economic infrastructure, increases the risk of weakening the medium-term revenue base. Budget adjustment should therefore protect a minimum share of development spending aimed at efficiency-oriented infrastructure and service modernization, while expanding cost-saving instruments such as inter-municipal cooperation and joint service delivery where feasible.

3. Reorient the PPP portfolio toward projects with operational savings and measurable service outcomes. Since PPP activity is predominantly local (98%) and concentrated in the social sector (Figures 2–3), project selection should prioritize initiatives that reduce operating costs or increase service capacity in education, healthcare, and utilities. This requires standardized performance indicators, lifecycle costing, and post-implementation evaluation to avoid formal “completion” without tangible service improvements.

4. Lower implementation barriers through procedural simplification and digital workflow tools. Survey results point to persistent financial, legal, and political constraints, as well as demand for additional funding and faster procedures (Table 5). This supports



streamlining local-level PPP approval and procurement stages and introducing a unified digital tracking and reporting system for the full PPP cycle (initiation–tender–implementation–monitoring) to enhance transparency, shorten decision times, and strengthen accountability.

Overall, the Turkestan case shows that modernizing local governance requires matching assigned responsibilities with predictable fiscal capacity and increasing administrative throughput for locally implemented development instruments. The proposed measures are drawn directly from the observed revenue structure, expenditure dynamics, PPP portfolio composition, and the constraint profile reported by civil servants, and therefore address the specific implementation limitations identified in this study.

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## ҚАЗАҚСТАНДАҒЫ БАСҚАРУДЫ ОРТАЛЫҚСЫЗДАНДЫРУ: ТҮРКІСТАН АЙМАҒЫНДАҒЫ САЯСИ ҚҰРАЛДАР, ФИСКАЛДЫҚ АВТОНОМИЯ ЖӘНЕ ІСКЕ АСЫРУ ТӘЖІРИБЕСІ

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**Түйін.** Бұл зерттеуде Қазақстан Республикасындағы жергілікті өзін-өзі басқару жүйесін жаңарту процесі талданады. Басқарудағы жаһандық өзгерістер және өкілеттіктерді қайта бөлу қажеттілігінің артуы аясында бұл тақырып ерекше маңызды. Қазіргі уақытта Қазақстандағы жергілікті билік органдары бірқатар қиындықтарға тап болуда: аймақтық автономияның шектеулілігі, жергілікті қаржылық ресурстардың жетіспеушілігі, шешім қабылдауға қоғамның әлсіз қатысуы және азаматтар алдындағы есеп берудің төмен деңгейі. Бұл зерттеудің мақсаты - елдегі жергілікті өзін-өзі басқарудың қазіргі жағдайын зерттеу, оның жұмыс істеуіндегі бар проблемалар мен кедергілерді анықтау және жетілдіру бағыттарын әзірлеу. Онда орталықсыздандыру процестерін күшейту, жергілікті өкілеттіктерді кеңейту және аймақтық және орталық үкіметтер арасында тиімдірек өзара әрекеттесуді орнату қажеттілігіне баса назар аударылады. Германия, Франция, Швеция және Оңтүстік Корея сияқты елдерде енгізілген орталықсыздандырудың сәтті модельдеріне ерекше назар аударылады. Олардың тәжірибесінің Қазақстан шындығына қолданылуы қарастырылады. Зерттеудің әдіснамалық негізі отандық нормативтік базаны жүйелік талдау, шетелдік тәжірибелерді салыстырмалы зерттеу, жергілікті өзін-өзі басқару жүйесінің тарихи дамуын талдау және мемлекеттік және жергілікті билік органдарының өкілдерімен кеңесу болды. Алынған нәтижелердің практикалық маңыздылығы Қазақстандағы жергілікті өзін-өзі басқару жүйесін жетілдіруге және жергілікті басқарудың тиімділігін арттыру үшін жағдайлар жасауға бағытталған нақты ұсыныстарды әзірлеуде жатыр.

**Түйінді сөздер:** жергілікті өзін-өзі басқаруды модернизациялау, орталықсыздандыру, қаржылық автономия, әлеуметтік-экономикалық даму, қызмет көрсету, басқару тиімділігі.

## ДЕЦЕНТРАЛИЗАЦИЯ УПРАВЛЕНИЯ В КАЗАХСТАНЕ: ИНСТРУМЕНТЫ ПОЛИТИКИ, ФИСКАЛЬНАЯ АВТОНОМИЯ И ОПЫТ РЕАЛИЗАЦИИ В ТУРКЕСТАНСКОМ РЕГИОНЕ

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**Резюме.** Настоящее исследование посвящено анализу процесса обновления системы местного самоуправления в Республике Казахстан. В условиях глобальных перемен в сфере управления и усиливающейся потребности в перераспределении властных полномочий, данная тема приобретает особую значимость. На сегодняшний день местные органы власти в Казахстане сталкиваются с целым рядом сложностей: ограниченной самостоятельностью регионов, недостатком финансовых ресурсов на местах, слабой вовлечённостью населения в принятие решений, а также невысоким уровнем подотчётности перед гражданами. Целью данного исследования является рассмотрение современного



состояния местного самоуправления в стране, выявление существующих проблем и барьеров в его функционировании, а также выработка направлений его усовершенствования. В центре внимания – необходимость усиления децентрализационных процессов, расширения полномочий на местном уровне и установления более эффективного взаимодействия между региональными и центральными органами власти. Отдельное внимание в работе уделяется успешным моделям децентрализованного управления, реализованным в таких странах, как Германия, Франция, Швеция и Южная Корея. Их опыт рассматривается с позиции потенциальной применимости в казахстанских реалиях. В качестве методологической основы исследования использованы системный анализ отечественной нормативной базы, сравнительное изучение зарубежных практик, анализ исторического развития системы местного управления, а также консультации с экспертами, представляющими органы государственной и местной власти. Практическая значимость полученных результатов заключается в выработке конкретных предложений, направленных на совершенствование системы местного самоуправления в Казахстане и создание условий для повышения эффективности управления на местах.

**Ключевые слова:** модернизация местного самоуправления, децентрализация, финансовая автономия, социально-экономическое развитие, сервис, эффективность управления.

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