

ANNOTATION

for the dissertation work of Nessipbayev Ruslan Yesentaiuly on the topic: “Strategic management of territory development (on the example of the Karaganda region)” for defending Doctor of Philosophy (PhD) degree in the specialty “6D051000 - State and local government”

Significance of the research subject. Efficient regional economic policy is crucial for recovering the national economy throughout the post-crisis and global period of time.

A vital determinant of success is the capacity to identify methods for efficient socio-economic advancement that can be practically applied and supplemented by resources.

In order to construct such tools, it is necessary to use a contemporary planning tool that guarantees the exploration of attainable objectives for socio-economic growth, as well as the assessment of the dependability and risks associated with different scenarios of successful management decisions. Scientifically substantiating the processes of strategizing is essential for ensuring long-term development of existing potentials. This includes identifying and activating growth points that facilitate the conversion of innovative technologies, the increase in added value, and the attraction of capital and skilled labour.

Local authorities now encounter several challenges while adopting strategic state planning processes. These challenges may be effectively addressed by utilising a strategic management decision support system that combines “planning technologies, management, and outcome monitoring”.

Strategy public administration is a very successful method for tackling the situation in the country, particularly at the regional level. This is supported by the implementation of various strategy and programme documents in the Republic of Kazakhstan.

The lack of theoretical and methodological development in implementing tools and mechanisms for strategic territorial development within modern regional policy, along with their practical significance, influenced the choice of the dissertation topic and the formulation of its goals and objectives.

The degree of study and scientific development of the problem.

The works of renowned international scholars such as R. Akoff, I. Ansoff, Mintzberg G., Quinn J.B., Goshal S., and others, encompass the theoretical and practical foundations of strategizing and many areas of strategic planning for the development of socio-economic systems.

The theoretical and methodological principles of strategic management for the development of territorial formations were established by both foreign and domestic scholars such as Piven I.G., Shekhovtseva L.S., Karkavin M.V., Baydakov S.L., Sheveleva R.N., Katkalov V.S., Bozeman V., Straussman J., Tolstoguzova O.V., Efimova E.V., Stepanova S.V., and others.

The works of Khambar B., Sagindikova E.N., Yuvitsa N.V., Mezhevich N.M., Chernyak S.Ya., and Saktoev V.E. discuss the overall concerns related to the

creation and utilisation of strategic planning tools.

The works of the following scientists, Lapaeva M.G., Lapaev S.P., Vitulyeva T.A., Doronina F.H., and Zakharov S.V., have examined the issues surrounding the study of the category of "region" as an object of territorial administration.

Notable Kazakhstani economists who have contributed to the development of regional science include Aimagambetov E.B., Pritvorova T.P., A.A. Alimbayev, A.A.Satybalidin, N.K.Nurlanova, A.A.Taubayev, D.N. Ulybyshev, and others.

However, despite the significant contributions made by the noted researchers to tackle the issues related to strategic management of territory development, there are still several theoretical and methodological problems that need further investigation, particularly in light of emerging challenges.

The choice of the research topic, subject, object, purposes, and objectives was determined by the scientific and methodological significance of the issues being studied, the relevance of the problems related to the formation of an effective management mechanism, and the incomplete development of certain aspects of theory and practice.

The purpose and objectives of scientific research.

The dissertation research aims to examine the theoretical and methodological principles behind the strategic management of territorial development by the state. Its objective is to provide scientific and practical recommendations for enhancing this process.

In order to accomplish the purpose, the following objectives were established and resolved:

- to examine theoretical approaches to the notion of territories as a subject of state strategic governance;
- to ascertain the characteristics of strategic governance of territorial growth in the advanced nations of the globe;
- to analyse the progression and efficacy of software tools used for strategically managing the development of regions in Kazakhstan.
- to evaluate the present condition of socio-economic development in the Karaganda region and identify obstacles to enhancing the implementation of the Karaganda region's development programme.
- to evaluate the effectiveness of local government authorities' activities in strategically managing the Karaganda region.
- to provide recommendations for transforming approaches to strategic management of territorial development in Kazakhstan.
- to offer recommendations for enhancing methodological approaches in evaluating the territory development program/regional development plan.

The **object** of the study is the strategic management of territorial growth by the state.

The **subject** of the research is the techniques and instruments used in state strategic management, namely in the implementation of territorial development programmes, regional development plans, and other strategic and programmatic documents at the national and regional levels.

The study was **based on the theoretical and methodological principles** of regional economics and management, as well as the theory of state strategic management. The effectiveness of state strategic management was determined and evaluated using methodological foundations developed by both domestic and foreign scientists.

The nature of the chosen topic necessitated the application of descriptive, system analysis, economic analysis, comparative, and dynamic analysis methods, which were based on statistical data.

The empirical base relied on data from the National Bureau of Statistics of the Agency for Strategic Planning and Reforms, as well as information from the official websites of the Ministry of National Economy of the Republic of Kazakhstan and the Department of Economics of the Karaganda region. During the project, we also referred to the regulatory legal acts of the Republic of Kazakhstan pertaining to the state planning system, as well as strategy and programme documents of the Republic of Kazakhstan.

The scientific uniqueness of the dissertation research is in its investigation of the efficacy of state strategic management in territorial development and the formulation of recommendations for its enhancement.

- the study examines conceptual approaches to the notion of territories as a subject of strategic management by the state.
- it categorises the stages of development and assesses the efficiency of software tools for strategically managing the development of regions in Kazakhstan.
- the economic evaluation of the Development Programme of the Karaganda region is presented from the perspective of management methodology, with the main document being the results-based strategic management of the region. The effectiveness of its implementation is assessed through a sociological survey.
- measures are suggested to enhance the strategic management of the region's development.

The main provisions presented in defense include:

1. Theoretical approaches to understanding territories as a subject of state strategic management, which help organise the various components of strategic management for the socio-economic development of a region.
2. Suggestions for enhancing the efficiency of software tools used for strategic management of the development of regions in Kazakhstan.
3. Findings from the evaluation of the effectiveness of the Development Programme of the Karaganda region, including its implementation and outcomes.
4. Recommendations for enhancing the strategic management of territory development.

The practical advantages of the received recommendations to enhance the efficacy of state strategic management of territorial development are to facilitate the improvement of programme design and evaluation processes pertaining to territorial development. The author's development of methodological tools will enhance the efficacy of strategic management pertaining to the development of Kazakhstan's regions, including Karaganda.

The findings presented in the dissertation are endorsed. The dissertation research's primary findings and recommendations were presented and deliberated upon during international and scientific conferences, both domestically in the Republic of Kazakhstan and in neighbouring and foreign countries: Strategic territorial development management (on the example of the Karaganda region) 2021), Improvement of regional development using current and strategic territorial management mechanisms (2020), The effectiveness of the development and implementation of the program for the development of the Karaganda region for 2016-2020 (2020), The concept, functions and features of rural areas as an object of Management (2021), Programs of strategic directions for the development of territories (2020).

Publications. Three articles were published in journals that were sanctioned by the Committee for Quality Assurance in the field of Education and Science of Kazakhstan and dealt with the subject matter of the dissertation. Two articles were included in compilations of materials from scientific and practical conferences and scientific journals, three were published in a journal from a foreign country, and one was included in a publication in the Scopus database.

The structure of the dissertation. The work consists of normative references, designations and abbreviations, an introduction, three chapters, a conclusion, and a list of sources used. The content of the work is presented on 173 pages using 191 sources, 34 tables, 31 figures and 5 Appendices.

Throughout the investigation, the subsequent deductions and suggestions may be formulated:

1. Based on an examination of the merits and demerits of different strategic management concepts for socioeconomic systems, it is possible to deduce that the new state management concept is the most viable approach for examining the matter of regional strategic management. This notion is contingent upon the following factors:

- 1) the necessity to guarantee the uniformity of state planning system documents;
- 2) the efficacy of the operations conducted by public administration entities;
- 3) consistent monitoring, control, and evaluation of the attained results;
- 4) the modification of established goals and objectives, plans, and projects, among other things.

As an administrative and territorial unit, a territory or region is a complex socioeconomic system characterised by territorial unity and the presence of a unified system of development aims and objectives. From the perspective of strategic management, this unit is the subject of management.

As a collection of programmes, principles, and procedures that guide the future planning of the socioeconomic system's development, a strategic approach to managing the development of a region can be described.

2. The purpose of strategic management is to put a strategic plan into action. The strategic planning-driven development of their economies and territories is a priority for all established nations.

The dissertation investigates the experiences of Belarus, Russia, Germany, France, Japan, and China, as well as the United States and New Zealand. Scientific

organisations are collaborating in the development of medium-term strategic documents (strategies, regional programmes, initiatives, etc.) in the majority of the countries under consideration. In Japan, for instance, policy documents pertaining to regional development seek to increase regional accountability and decentralisation in order to accelerate effective growth. The regions autonomously strategize and implement measures, while the national government assumes a supplementary role. The spatial policy of "economic inequality and uneven growth" was implemented in China, where regional and sectoral planning began to play an important role. Over the past six decades, the Chinese paradigm of state planning has remained stable despite rapid economic expansion.

Strategic planning is a deeply entrenched domain of state sovereignty in the United States. Funding states that are falling behind in terms of minimum standards of living is the responsibility of the federal government. A progressive overhaul of the budgetary procedure is currently underway in New Zealand with the implementation of performance budgeting. Budget reform seeks to increase the budget system's efficacy so as to provide support for the public sector on a large scale.

3. The analysis of the instruments applied by the Kazakhstani government in its strategic administration of territorial development revealed the following:

- The process of creating software tools intended for strategic administration of regional development in Kazakhstan can be categorised into three distinct stages: Stage one (1996-2011); stage two (2011-2019); and stage three (2020-present):

- "Strategy inflation" results from the existence of too many documents on regional development. This results in a lack of coherence between policy objectives in programmes and makes it challenging to establish connections between programmes;

- The development of regional development policy remains primarily the responsibility of the Government of the Republic of Kazakhstan. Kazakhstan maintains a vertical orientation in its approach to development, planning, monitoring, and evaluation in this domain. The Kazakhstani government establishes sectoral plans and designates economic sectors and regions for their execution, as opposed to promoting regional initiatives. In addition, the Ministry of National Economy establishes the majority of the development indicators utilised in local economic development plans.

4. An analysis of the socio-economic progress in the Karaganda area revealed the presence of the following issues:

- A decline in the region's population and a noticeable tendency towards an ageing population. The majority of the population migrates to Astana, Almaty, and the neighbouring Akmola and Almaty areas.

- In the sector, there is a potential for a decline in output volumes if the field resources are exhausted. Additionally, there is a danger of workforce reduction from strategically significant firms due to a fall in their production activities.

- The productivity of output in the agro-industrial complex is generally poor. The exorbitant price of processed agricultural goods is acknowledged;

- There is a scarcity of bricks, building glass, lumber, building bitumen, door blocks, ceramic slabs, cable goods, power supply equipment, materials and plumbing and ventilation equipment in the construction industry.

- There is a significant fiscal reliance of the local budget in the Karaganda area on transfers from the central budget.

5. The investigation and evaluation of the effectiveness of the development programme of the Karaganda area revealed the following findings: The Strategy for territorial development of the Karaganda region was designed and ratified in the Karaganda region, commencing in 2007 and extending until 2015. The implementation of a new state planning system rendered the "Strategy of Territorial Development of the Republic of Kazakhstan until 2015" at the national level and the "Strategies of territorial development" at the regional level obsolete. In 2011, new documents were introduced, including the "Forecast scheme of territorial and spatial development of the country until 2020" and five-year territorial development programmes. The move to new documents is motivated by the disparity between the planning timeframe of the medium-term budget (spanning 3 years) and the Strategies.

Between 2011 and 2021, two territorial development programmes were executed in the Karaganda area. Currently, the implementation of the Development Plan for the Karaganda region for the period of 2021-2025 is underway. Generally, the programs/plans are designed to address significant socio-economic issues, enhance the quality of life and job opportunities for the population, and reinforce.

However, the analysis showed that there are the following systemic problems in the implementation of the listed program documents:

- lack of interaction between the TDP coordinator and the state bodies-co-executors;

- decomposition of target indicators from higher-level documents without taking into account the specifics of the region;

- unreliable and incomplete information on the results of the implementation of the TDP, where there are inconsistencies in terms of the actual implementation of measures and target indicators;

- the lack of professional competencies among program developers, which leads to poor-quality analysis and planning of indicators, the inconsistency of some Program data with official statistics;

- frequent changes to the basic list of indicators (top-down management model);

- failure to comply with the principles of effectiveness and efficiency, reliability and realism of the State Planning System;

- insufficient study of regulatory legal acts regarding the implementation of the TDP by the administrators of budget programs and insufficient control by the Program coordinator;

- providing a report on the implementation in an embellished form, which leads to a discrepancy between the data of the executors and the reports of the audit commission;

- insufficient availability of information on the implementation of programs

and others.

6. The regional strategic management system encompasses all levels of management and all governing bodies, including akimats, maslikhats, public councils, the scientific community, business entities, and the populace, in line with their respective authorities.

Nevertheless, the involvement of governmental, scientific, and private organisations, as well as people, in the formulation and implementation of the TDP is mostly symbolic. Additionally, there are legal challenges in effectively managing the strategic development of the territory. The map of strategic indicators, introduced by the Ministry of National Economy of the Republic of Kazakhstan to the regions, fails to adequately consider the concerns of other stakeholders in the region. Since 2010, a yearly evaluation system has been put in place to analyse the efficiency of the central state and local executive bodies in regions, cities of republican significance, and the capital. The regional operational assessment technique for goal accomplishment block is meant to examine the level of achievement of goals in the territorial development programme and the efficacy of reaching budget programme indicators. Between 2018 and 2022, the actions of the State Institution "Akim's Office of the Karaganda region" in this area have experienced a decline in effectiveness, transitioning from a moderate level to a poor one.

In 2022, a team of 30 administrators successfully executed the regional budget through the implementation of 222 budget programmes. The implementation of budget programmes was 92.2% effective, with 93 indicators of direct result (8.9%) and 38 indicators of final result (11.4%) falling short of their targets. The reasons include a lack of adherence to the principles of effectiveness and efficiency in the State planning System, failure to consider individual factors of regional economic development when forecasting indicators, and inefficient planning, among others.

7. In order to comprehensively evaluate the effectiveness of strategic management in the development of the region, a survey was carried out among civil servants from the regional, city, and district akimats of the Karaganda region. The purpose of the survey was to gather their perspectives on their involvement in the development of the program/development plan for the Karaganda region, as well as the significance of this document in the strategic management of the region's development.

- although most respondents believe that they are involved in the strategic management of the development of the Karaganda region through the creation and execution of strategic and programme documents, the majority of them displayed a limited level of competence and awareness in fundamental management matters.

- the primary document for the advancement of the region should be formulated with the active participation of scientific representatives.

- despite the development plan for the Karaganda region is a key instrument for strategically managing the region's development, numerous indicators in the document do not align with the actual state of affairs, as they are primarily imposed from higher authorities.

- the developers themselves do not highly value the effectiveness of transforming the Development Programme of the Karaganda region into a regional

Development Plan, as they believe that only the name has changed, not the substance.

8. The methods for transforming the approaches to strategic management of territorial development in Kazakhstan encompass the following:
- the transition involves moving from evaluating documents to evaluating policies, encompassing a comprehensive assessment process. This includes assessing the needs and requirements for proposed measures, the quality of regulations, the logical impact, the potential of performers, the coherence of processes, and the cost-benefit ratio.

- citizen involvement is crucial in shaping management decisions at both national and regional levels. This also entails establishing the necessary systemic conditions to facilitate constructive civic participation.

- the institutional environment plays a key role in evaluating the outcomes of strategic and programme documents, as well as in developing competencies, among other factors.

9. The study undertaken as part of the dissertation work highlights the necessity of establishing a systematic framework for assessing the efficacy of attaining and implementing the TDP.

Presently, the current technique employs three criteria, with one being effective and the other two being process-oriented.

The research revealed that the existing evaluation technique lacks a criterion for evaluating the risk management of the regional development plan. This criterion would enable the assessment of the risk management level in local executive bodies. It is recommended to incorporate a risk management element into both the evaluation process and the TDP format.

In order to evaluate the strategic objectives of regional development plans for local government organisations, it is suggested to incorporate two criteria: "Findings from sociological research" and "Economic autonomy of the region".

This approach will enhance the impartiality of evaluating the planning of activities carried out by local government bodies. It will also foster the growth of regional infrastructure, small and medium-sized enterprises, generate employment opportunities, boost wages, and expand the tax base, thereby increasing local budget revenues.

Dissertator



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