

Innovation Activity in the Republic of Kazakhstan: State Controlling and Ways to Increase Management Efficiency

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Abstract

The main goal of the research is to reveal the dominant role of the state in the innovational development of the country and to define promising areas of the cooperation between the state, universities (research institutes) and industry in conducting the research activity. At the present time the innovation activity is a locomotive of progressive phenomena in the economy of the country. Herewith, it is noted that in the Republic of Kazakhstan innovation activity, according to its indicators, falls behind the desired efficient result. This article defines the level of the development of innovation entrepreneurship activity in Kazakhstan. It states the problems related to the innovation development due to the current tendencies of the development of economy in the world. It offers measures for stable and dynamic development of the country that includes the notion of the competitiveness and development of innovational schemes of development that are based on efficient interrelation and optimal combination of interests of the state, universities (research institutes) and private sector of Kazakhstan. On the basis of the conducted analysis of variables - factors of innovational development - it was revealed that the efficiency of managing innovation activity by governmental authorities was a "primal cause" that had an impact on such indicators as the level of development of innovational infrastructure and wealth of the country. The authors also proposed the measures of state regulation of the innovation development of enterprises and stimulation of partnership of the science with the production.

Keywords: Technological Parks; Innovational Development; State and Private Partnership; Gross Domestic Product; Office (center) of Technologies CommercializationBack Ground

Back Ground

A mature and thriving domestic private sector is a necessary condition for an innovative economy. Facilitating market entry by innovative entrepreneurs and simplifying their relations with the state is one of the key factors in this area. Entrepreneurs in Kazakhstan, as in many other countries, are often confronted with a large body of legislation and regulation that severely hampers their innovation efforts. Significant progress has been achieved in recent years in improving the regulatory environment for private business, as reflected in improved international ratings. Administrative barriers have received particular policy attention and this has been translated into monitoring mechanisms. However, continued progress in reducing the regulatory burden and improving the market environment in which SMEs operate would increase the number of SMEs and facilitate the growth of existing ones. Kazakhstan's science and technology (S&T) sector offers a scattered landscape dominated by research institutes which are mainly inherited from the past and still mostly funded by the state. At the same time, universities in general have not yet become the leading generators of knowledge resulting in innovation as is typical in mature industrialized countries. Technoparks and business incubators do not always benefit from close association with universities. Increased exposure to market demands and competition and enhanced linkages with other innovation stakeholders would improve the efficiency of all S&T and academic organizations. Focused policies could develop the potential of the top universities to become xviii Innovation Performance Review of Kazakhstan hubs of innovation, resulting in closer links with new and existing enterprises, better knowhow exchange with international enterprises and improved international projection.

There has been a significant improvement in the business environment of Kazakhstan in recent years, including not only regulatory and tax aspects but also the quality of infrastructure and other factors influencing economic activity. However, there is still room for further progress in creating better conditions for private initiative and thriving entrepreneurial activity. The impact of measures promoting innovation or fostering entrepreneurship is highly dependent on the overall framework conditions, which need to be a continued object of policy attention. The authorities have put in place an ambitious strategy to foster economic diversification, including the encouragement of innovation. While initially much effort was devoted to set up new supporting organizations, the emphasis is now on creating plans for action. Multiple innovation initiatives have been introduced and new instruments, including tax incentives and grants, are being used. Programmes reflect an increased concern about the capabilities of firms to innovate and the regional dimensions of the innovation process. While there is consistency at the level of the overall programme goals, mechanisms for the coordination of development initiatives and implementation are weaker. Recent legal changes enshrine the importance of foresight mechanisms to identify priorities and provide a firmer basis for policy interventions. Recent state programmes have correctly identified weak demand as a major constraint to advance innovation in the country. This is a significant obstacle to innovative development, given the existing productive specialization. The instruments deployed so far to address this situation rely heavily on the control over state enterprises, although there are also initiatives envisaging tax incentives, the use of state procurement and coordination schemes. Public initiatives should emphasize further decentralized market-based mechanisms to encourage the demand for innovation, including through the improvement of