Innovation Performance Review of Kazakhstan

Rafis Abazov (PhD)
Adjunct Assistant Professor, Columbia University
Director, Global Classroom Program
(Integrated Approaches to Sustainable Development)
at KazNU
Review

Chapter 7. Financing of Innovative Entrepreneurs
Chapter 8. Innovation and International Economic Integration
Approach

- Chapter 7. Cultural anthropology approach
- Chapter 8. Public Policy Analyses
Chapter 7

- Are there any cultural, historical and institutional factors which impact the innovative environment in Kazakhstan?
- What kind of factors? How do they affect?
- Are there any cultural, historical and institutional factors which impact the business environment in the country?
- What kind of factors? How do they affect?
Research background

- Research on SME conducted by CU team in 2008
- Research on innovation strategy conducted by CU team in 2011
- Personal interviews and observations
Chapter 7 (evaluation)

- It provides a solid and comprehensive coverage of entrepreneurial financing:
  - A) background;
  - B) institutional structure;
  - C) organizational changes;
  - D) scope of the work;
  - E) major problems
Recommendations (evaluation)

- Financing of the SME;
- Development of public innovation finance system to deal with large number of publications;
- Development of corporate venture capital;
- Development of integrated programs
Chapter 7. What makes Kazakhstan’s innovation system different?

- Underdevelopment of service sector, especially retail trade and catering before the 1990s;
- Long-standing tradition of so-called “bazaar economy” – a very dynamic system of a large number of family-based SMEs;
- Social segmentation – “bazaar economy” is dominated by representatives of representatives if some regions and ethnic groups;
- Strong tradition of extended family financing;
- Existence of the informal ways of mitigation of bureaucratic barriers – so called “otkat”
Where to search for innovative sectors?

- Large and medium size industrial enterprises who often use technology transfer for their work;
- Small scale production of traditional national products (food, clothes, etc.);
- Music, video and IT production;
- Small scale trade and catering
Recommendations

- Capacity building among a new generation of entrepreneurs;
- Develop microfinancing programs at university level;
- Adapting financing system to the existing system of family-based businesses;
It provides a solid and comprehensive coverage of regional and international integration efforts:

A) background;
B) institutional structure;
C) organizational changes;
D) scope of the work;
E) major problems
Recommendations (evaluation)

- Capacity building;
- EU-Kazakhstan integration
- Integration of scholars from Kazakhstan into the international innovation initiatives;
- Regional integration
Suggestions (Chapter 8)

- More attention to the relations with South Korea and PRC;
- More attention to outsourcing of some manufacturing and services;
- Rethinking possible integration and cooperation in the context of WTO accession;
Suggestions (recommendations)

- Add recommendations on integration with East Asian partners (South Korea, PRC);
- Integration with Kyrgyzstan and Uzbekistan in the form of outsourcing of some services and prototype manufacturing;
- Strengthen regional integration by building the networks of incubators and technoparks and by developing a meeting platforms for interactions and cooperation;
- Develop Y-to-Y diplomacy (Youth-to-Youth)
Thank you

- Please let me know if you have any questions