

## NETWORK INTERACTIONS OF THE NON-PROFIT SECTOR OF KAZAKHSTAN WITHIN THE FRAMEWORK OF INTERSECTORAL PARTNERSHIP

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**Abstract.** The article presents the factors influencing the assessment of the quality of interaction between the non-profit sector and government agencies and corporations.

The study used a sociological survey of 245 NGOs in 6 regions of Kazakhstan with subsequent processing of the results using economic and statistical analysis methods.

Based on the results of a sociological survey of 245 subjects in 6 regions of Kazakhstan, conclusions are drawn about the dominant trends in this area.

The article considered the prerequisites for forming the "good governance" model in Kazakhstan through an assessment of the frequency and quality of interactions between subjects of different sectors of the economy. The study presents the point of view of the non-profit sector on business relations with government authorities and the corporate sector. The level of positive assessment of relations with the state is almost twice as high as with business. At the same time, some NGOs are completely dependent on state funding, which reduces their activity as a non-governmental organization. The formal nature of work in state advisory bodies and working groups is also noted. Interactions with businesses are more complex and the level of positive ratings is lower. Those subjects who have determined a mutually acceptable form of interaction work regularly, but most of them are in the process of searching for mutually acceptable forms.

**Keywords:** "good governance" models, non-profit organizations, corporate sector, intersectoral partnership, business, consulting organizations, public administration, network interactions.

**Аңдатпа.** Мақалада коммерциялық емес сектордың мемлекеттік органдармен және корпорациялармен өзара әрекеттесу сапасын бағалауға әсер ететін факторлар келтірілген.

Зерттеу барысында Қазақстанның 6 өңірінде 245 ҰЕҰ-ға әлеуметтік сауалнама жүргізіліп, нәтижелері экономикалық-статистикалық талдау әдістерімен өңделді.

Қазақстанның 6 өңіріндегі 245 субъектінің әлеуметтік сауалнамасының нәтижелері негізінде осы саладағы басым үрдістер туралы қорытындылар жасалды.

Мақалада экономиканың түрлі секторларының субъектілері арасындағы өзара іс-қимылдың жиілігі мен сапасын бағалау арқылы Қазақстанда "тиісті басқару" моделін қалыптастырудың алғышарттары қарастырылған. Зерттеу коммерциялық емес сектордың мемлекеттік органдармен және корпоративтік сектормен іскерлік қатынастарға көзқарасын ұсынады. Мемлекетпен қарым-қатынасты оң бағалау деңгейі бизнеске қарағанда екі есе жоғары. Сонымен бірге, кейбір ҰЕҰ-лардың мемлекеттік қаржыландыруға толық тәуелділігі байқалады, бұл олардың үкіметтік емес ұйым ретіндегі белсенділігін төмендетеді. Сондай-ақ, мемлекеттік консультативтік органдар мен жұмыс топтарындағы жұмыстың формальды сипаты атап өтіледі. Бизнеспен өзара әрекеттесу күрделірек және оң баға деңгейі төмен. Өзара әрекеттесудің өзара қолайлы түрін анықтаған субъектілер үнемі жұмыс істейді, бірақ олардың көпшілігі өзара қолайлы формаларды іздеу процесінде.

**Түйін сөздер:** "good governance" модельдері, коммерциялық емес ұйымдар, корпоративтік сектор, сектораралық әріптестік, бизнес, консалтингтік ұйымдар, мемлекеттік басқару, желілік өзара іс-қимыл.

**Аннотация.** В статье представлены факторы влияющие на оценку качества взаимодействия

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некоммерческого сектора с государственными органами и корпорациями.

В исследовании использовался социологический опрос 245 НПО в 6 регионах Казахстана с последующей обработкой результатов методами экономико-статистического анализа.

На основе результатов социологического опроса 245 субъектов в 6 регионах Казахстана сделаны выводы о доминирующих тенденциях в этой сфере.

В статье рассмотрены предпосылки формирования модели "надлежащего управления" в Казахстане посредством оценки частоты и качества взаимодействий между субъектами различных секторов экономики. В исследовании представлена точка зрения некоммерческого сектора на деловые отношения с государственными органами и корпоративным сектором. Уровень положительной оценки отношений с государством почти в два раза выше, чем с бизнесом. В то же время наблюдается полная зависимость некоторых НПО от государственного финансирования, что снижает их активность как неправительственной организации. Также отмечается формальный характер работы в государственных консультативных органах и рабочих группах. Взаимодействие с бизнесом более сложное, а уровень положительных оценок ниже. Те субъекты, которые определили взаимоприемлемую форму взаимодействия, работают регулярно, но большинство из них находятся в процессе поиска взаимоприемлемых форм.

**Ключевые слова:** модели "good governance", некоммерческие организации, корпоративный сектор, межсекторальное партнерство, бизнес, консалтинговые организации, государственное управление, сетевые взаимодействия.

## Introduction

Non-profit organizations around the world are active participants in the implementation of the principles of the welfare state and are engaged in network cooperation with the state and the commercial sector. International organizations of various levels find confirmation of these processes in reports representing the experience of different countries in promoting the active role of NGOs in building civil society [1]. Various forms of partnership with the corporate sector in the regions of the world are evaluated and predicted [2]. International consulting organizations monitor developments in the field of civil society and the role of non-governmental organizations in solving various problems of the welfare state [3].

The concept of public administration "good governance", which involves networking regularly between government agencies, businesses, and the non-profit sector, in its primary version is fixed in UN documents [4].

## Literary review

The study of the processes of formation of the public-state model of management in the aspect of relations of economic sectors in the modern economy is carried out in the following areas:

Models and mechanisms of joint participation of subjects of different forms of ownership in the development of society (social projects, economic infrastructure projects, social entrepreneurship) I.Mersiyanova, L.Yakobson [5], Mersiyanova

I.V., Coston J.M. [6].

The assessment of the quality of business relations between the state and NGOs according to the parameters "full autonomy – full dependence" and "unpreparedness - full readiness" was carried out in the works of Pratt B. [7], A.Nazdam [8], D.Yang [9].

The possibilities of communicative management within the framework of the "good governance" paradigm are considered in the works of F.Arrieta [10], Kudryashova E. [11].

Methodological approaches to assessing the economic contribution of the activities of non-profit organizations and volunteers to GDP, as recognition of their contribution to the development of the economy and society, are considered in the works of L. Salamon, V.Pestov [12].

The novelty of our research lies in the assessment by the non-profit sector of Kazakhstan of the quality of interactions between three sectors of the economy (public authorities, NGOs, and the corporate sector) [13].

In general, the formation and strengthening of network links between the state and the sectors of NGOs and business are currently a necessary condition for resolving the crisis of public administration, which is recognized by all countries [14].

## Methods

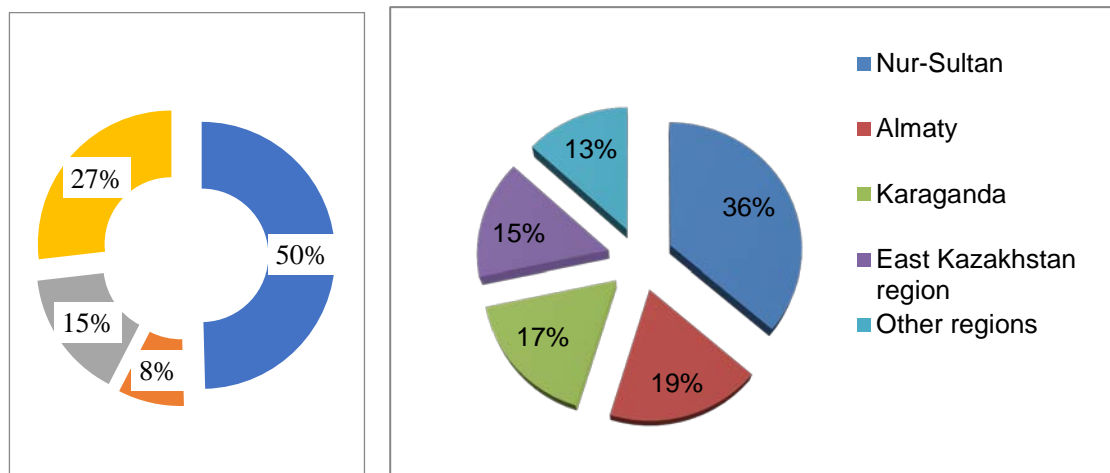
The study used a sociological survey of 245 NGOs in 6 regions of Kazakhstan with subsequent processing of the results using economic and statistical analysis methods.

## Results

*The composition and structure of the non-profit sector of Kazakhstan.*

According to the database of the Ministry of Justice, 18,306 organizations of

the non-profit sector were registered in the country in 2022. According to the legal status, the structure of the sector is shown in (Figure 1).



Source: Compiled by the author according to the Ministry of Justice of the Republic of Kazakhstan

**Figure 1 – Structure of the non-profit sector by forms of management and regions of placement in %, 2022**

The dominant form is the form of Public Associations (50%), and the next in proportion is the form of the Foundation (27%). 15% are institutions. Associations and trade unions are represented by the smallest group with a specific weight of 8% [14].

In terms of concentration in the regions, Nur-Sultan (36%) and Almaty (19%) are the leaders. Karaganda and East Kazakhstan regions are included in the group of middle peasants (17% and 15%). Other regions represent 13% of all NGOs [14].

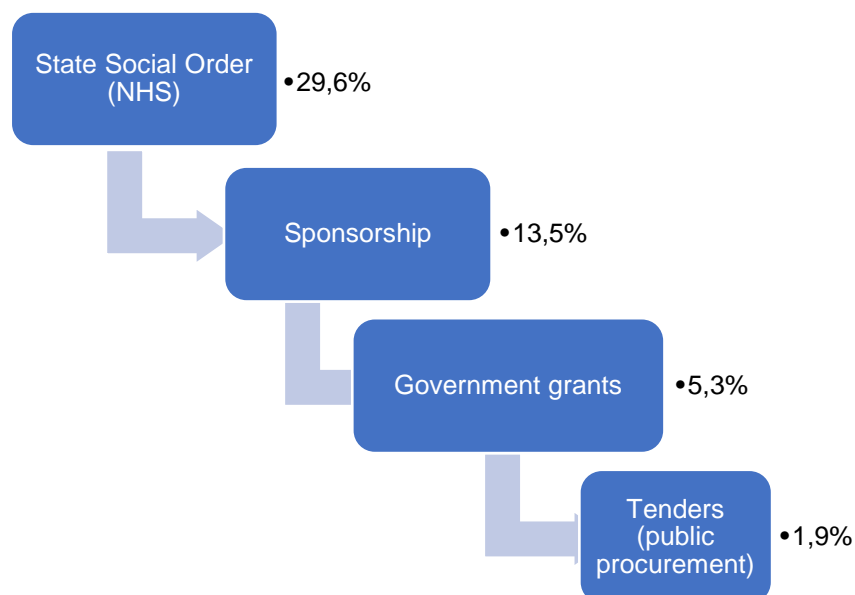
Legal aid, services for children, health and physical education, education and research services, and services for people with disabilities were declared the most common areas of NGO activity. These areas of activity allocate 20 percent or more of the

total.

Other areas are less common in the sample, for example, charity was chosen as a priority activity by only 13.1% of organizations, and social entrepreneurship was designated as a priority activity by 14.5% of NGOs [14].

As for the target groups, the "children and youth" group has the largest share (28%), and the second most important low-income citizens (17.3%). All other target groups were specified in less than 10% of organizations. 7.5% of organizations chose the groups "rural residents" and "disabled people" [14].

For the subject of our research, ranking by shares of funding sources, which characterizes the state of intersectoral partnership, is of fundamental importance (Figure 2).



Source: Compiled by the author based on the materials of the National Report "Civil sector of NGOs of Kazakhstan", 2021. <http://decenta.kz/ru/>

**Figure 2 – Sources of funding for the activities of NGOs in the context of partnership, %**

Business relations of the non-profit sector can be built with government agencies, business structures, and other organizations of the sector.

*Interaction of NGOs with the state.*

According to the results of our empirical study of 245 NPOs, the key partner is the state, 41% of organizations indicated this subject. About 18% of organizations indicated another NGO, which indicates the development of network

relations within the sector. Business, as a partner, is listed in 6% of organizations. 4.2% of organizations work closely with international foundations [7].

The cumulative share of rather positive assessments of contacts with the state was 56%.

Table 1 presents an assessment of the frequency and quality of communications in the interactions of NGOs with government authorities.

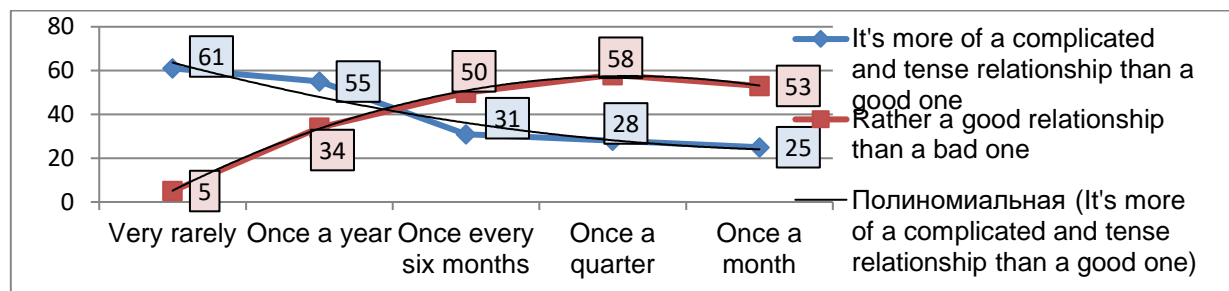
**Table 1 – Characteristics of the quality of communications with government agencies in the context of their frequency, %**

Relationship quality indicators		Very rarely	Once a year	Once every six months	Once a quarter	Once a month
1	Definitely strained (tense) relations	30	33	13	10	14
2	Complicated relationships, but there is a tendency to improve	31	23	18	13	15
3	With varying success	4	43	19	16	18
4	Rather a good relationship than a bad one	3	5	27	33	32
5	Definitely a good relationship	2	29	23	25	21

Note: Compiled by the author based on the results of a sociological survey of 245 NGOs in 6 regions of Kazakhstan (Nursultan, Almaty, Karaganda region, East Kazakhstan region, Almaty region, Kostanay region).

The general trend of the total ratings of relationships that are "rather bad than good" (the total value of indicators 1 and 2

in Table 1) and "rather good than bad" (the total value of indicators 4 and 5) are shown in (Figure 3).



Note: Compiled by the author based on the results of a sociological survey.

**Figure 3 – Distribution of qualitative assessments of NGOs' interactions with the state depending on their frequency\*, % [8]**

Since each curve is the sum of "rather positive" or "rather negative" ratings, the sum of the percentages is 200.

The obtained curves and polynomial trends show that the frequency of specific interactions affects the assessment of relationships to a certain extent. Those subjects who consider relations to be good rather than bad are more likely to contact government agencies and work more like partners, more or less regularly engaging in interactions. The forms of interaction are contracts, participation in working groups and coordination councils, and participation in official events on the territory of the city or region.

Those who evaluate the quality of relationships negatively have more rare contacts or they are almost absent.

Most often, contacts are implemented with three departments/departments:

1. Domestic policy (47% of respondents noted);
2. Coordination of employment and social programs (22% of respondents);
3. Education (15% of respondents).

In the sample as a whole, the share of "unambiguously good" and "rather good

than not" estimates was 73.1%, which is quite comparable with 86.2% of the previously obtained data in the "National Report" [7].

The interaction of NGOs with business is characterized by other indicators and in general the situation is somewhat different.

The cumulative share of positive ratings was 34%, which is less than in the above-mentioned study, in which such ratings were 42.4%.

First of all, it should be noted that some of the organizations of the non-profit sector had no experience of cooperation with business at all and, at best, are at the stage of negotiations [7]. This share was 28% among our respondents. Among those who are currently trying to cooperate with business, the proportion of organizations that assess the process as "rather complex" is greater than those that give a positive assessment.

A negative assessment was given by 14%, while a significant part of the sample – 24% said that there is no unambiguous assessment and the relationship is developing with varying success.

**Table 2 – Characteristics of the quality of communications with the business sector bodies in the context of their frequency, %**

		Missing/ under negotiation	Single contact	There were 2-3 contacts	Annually	Regular contacts
1	Definitely difficult	19	14	32	19	16
2	More bad than good	41	3	18	21	17

3	I find it difficult to estimate, with varying success	2	11	27	29	31
4	More good than bad	29	31	13	15	12
5	Definitely good	9	41	10	16	24

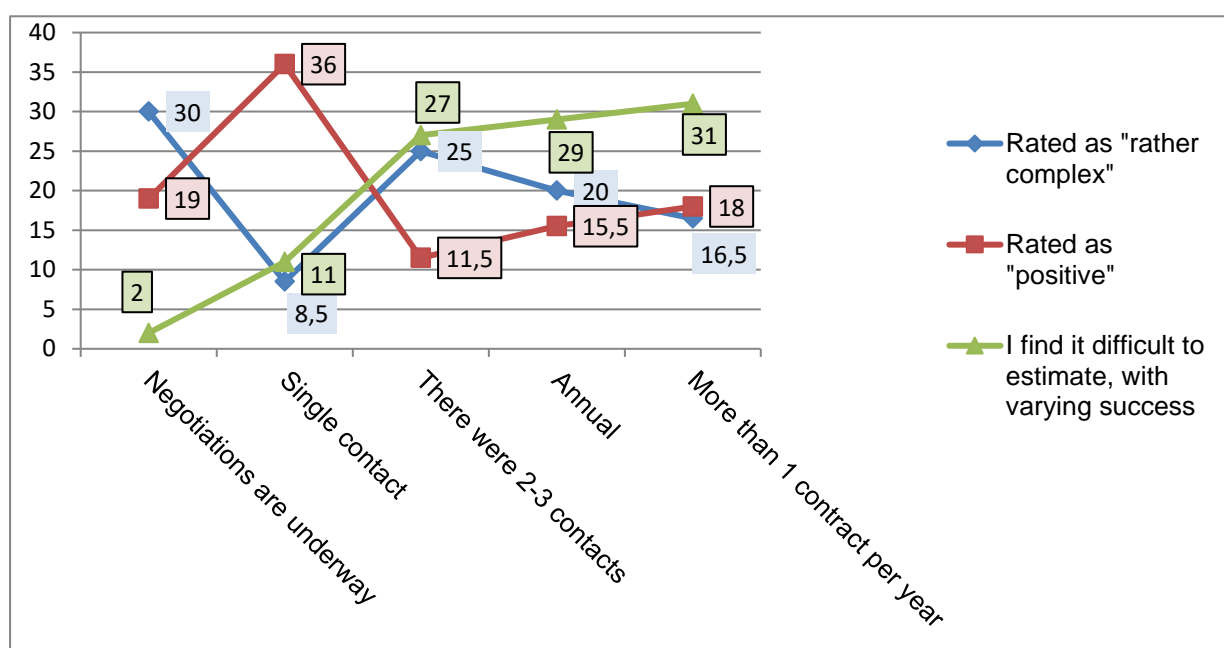
Note: Compiled by the author based on the results of a sociological survey of 245 NGOs in 6 regions of Kazakhstan (Nursultan, Almaty, Karaganda region, East Kazakhstan region, Almaty region, Kostanay region).

In Figure 4, we have summarized the specific weights of estimates having a similar nature:

- the relations estimated as "rather complex" are obtained by calculating the average values of the value that is the sum

of rows 1 and 2 of Table 2;

- the ratios evaluated as "positive" are obtained by calculating the average values of the value that is the sum of rows 4 and 5 of Table 2.



Source: Compiled by the author based on the results of a sociological survey of 245 NGOs in 6 regions of Kazakhstan (Nur-Sultan, Almaty, Karaganda region, East Kazakhstan region, Almaty region, Kostanay region).

**Figure 4 – Distribution of qualitative assessments of NGO-business interactions depending on their frequency, %**

The largest spread of specific weights is for the case of single contracts, which is quite predictable since this assessment has a high level of subjectivity.

For those who negotiate, the assessment of the current situation as "difficult" prevails.

The group that finds it difficult to unambiguously assess the experience of cooperation with business and assesses the relationship as unstable, proceeding with varying success, has significant experience of cooperation with business:

- 13% did not have contracts with business;

- 27% noted that there were 2-3 contracts in the entire history of the organization;

- 29% cooperate annually;

- 31% have two contracts per year.

*Cooperation within the NGO sector.*

As for network cooperation within the NGO sector, there are residual strong network links between organizations within the sector. Every second organization noted that it is a member of an association



or association. But this membership is not always active, or effective.

We assessed the activity of the non-governmental sector by such actions as sending mailings, organizing trainings, initiating the involvement of co-executors.

The most frequent form of active activity is "sending mailings". 64.2% of

organizations send mailings to other organizations of the sector at least once a year. 41.8% organize trainings, seminars, round tables, and other forms of active interaction. 16.3% involve co-executors from other organizations in the implementation of projects and other forms of activity (Table 3).

**Table 3 – Actions of the active part of the NGO sector, %**

	Share in the total of NGOs	Receive newsletters from other organizations	Participate in trainings, seminars of other organizations	Participate as co-executors in projects of other organizations
Send mailings	64,2	61,8	35,4	10,9
They organize trainings, seminars, and other forms of active interaction	41,8	38,9	36,5	12,7
Initiate the involvement of co-executors	16,3	68,9	31,9	14,4

*Note: Compiled by the author based on the results of a sociological survey of 245 NGOs in 6 regions of Kazakhstan (Nursultan, Almaty, Karaganda region, East Kazakhstan region, Almaty region, Kostanay region).*

Among those who send mailings, 61.8% noted that they also receive a reply newsletter from other organizations; 35.4% participate in trainings and seminars of other organizations, and 10.9% noted participation as a co-executor in non-profit community projects.

The share of organizations that regularly conduct trainings, seminars, round tables, and other types of communication activity was 41.8%. Approximately the same part of the population also participates in events held by other organizations – 36.5%.

The initiation of the involvement of co-executors is the most obvious form of network cooperation, but only 16.3% said that they have such a practice of action. Of course, such actions are mutual and the intersection was 14.4%. That is, they are attracted as co-executors by 14.4% of the surveyed organizations. If we take this level as a benchmark, then we can say that from 10% to 16% of organizations have stable integration links of a network nature within the sector.

### Discussion

Our results with a high degree of probability agree with the results obtained

by J.Coston, to the extent that a certain share of the NGO sector is significantly dependent on government subsidies for their activities. Adaptation by us to the Kazakh conditions of the scale variant proposed by B. Pratt [10], allows us to identify a small proportion of NGOs that are in opposition to state authorities, and more than 50% are inclined to give a positive assessment to contacts.

At the same time, our study fully revealed the problems considered by Piestoff [9], when participation in working groups and coordinating councils is assessed by NGOs as more formal than effective. NGO representatives are attracted more to confirm already formulated proposals and conclusions than include them in the decision-making process in working groups.

### Conclusions

Turning to the conclusions, it can be noted that 41% of respondents consider the state to be a key partner, 18% - to another non-governmental organization, and only 6% - to corporations. This indicates a low intensity of cooperation with the business.

The assessment of the quality of

interactions between NGOs and other sectors of the economy allows us to conclude that a high proportion of positive feedback on contacts with the state (more than 50% of respondents) and a lower proportion of contacts with business (32% of respondents). The quality of interactions within the sector is assessed rather productively by 46% of respondents.

The dependence between the frequency of contacts and the level of evaluation of interactions is revealed. Among NGOs that have contact with the state once a month, quarter, or 6 months, the cumulative assessment of relations in subgroups as "rather good than bad" is more than 50%. Good relations are understood as the presence of contracts, participation in working groups and coordination councils, and participation in official events in the city or region. Those who evaluate the quality of relationships negatively have more rare contacts or they are almost absent. At the same time, contacts almost always take place with the Department of Internal Policy, while others work with NGOs much less often, and in some regions do not work at all.

The cumulative share of positive assessments of interactions with business is much less – 34%. At the same time, almost a third of respondents had no previous contact with the business, and 28% are in the process of negotiations and cannot

assess the results in any way. There is less dependence on the frequency of contacts: the share of positive ratings among frequent contacts is 33.5%, and the share of ratings "rather complex relationships" is 36.5%.

There are quite strong business ties within the NGO sector since every second organization is a member of some association. At the same time, it is possible to note rather the passive nature of contacts, since the form of mailings (64.2%) and round tables (41.8%) is used more often than others, while the joint implementation of projects is only 16.3%.

The conducted research contains contacts between NGOs and businesses and their typifications, which will allow us to identify their positive and negative sides further, as well as develop proposals for interaction models.

### Acknowledgments

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#### **СЕКТОРАРАЛЫҚ ӘРІПТЕСТІК ШЕҢБЕРІНДЕ ҚАЗАҚСТАННЫҢ КОММЕРЦИЯЛЫҚ ЕМЕС СЕКТОРЫНЫҢ ЖЕЛІЛІК ӨЗАРА ІС-ҚИМЫЛДАРЫ**

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#### **СЕТЕВЫЕ ВЗАИМОДЕЙСТВИЯ НЕКОММЕРЧЕСКОГО СЕКТОРА КАЗАХСТАНА В РАМКАХ МЕЖСЕКТОРАЛЬНОГО ПАРТНЕРСТВА**

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