

MULTILEVEL GOVERNANCE IN KAZAKHSTAN: HOW TO ADDRESS THE MISALIGNMENT BETWEEN RESPONSIBILITY, AUTHORITY AND CAPACITY

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ABSTRACT

This article examines the misalignment between responsibility, authority, and capacity within the multilevel governance system of the Republic of Kazakhstan. Using the Responsibility–Authority–Capacity (RAC) model as the analytical framework, it identifies discrepancies between assigned responsibilities, the actual degree of decision-making autonomy, and the managerial and financial capacity available to carry them out. The methodology combines content analysis of regulatory and legal acts with a comparative review of international practices, including those of Poland, China, South Korea, and the OECD. The findings show that the main sources of the misalignment stem from unclear functional delineation, limited political and administrative autonomy at the local level, and a pronounced vertical fiscal gap. The article proposes an applied RAC matrix for auditing functional assignments across different levels, along with a set of policy recommendations: aligning financing with functional assignments (“finances follow functions”), introducing performance-based contracting, strengthening the role of Maslikhats, and enhancing human-resource and analytical capacity at the local levels.²

Keywords: *multilevel governance; decentralisation; local government; authority and responsibilities; fiscal decentralisation; RAC model*

INTRODUCTION

Multilevel governance refers to a system in which public authority, decision-making, and the delivery of public services are distributed across multiple tiers of government—from central to regional and local. International experience demonstrates that sustainable development depends on maintaining a balance between the functions (responsibilities) assigned to local governments, the scope of their authority, and the resources available at each level (Charbit, 2011; OECD, 2017). In other words, decentralisation is effective only when responsibility is accompanied by adequate powers as well as the financial and organisational capacity required to carry out those functions (Charbit, 2011; OECD, 2017).

When this balance is not upheld, institutional distortions arise local governments are formally accountable for numerous tasks but lack the authority or resources necessary to implement

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² RAC (Responsibility–Authority–Capacity) is a framework used to diagnose the alignment of: (1) responsibilities/functions, (2) authority/autonomy of decision-making, (3) resources and management capacity (personnel, finances, data, tools).

them. Such misalignment undermines accountability and weakens the quality of public administration at the local level, ultimately creating socioeconomic risks.³

In Kazakhstan, the imbalance between authority, capacity, and responsibilities has become especially acute amid ongoing decentralisation reforms. Although strategic documents, such as the Local Self-Government Development Concept to 2025 and the *100 Concrete Steps* programme, formally articulate the goal of strengthening local self-government, the system in practice remains highly centralised.⁴ Constitutional and legislative arrangements have created institutional constraints that leave local authorities caught between directives from higher levels and the expectations of local communities. This article examines the institutional roots of these imbalances within Kazakhstan's multilevel governance system and offers potential solutions informed by both domestic analysis and international experience.

The purpose of this article is to identify where gaps between responsibilities, authority, and capacity arise at the subnational level and to propose a practical tool for diagnosing and addressing these imbalances. In doing this it poses the following research questions: (i) what institutional factors shape the Responsibility–Authority–Capacity (RAC) imbalance within Kazakhstan's governance system? and (ii) which legal, budgetary, and managerial mechanisms can help reduce the responsibility–authority–resources gap without compromising the quality of public services? The article's scientific contribution lies in applying the RAC model as a practical *function-audit matrix* that can be used to reassess government competencies and inter-budgetary relations.

INSTITUTIONAL CAUSES OF IMBALANCE IN KAZAKHSTAN

Kazakhstan's system of public administration has historically evolved from a strongly centralised model inherited from the Soviet period. The Constitution of the Republic of Kazakhstan establishes that local governance is exercised through representative bodies (Maslikhats) and executive bodies (Akimats), both incorporated into a unified system of state executive power.⁵ Akims of regions, cities of republican significance, and the capital are appointed by the President and report directly to him, which significantly constrains the autonomy of local governments and limits their accountability to the population. Although some steps toward democratisation have been taken, most notably the introduction of direct elections for lower-level Akims in 2021, the majority of local executive heads continue to be appointed by higher levels.⁶ This institutional arrangement results in Akims prioritising the implementation of top-down directives rather than addressing the needs and preferences of local communities.

Local representative bodies, the Maslikhats, possess restricted powers and limited oversight capacity, which weakens horizontal accountability at the local level (OECD, 2017; 2025). As noted above, decentralisation reforms will only be sustainable if the strengthening of representative institutions is accompanied by an expansion of local competencies, financial autonomy, and managerial resources (OECD, 2017). Consequently, a persistent accountability

³ Here the word 'capacity' is used in the meaning of "institutional/managerial capacity": the availability of resources, competencies, and tools to perform the assigned functions.

⁴ Decree No. 420 (18 August 2021) 'On the Concept for Development of Local Self-Government in the Republic of Kazakhstan'.

⁵ The Constitution of the Republic of Kazakhstan 1995. <https://adilet.zan.kz/>

⁶ Kazakhstan introduces amendments to legislation on elections (direct elections of rural akims). <https://www.gov.kz/> (25 May 2021).

gap remains at the subnational level: the public expects Akimats to resolve pressing local issues, yet Akims themselves remain more accountable to higher-level authorities than to the citizens they serve.

Another institutional source of imbalance is the unclear delineation of functional assignments across different levels of government. Although the *Law on Local Public Administration and Self-Government* formally defines the powers of regional, district, and rural administrations, in practice many functions are shared among central, regional, and district authorities.⁷ For instance, the central government establishes national policy frameworks and financing parameters for basic public services, whereas regional and district Akimats are responsible for delivering these services on the ground.

Under such arrangements, responsibility for outcomes becomes partially blurred: the quality of education, healthcare, and social care depends on administrative performance at the local level, but standards and much of the resource allocation are determined centrally. As a result, local authorities often function more as implementers of centrally defined policies than as autonomous decision-makers (OECD, 2017). This pattern aligns with international comparisons. Subnational governments in Kazakhstan carry out a substantial share of public expenditures, including in social sectors and infrastructure, yet their discretion in policy design remains constrained.⁸ In other words, subnational institutions shoulder broad responsibilities for service delivery but lack full autonomy to adapt these services to local needs.

Closely linked to functional ambiguity is the structure of subnational finance. Local governments have a narrow financial base, and local budgets remain heavily dependent on transfers from the central government. According to the World Observatory on Subnational Government Finance and Investment, inter-budgetary transfers constitute a significant proportion of subnational revenues, revealing a persistent vertical fiscal imbalance (OECD, 2022). This limited fiscal autonomy constrains local governments' ability to undertake long-term territorial planning or respond quickly to emerging local problems.

Public finance assessments further note that practices such as redistributing "excess" revenues and strict budget regulation reduce incentives for local authorities to expand their own revenue base (World Bank, 2024). The result is a structural vertical fiscal gap: although a major share of public expenditures is executed at the subnational level, control over the financial resources needed to perform these functions remains centralised.

Comparable challenges are observed in other unitary states with heavy subnational expenditure burdens. In China, for example, subnational governments manage the bulk of expenditure responsibilities while maintaining strong dependence on intergovernmental equalisation mechanisms (Jin, 2023).

These factors - limited political autonomy of local authorities, a blurred delineation of functions, and financial dependence on the center—are mutually reinforcing. The literature notes that the Kazakhstani model combines elements of administrative subordination with limited local autonomy, aligning it more closely with the "continental" logic of local governance (OECD, 2017). At the same time, both implemented and planned reforms signal an intention to move toward a more balanced system. Experience from previous stages of

⁷ Law No. 148-II (23 January 2001) 'On Local Government and Self-government in the Republic of Kazakhstan'.

⁸ World Observatory on Subnational Government Finance and Investment (OECD/UCLG): Country profiles. <https://www.sng-wofi.org/country-profiles/>

decentralisation shows that piecemeal measures introduced without a coherent framework for allocating authorities and resources have limited impact. Such measures require institutional alignment with budget reform and the development of local capacity to be effective (Ismailova, 2023; OECD, 2017). Future reforms must therefore address these systemic barriers; otherwise, targeted steps, for example, modifying the procedures for electing certain officials or reallocating specific revenue sources to local authorities, will be insufficient to produce sustainable results.

INTERNATIONAL EXPERIENCE IN BALANCING AUTHORITIES AND RESOURCES

The experience of other countries demonstrates a variety of approaches to building effective multilevel local governance systems and addressing the persistent imbalance between responsibilities and resources. For instance, Poland, following its transition to democracy, it implemented a comprehensive reform of local government and its multi-tier territorial organisation. *Gminas* (municipalities), *poviats* (counties), and *voivodeships* (regions) were systematically strengthened, competencies were clarified, and financial equalisation mechanisms were introduced. Key achievements include enhanced autonomy of local authorities, the development of local strategic planning, and improved quality of municipal services, all while maintaining effective national coordination mechanisms (OECD, 2008; 2021).

Conversely, the People's Republic of China is a unitary state but maintains one of the highest levels of fiscal decentralisation in the world. Provinces, prefectures, and counties account for the majority of total government expenditure, with a significant share of revenues redistributed through intergovernmental transfers and equalisation mechanisms.⁹ This system supports unified national priorities while requiring continuous fine-tuning of resource allocation rules and the division of responsibilities across levels of government.

Equally, since democratisation in the late 1980s, the Republic of Korea has actively pursued decentralisation, aiming for a more balanced distribution of functions between the central and local governments. Subnational governments play a substantial role in public spending and service delivery, yet they remain highly dependent on the central government for tax authority and intergovernmental transfers. As a result, equalisation arrangements and coordination mechanisms between levels of government remain essential.¹⁰

In other OECD countries, mechanisms designed to strengthen vertical coordination and align responsibilities with financial capacity are common. These include contractual arrangements between levels of government and programme-based instruments that help harmonise priorities and clarify roles (OECD, 2017). Approaches that enhance citizen participation and local accountability, such as participatory budgeting and various consultation formats, are also widely used and are viewed as important complements to formal power-sharing reforms (OECD, 2017; 2025).

⁹ SNG-WOFI. (2026). Country profile: China. World Observatory on Subnational Government Finance and Investment (OECD/UCLG). <https://www.sng-wofi.org/country-profiles/>

¹⁰ SNG-WOFI. (2026). Country profile: Republic of Korea. World Observatory on Subnational Government Finance and Investment (OECD/UCLG). <https://www.sng-wofi.org/country-profiles/>

RESEARCH METHODOLOGY

This study adopts a comprehensive approach and draws on several complementary methods. It employs a comparative analysis approach in examining the Kazakh model of multi-level governance alongside the experiences of other countries - China, Poland, South Korea, and OECD members - to identify any common trends and effective practices.

The study uses the Responsibility–Authority–Capacity (RAC) model as an analytical framework to assess the degree of alignment between the responsibilities assigned to local governments, the authority they are granted, and the resources at their disposal. This model helps structure the analysis of existing imbalances and identify concrete gaps, such as insufficient financial capacity relative to broad mandates. The model is operationalised by applying a set of straightforward indicators that allow comparison of: (1) the obligations of local authorities; (2) the decision-making powers they possess; and (3) the resources and competencies available to them.

Table 1. The RAC model

Component	Definition	What does this mean in practice?	Examples of indicators and sources
Responsibility (R)	Assigned duties/functions	What responsibilities do local authorities hold toward the population and the central government?	Laws/regulations; state programmes; lists of public services
Authority (A)	Decision-making authority	What decisions can they make independently, without requiring higher-level approval?	Right to approve plans/standards; procurement; human resources management decisions; regulatory instruments
Capacity (C)	Resources and management capacity	Do they have sufficient financial resources, personnel, data, and administrative procedures to carry out these responsibilities effectively?	Revenue base; transfers; human resources and qualifications; information systems/data; budget execution indicators

A district-level case study complements the broader analysis by illustrating how institutional imbalances manifest in practice. Drawing on budget data, delegated functions, and qualitative insights from interviews with local government representatives, the study identifies recurring challenges such as funding shortfalls, overlapping authorities, and continued dependence on higher-level authorities in key decision-making processes.

This empirical analysis is further supported by content analysis of legal and regulatory acts, including the Constitution, local government legislation, and budget and tax codes. This approach enables a systematic assessment of how responsibilities, authority, and revenue sources are distributed across different levels of government, and helps identify inconsistencies and gaps in the existing institutional framework.

The combined use of these methods provided a comprehensive understanding of the issues and strengthened the reliability of the conclusions: findings from international comparisons

were corroborated by empirical evidence from Kazakhstani practice and by an assessment of existing institutional arrangements.

DISCUSSION OF RESULTS

This approach is a novel one, thus advancing the analysis of Kazakhstan's decentralisation by applying the RAC model to systematically identify gaps between responsibilities, authorities, and resources at the local level. In contrast to purely descriptive assessments, the emphasis here is on institutional mechanisms — specifically, the persistent mismatch between the formal expansion of local government functions and their limited financial and organisational autonomy (OECD, 2017). The analysis shows that frequent, ad-hoc reallocations of functions and authorities, when not guided by a coherent overarching framework, create a “pendulum” effect that increases transaction costs and undermines the resilience and capacity of local governance systems (Charbit, 2011; Ismailova, 2023).

Furthermore, the findings of the study have practical implications for improving public policy. First, the proposed “responsibility–authority–capacity” analysis can support government experts in planning subsequent decentralisation reforms by ensuring that each step is balanced and coherent. Second, the international practices identified—such as contracting arrangements, fiscal equalisation, and measures that strengthen municipal autonomy—are relevant and adaptable to Kazakhstan's context. Some elements are already being implemented, including forms of citizen engagement like participatory budgeting, which align with recommendations from international organisations (OECD, 2017).

The findings also highlight a key priority: strengthening the institutional capacity of local governments to manage their expanding responsibilities. This includes investing in training and professional development for local officials. The experiences of France and Japan, both of which operate specialised training centres for municipal employees, offer useful benchmarks.¹¹ In addition, the results may support the implementation of objectives set out in Kazakhstan's strategic documents on the development of local self-government.

On the other hand, the limitations of this study should also be acknowledged. First, due to the limited availability of public data at the district level, part of the analysis relied on qualitative methods. A more rigorous quantitative assessment of imbalance effects would require detailed statistics — for example, data on discrepancies between district budget requests and actual allocations, or the number of functions transferred without corresponding funding. Second, international examples are presented as general comparative references and serve primarily as illustrative cases; the underlying socio-political contexts (such as China's one-party system or Poland's distinct traditions of citizen self-organisation) were not examined in depth. As a result, directly transferring these experiences requires caution and careful consideration of Kazakhstan's specific institutional conditions. Third, the proposed recommendations assume a degree of political commitment to decentralisation.

If reforms remain largely declarative or face bureaucratic resistance, the measures outlined may be implemented only partially. Nonetheless, despite these limitations, the core principles

¹¹ JIAM (2025). Japan Intercultural Academy of Municipalities: Pamphlet. Japan Municipal Training and Research Foundation. <https://www.jiam.jp/> and Centre national de la fonction publique territoriale (CNFPT). (n.d.). Présentation / Missions. <https://www.cnfpt.fr/>

of balancing responsibility, authority, and resources remain broadly applicable and are consistently supported by both theory and practice in developed countries.

CONCLUSIONS AND RECOMMENDATIONS

The study concludes that addressing the imbalance between responsibilities, authorities, and resources requires not a single targeted reform, but a coordinated package of measures. The proposed RAC matrix makes it possible to preliminarily identify gaps within specific functions and to use these findings as a foundation for legal and budgetary decisions. The recommendations are grouped below by implementation priority:

- **Priority 1 (0–6 months):** Conduct a RAC audit of key functions (such as education, housing and communal services, and local roads) and embed the “finances follow functions” principle in transfer formulas and expenditure allocation methodologies.
- **Priority 1 (0–6 months):** Launch pilot performance-based agreements between the central or regional authorities and district governments, establishing measurable indicators and clear accountability for all parties.
- **Priority 2 (6–18 months):** Clarify the division of functions and authority across levels of government and eliminate duplicative responsibilities through a coordinated package of legislative amendments and by-laws.
- **Priority 2 (6–18 months):** Strengthen the role of Maslikhats in budget oversight and public reporting by expanding their involvement in budget hearings, evaluating program effectiveness, and monitoring implementation.
- **Priority 3 (18–36 months):** Build capacity at the local level through targeted HR programs, skills development initiatives, the establishment of analytical units, and improved access to data and digital management tools.
- **Priority 3 (18–36 months):** Expand mechanisms for participation and transparency, including open data on budgets and public services, regular public consultations, and elements of participatory budgeting.

Implementing these recommendations will support a transition from formal to *de facto* decentralisation. By building a multi-level governance system grounded in the principles of subsidiarity and accountability, Kazakhstan can address existing imbalances: local authorities will acquire the practical capacity and resources needed to resolve local issues, while the central government will benefit from reliable partners in jointly advancing national development. Ultimately, a more balanced distribution of powers and responsibilities will enhance the efficiency of public service delivery and strengthen citizen trust in government institutions.

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