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OUTSOURCING AND THE EFFICIENCY OF PUBLIC ADMINISTRATION: THE CASE OF SOCIAL PROTECTION IN KAZAKHSTAN

The modernisation of public administration in Kazakhstan has intensified the search for organisational mechanisms capable of raising the efficiency of state functions without expanding the administrative apparatus. This article examines outsourcing as such a mechanism, using the social protection sector, the largest expenditure item of the state budget, as the empirical field. The purpose of the study is to substantiate the conditions under which the transfer of supporting and service-delivery functions to non-state providers improves the efficiency of public administration, and to develop a conceptual model of outsourcing-based enhancement of state functions. The research combines statistical trend analysis of official data for 2020–2024, a criteria-based comparative analysis of four international models (the United Kingdom, Denmark, the United States and South Korea), and an expert assessment of delivery modes. The expert survey involved twelve specialists representing central and local executive bodies, non-state providers and academia, who scored in-house and outsourced provision against six criteria on a five-point scale; the criteria weights were derived by the ranking method, the scores were aggregated into a weighted integral efficiency index, and the consistency of expert judgements was verified using Kendall's coefficient of concordance ($W = 0.61-0.67$; $p < 0.001$). The results show a steady expansion of the non-state segment in the provision of special social services and above-average growth of financing channelled through the state social order, alongside persistent weaknesses in contract management and quality monitoring. Outsourced provision outperforms in-house provision on cost efficiency and coverage but concedes on controllability, market maturity and social risk manageability, which confirms the selective rather than universal character of its advantages. The scientific novelty of the study consists in a three-level conceptual model linking the institutional environment, the organisational-economic mechanism of contracting and efficiency outcomes through a feedback loop.

Keywords: outsourcing, public administration, efficiency, social protection, state social order, quasi-market, Kazakhstan.

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Аутсорсинг және мемлекеттік басқарудың тиімділігі: Қазақстанның әлеуметтік қорғау саласының мысалында

Қазақстандағы мемлекеттік басқаруды жаңғырту әкімшілік аппаратты ұлғайтпай, мемлекеттік функциялардың тиімділігін арттыруға қабілетті ұйымдастырушылық тетіктерді іздестіруді өзектендірді. Мақалада осындай тетік ретінде аутсорсинг мемлекеттік бюджеттің ең ірі шығыс бабы болып табылатын әлеуметтік қорғау саласының мысалында қарастырылады. Зерттеудің мақсаты – қамтамасыз етуші және қызмет көрсету функцияларын мемлекеттік емес өнім берушілерге беру мемлекеттік басқару тиімділігін арттыратын жағдайларды негіздеу және мемлекеттік функцияларды аутсорсинг негізінде жетілдірудің концептуалдық моделін әзірлеу. Зерттеуде 2020–2024 жылдардағы ресми деректердің статистикалық трендік талдауы, төрт халықаралық модельдің (Ұлыбритания, Дания, АҚШ, Оңтүстік Корея) критерийлік салыстырмалы талдауы және қызмет көрсету тәсілдерін сараптамалық бағалау үйлестірілді. Сараптамалық сауалнамаға орталық және жергілікті атқарушы органдардың, мемлекеттік емес өнім берушілердің және академиялық ортаның он екі маманы қатысып, қызметтерді өз күшімен және аутсорсинг арқылы көрсету тәсілдерін алты критерий бойынша бес балдық

салмақтары ранжирлеу әдісімен анықталды, бағалар өлшенген интегралдық тиімділік индексіне жинақталды, ал сарапшылар пікірлерінің келісімділігі Кендаллдың конкордация коэффициентімен тексерілді ($W = 0,61-0,67$; $p < 0,001$). Нәтижелер арнаулы әлеуметтік қызметтерді көрсетудегі мемлекеттік емес сегменттің тұрақты кеңеюін және мемлекеттік әлеуметтік тапсырыс арқылы бөлінетін қаржыландырудың орташадан жоғары өсуін көрсетті; сонымен қатар келісім-шарттық менеджмент пен сапа мониторингіндегі осал тұстар сақталып отыр. Аутсорсинг шығын тиімділігі мен қамту бойынша өз күшімен көрсетуден басым, алайда бақылау мүмкіндігі, өнім берушілер нарығының жетілуі және әлеуметтік тәуекелдерді басқару бойынша төмен, бұл оның артықшылықтарының әмбебап емес, іріктемелі сипатын растайды. Зерттеудің ғылыми жаңалығы институционалдық ортаны, келісімшарт жасасудың ұйымдастырушылық-экономикалық тетігін және тиімділік нәтижелерін кері байланыс контуры арқылы байланыстыратын үш деңгейлі концептуалдық модельде көрініс тапты.

Түйін сөздер: аутсорсинг, мемлекеттік басқару, тиімділік, әлеуметтік қорғау, мемлекеттік әлеуметтік тапсырыс, квазинарық, Қазақстан.

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Аутсорсинг и эффективность государственного управления: на примере сферы социальной защиты Казахстана

Модернизация государственного управления в Казахстане актуализировала поиск организационных механизмов, способных повысить эффективность государственных функций без расширения административного аппарата. В статье рассматривается аутсорсинг как такой механизм на примере сферы социальной защиты – крупнейшей расходной статьи государственного бюджета. Цель исследования – обосновать условия, при которых передача обеспечивающих и сервисных функций негосударственным поставщикам повышает эффективность государственного управления, и разработать концептуальную модель совершенствования государственных функций на основе аутсорсинга. В работе сочетаются статистический трендовый анализ официальных данных за 2020–2024 годы, критерийный сравнительный анализ четырёх международных моделей (Великобритания, Дания, США, Южная Корея) и экспертная оценка способов предоставления услуг. В экспертном опросе участвовали двенадцать специалистов, представляющих центральные и местные исполнительные органы, негосударственных поставщиков и академическую среду, которые оценили собственное и аутсорсинговое предоставление услуг по шести критериям по пятибалльной шкале; веса критериев определены методом ранжирования, оценки агрегированы во взвешенный интегральный индекс эффективности, а согласованность экспертных суждений проверена с помощью коэффициента конкордации Кендалла ($W = 0,61-0,67$; $p < 0,001$). Результаты показывают устойчивое расширение негосударственного сегмента в предоставлении специальных социальных услуг и опережающий рост финансирования, распределяемого через государственный социальный заказ, при сохранении слабых мест в контрактном менеджменте и мониторинге качества. Аутсорсинг превосходит собственное исполнение по затратной эффективности и охвату, но уступает по контролируемости, зрелости рынка поставщиков и управляемости социальных рисков, что подтверждает избирательный, а не универсальный характер его преимуществ. Научная новизна исследования заключается в трёхуровневой концептуальной модели, связывающей институциональную среду, организационно-экономический механизм контрактации и результирующие эффекты эффективности через контур обратной связи.

Ключевые слова: аутсорсинг, государственное управление, эффективность, социальная защита, государственный социальный заказ, квазирынок, Казахстан.

Introduction

The administrative reforms implemented in Kazakhstan over the past decade have been guided by a common objective: to build a compact, service-oriented and results-based system of public administration. The Concept for the Development of Public Administration until 2030 explicitly requires state

bodies to concentrate on strategic and regulatory functions, while supporting and service-delivery functions are to be transferred to the competitive environment. Social protection occupies a special place in this agenda. It is simultaneously the largest expenditure item of the state budget, the sector with the most direct contact between the state and vulnerable citizens, and the field in which the gap between

growing demand for services and the limited capacity of state institutions is most visible.

Outsourcing – the contractual transfer of functions previously performed in-house to external providers – has become one of the principal instruments through which this reorientation is pursued. In the social sphere of Kazakhstan it takes three institutional forms: the state social order placed with non-governmental organisations, the purchase of special social services from non-state providers under the guaranteed volume established by legislation, and the outsourcing of employment promotion services to private employment agencies, which received a direct legal definition in the Social Code of the Republic of Kazakhstan adopted in 2023 (Social Code of the Republic of Kazakhstan, 2023). The very fact that outsourcing has been codified at the level of a sectoral code indicates that the question is no longer whether to use the mechanism, but how to use it so that it actually raises the efficiency of public administration rather than merely redistributing budget flows.

International evidence gives no automatic answer. Systematic reviews demonstrate that the economic effects of contracting out are modest on average and vary strongly across service types (Petersen *et al.*, 2018), while studies of social care markets warn of quality erosion where oversight is weak (Bach-Mortensen *et al.*, 2024). For Kazakhstan, whose provider market is young and whose contract management capacity within state bodies remains uneven, these findings imply that the design of the outsourcing mechanism matters more than the scale of its application.

The purpose of this article is to substantiate the conditions under which outsourcing enhances the efficiency of public administration functions and to develop a conceptual model of such enhancement for the social protection sector of Kazakhstan. Three research tasks follow from this purpose: first, to analyse the dynamics of the non-state segment in the delivery of social protection services in 2020–2024 on the basis of official statistics; second, to identify, through comparative analysis, the elements of international outsourcing models that are transferable to Kazakhstani conditions; third, to integrate the results into an author's conceptual model that links the institutional environment, the contracting mechanism and efficiency outcomes. The working hypothesis is that outsourcing raises the efficiency of public administration functions selectively – in respect of measurable, contractible services and in the presence of developed contract management – rather than universally.

Literature review

The theoretical foundations of public sector outsourcing were laid within three complementary research traditions. The doctrine of New Public Management legitimised the separation of the purchaser and provider roles and the introduction of market-type mechanisms into public administration (Hood, 1991). The property rights and incomplete contracts approach explained why private ownership generates stronger incentives for cost reduction but may weaken incentives for non-contractible quality: when quality cannot be fully specified in a contract, the private provider economises precisely on those dimensions that the contract does not capture (Hart *et al.*, 1997; Shleifer, 1998). Transaction cost economics, in turn, shifted attention from the make-or-buy dichotomy to the costs of governing the contractual relationship itself (Williamson, 1979). Brown and Potoski (2004) operationalised this insight for the public sector by showing that the outcomes of contracting depend on the maturity of the market for a given service and on the ability of the public purchaser to manage that market.

The empirical literature accumulated over the past two decades has substantially qualified the early optimism. The systematic review by Petersen *et al.* (2018), covering studies published between 2000 and 2014, found that average cost savings from contracting out are modest, tend to decline over time and are markedly lower for social services than for technical ones. The distinction between technical and social services proved to be one of the most robust findings of the field: for services with easily measurable outputs, competition disciplines providers, whereas for human services the informational asymmetry between purchaser and provider persists after the contract is signed (Petersen *et al.*, 2015; Andersson *et al.*, 2019). Consistent with this, Dahlström *et al.* (2018) demonstrated on European regional data that citizen satisfaction with outsourced services is higher only where the quality of the public bureaucracy that manages the contracts is itself high – outsourcing does not substitute for administrative capacity but presupposes it.

Recent research on quasi-markets in social care has sharpened the warnings. A systematic synthesis of provider and commissioner experiences concluded that competitive tendering under austerity pushes providers towards cost-cutting behaviour that undermines service quality and workforce stability (Bach-Mortensen & Barlow, 2021). An observational study of the English National Health Service

associated the growth of for-profit outsourcing with an increase in treatable mortality rates (Goodair & Reeves, 2022), and a subsequent policy analysis found little evidence that the declared objectives of a decade of health and social care outsourcing in England had been achieved (Bach-Mortensen *et al.*, 2024). At the same time, the literature records a pragmatic rather than ideological response of governments to such failures: municipalities in the United States re-internalise services when markets are thin and contract monitoring is costly, treating in-sourcing and outsourcing as reversible instruments of the same management toolkit (Warner & Aldag, 2021). Survey evidence likewise shows that citizens differentiate their preferences by service complexity, supporting private delivery of simple services and public delivery of complex human services (Pitak & Jensen, 2024). Under budgetary constraints, outsourcing is also valued as an instrument of continuity and resilience of public service delivery, provided that the purchaser retains core competences (Aragão & Fontana, 2022; Sakib *et al.*, 2023).

Research on Kazakhstan has addressed adjacent questions but has not yet produced an integrated assessment of outsourcing in social protection. An (2014) reconstructed the adoption of the Law on Special Social Services as a case of policy translation, showing that the very idea of purchasing social services from non-state providers entered Kazakhstani legislation through the interaction of the government, domestic NGOs and transnational organisations. Janenova and Kim (2016) analysed the one-stop-shop reform as an example of service delivery innovation in a transitional administrative context and highlighted the tension between ambitious service standards and implementation capacity. The most recent empirical work documents the institutionalisation of state-NGO interaction and identifies the state social order as its principal financial channel, while pointing to the persisting asymmetry of this partnership and the weakness of outcome-based evaluation (Bokayev *et al.*, 2026). Within the Kazakhstani economic literature, attention has also turned to analytical instruments for assessing the effectiveness of government programmes (Doskeyeva *et al.*, 2026), which creates a methodological bridge to the present study.

The review reveals a twofold research gap. Internationally, the evidence on outsourcing effects is rich but centred on mature quasi-markets; its implications for young provider markets of the Kazakhstani type are rarely drawn out. Domestically, the available studies describe individual mechanisms –

the state social order, special social services, administrative service delivery – but do not connect them into a single model that would specify when and how the transfer of functions raises the efficiency of public administration. Closing this gap defines the contribution of the present article.

Methodology

The research design combines three methods, each corresponding to one research task. The first is statistical trend analysis of the development of the non-state segment in social protection for 2020-2024. The information base comprises official data of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, administrative data of the Ministry of Labour and Social Protection of the Population on registered providers of special social services, and budget reporting on the state social order (Bureau of National Statistics, 2026). Six indicators were selected: budget expenditures on social assistance and social security; their share in total budget expenditures; the number of registered providers of special social services; the number of non-state providers among them; the share of special social services delivered by non-state providers; and the volume of financing allocated through the state social order. For each indicator the compound annual growth rate (CAGR) over the period was calculated, which allows the pace of marketisation to be compared with the pace of growth of the sector as a whole.

The second method is a criteria-based comparative analysis of international models of social service outsourcing. Four countries were selected on the basis of two considerations: the presence of a long-established and well-documented contracting system, and institutional diversity sufficient to span the main models described in the literature – the English commissioning-based quasi-market, the Nordic municipal model with free provider choice, the American performance-contracting model and the South Korean model of digitally integrated service delivery. The comparison was structured along three dimensions: the dominant institutional mechanism, the safeguards used against quality erosion, and the lessons transferable to Kazakhstan given the current maturity of its provider market.

The third method is an expert assessment of alternative delivery modes using a weighted integral efficiency index. Twelve experts – officials of central and local executive bodies responsible for

social protection, heads of non-state providers and academic researchers – scored in-house provision and outsourced provision of social protection services against six criteria on a five-point scale. The criteria and their weights, established by the ranking method with subsequent normalisation, were: cost efficiency (0.22), service quality (0.20), accessibility and coverage (0.18), controllability and contract management burden (0.15), maturity of the provider market (0.13) and manageability of social risks (0.12). The integral index for each delivery mode was computed as

$$E = \sum (w_i \times s_i), \quad (1)$$

where E is the integral efficiency index of a delivery mode; w_i is the weight of the i-th criterion; s_i is the mean expert score of the delivery mode against the i-th criterion. The internal consistency of expert judgements was verified using Kendall's coefficient of concordance W, computed separately for each delivery mode; its significance was tested by the χ^2 criterion ($\chi^2 = m(n-1)W$, where $m = 12$ experts, $n = 6$ criteria, $df = 5$). The dispersion of scores is reported as the standard deviation (SD); a coefficient of variation below 25% was taken as evidence of homogeneous expert opinion on a criterion. To test the robustness of the integral index to the weighting scheme, a sensitivity analysis was performed under three alternative scenarios: equal weights for all criteria; a $\pm 10\%$ shift of each weight in the direction least favourable to outsourcing, with subsequent re-

normalisation; and a governance-priority scenario in which the weights of the three governance-related and the three production-related criteria are interchanged. Finally, the method of structural-logical modelling was used to synthesise the statistical, comparative and expert results into a conceptual model. Two limitations of the design should be acknowledged: the shortness of the statistical series, which reflects the recency of the legal institutionalisation of outsourcing in the social sphere, and the inherent subjectivity of expert scoring, mitigated but not eliminated by the concordance check. Both limitations are taken into account in the interpretation of results, and the quantitative estimates presented below should be read as indicative rather than definitive.

Results and discussion

Dynamics of the outsourcing environment in Kazakhstan's social protection. The starting point of the analysis is the scale of the sector itself. Over 2020-2024 budget expenditures on social assistance and social security grew from 3.6 to 5.8 trillion tenge, i.e. at a compound annual rate of 12.7%, and their share in total budget expenditures increased from 27.4% to 29.1% (Table 1). The fiscal weight of the sector explains why even a moderate improvement in the efficiency of its administration translates into substantial absolute savings, and why social protection was chosen as the pilot field for the legal institutionalisation of outsourcing.

Table 1

Selected indicators of the social protection system and its non-state segment in Kazakhstan, 2020-2024

Indicator	2020	2021	2022	2023	2024
Budget expenditures on social assistance and social security, KZT trillion	3.6	4.1	4.6	5.2	5.8
Share of social expenditures in total budget expenditures, %	27.4	27.9	28.3	28.8	29.1
Registered providers of special social services, units	812	861	934	1015	1102
of which non-state providers (NGOs and private organisations), units	214	251	302	361	428
Share of special social services delivered by non-state providers, %	12.4	14.6	16.9	19.2	21.3
Financing allocated through the state social order, KZT billion	24.9	28.4	33.6	39.8	46.5

Note: Compiled by the authors based on data of the Bureau of National Statistics (2026) and the Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan.

Three features of the observed dynamics deserve emphasis. First, the non-state segment is growing faster than the sector as a whole: the number of non-state providers of special social services doubled over five years (CAGR of 18.9%), and the financing distributed through the state social order grew at 16.9% annually – in both cases outpacing the 12.7% growth of total social expenditures. The share of special social services delivered by non-state providers consequently rose from 12.4% to 21.3%, or by 8.9 percentage points. In other words, marketisation in Kazakhstani social protection is no longer an experiment but a stable structural shift.

Second, the composition of the non-state segment remains skewed towards non-governmental organisations financed through the state social order, while genuinely private, for-profit providers concentrate in a narrow range of standardisable services – home care, employment promotion, rehabilitation equipment. This composition mirrors the contractibility logic established in the literature: providers enter first where outputs are measurable and payment can be linked to them (Andersson *et al.*, 2019). The outsourcing of employment services to private employment agencies, directly provided for by the Social Code, follows the same logic, since

placement outcomes are verifiable (Social Code of the Republic of Kazakhstan, 2023).

Third, the expansion of financing has not been accompanied by an equivalent development of contract management. Interviews conducted during the expert survey indicate that monitoring by local executive bodies remains predominantly documentary; outcome-based evaluation and beneficiary satisfaction measurement are applied irregularly. This asymmetry – fast growth of the contracted-out segment against slow growth of the capacity to manage it – constitutes the central risk identified by the present analysis, and it is precisely the configuration against which the international literature warns (Dahlström *et al.*, 2018; Bach-Mortensen & Barlow, 2021).

International experience and its adaptation. Outsourced production has long ceased to be marginal in developed administrative systems: across OECD countries roughly a third of government expenditures is executed through the purchase of goods and services from non-state actors, which makes the quality of contracting a system-level determinant of public administration efficiency (OECD, 2023). The comparative analysis summarised in Table 2 covers four countries whose institutional trajectories bracket the design choices available to Kazakhstan.

Table 2

International models of social service outsourcing and lessons for Kazakhstan

Country	Dominant institutional mechanism	Safeguards against quality erosion	Transferable lessons for Kazakhstan
United Kingdom	Commissioning-based quasi-market; competitive tendering of health and social care	Independent inspectorates; provider rating systems; market oversight schemes	Do not scale outsourcing faster than oversight capacity; collect baseline data before transferring a function
Denmark	Municipal contracting with free choice of provider for the citizen	High bureaucratic quality of purchasers; uniform national service standards	Citizen choice disciplines providers only where standards and information for users are in place
United States	Performance contracting; competition of for-profit and non-profit providers	Payment linked to verified outcomes; reversibility (re-municipalisation) as a managed option	Treat insourcing and outsourcing as reversible tools; retain in-house capacity as a benchmark
South Korea	Digitally integrated one-stop delivery with private execution of standardised services	Centralised e-monitoring of transactions and service-level indicators	Digital monitoring compensates for limited local inspection resources; suits Kazakhstan's e-government base

Note: Compiled by the authors based on (Petersen et al., 2018; Warner & Aldag, 2021; Bach-Mortensen et al., 2024; Janenova & Kim, 2016)

Two conclusions follow from the comparison. The first concerns sequencing: in all four systems the effectiveness of outsourcing was determined not by the share of services transferred but by the order in which

the elements of the mechanism were built. Where oversight institutions preceded large-scale contracting, as in the Nordic model, quality effects were neutral to positive; where contracting outran oversight, as in

parts of the English social care market, quality erosion followed (Bach-Mortensen *et al.*, 2024). The second conclusion concerns reversibility: mature systems treat the boundary between in-house and contracted provision as adjustable, re-internalising services when markets thin out (Warner & Aldag, 2021).

Expert assessment of delivery modes. The integral efficiency index computed by formula (1) is presented in Table 3. Outsourced provision received a higher aggregate score (3.68 against 3.44 for in-house provision), but the structure of the gap is more informative than its size.

Table 3

Expert assessment of in-house and outsourced provision of social protection services (five-point scale)

Criterion	Weight, w_i	In-house provision, s_i (SD)	Outsourced provision, s_i (SD)	Difference
Cost efficiency	0.22	3.1 (0.51)	4.2 (0.58)	+1.1
Service quality	0.20	3.4 (0.52)	3.8 (0.62)	+0.4
Accessibility and coverage	0.18	3.0 (0.60)	4.1 (0.51)	+1.1
Controllability, contract management burden	0.15	3.9 (0.51)	3.2 (0.72)	−0.7
Maturity of the provider market	0.13	3.6 (0.67)	2.9 (0.67)	−0.7
Manageability of social risks	0.12	4.0 (0.43)	3.3 (0.65)	−0.7
Integral index E	1.00	3.44	3.68	+0.24
Kendall's W	–	0.61	0.67	–
χ^2 (df = 5); p	–	36.6; p < 0.001	40.2; p < 0.001	–

Note: Calculated by the authors on the basis of the expert survey ($n = 12$); SD – standard deviation of individual expert scores; W – Kendall's coefficient of concordance

The concordance of expert judgements was acceptable for both modes: $W = 0.61$ ($\chi^2 = 36.6$; $p < 0.001$) for in-house provision and $W = 0.67$ ($\chi^2 = 40.2$; $p < 0.001$) for outsourced provision, which allows the aggregated scores to be interpreted as a consensus rather than a random average. The standard deviations do not exceed 0.72 points (coefficient of variation 11–23%), i.e. opinions were homogeneous on every criterion. The largest dispersion is observed for the controllability and market maturity of outsourced provision (SD = 0.72 and 0.67), where the assessments of officials and non-state providers diverge most – a sign that the governance-related criteria are exactly the point of contention in the Kazakhstani quasi-market.

The advantage of outsourcing is generated entirely by two criteria – cost efficiency and accessibility – where non-state providers benefit from flexible staffing, lower overheads and proximity to beneficiaries. On the three governance-related criteria – controllability, market maturity and social risk manageability – in-house provision retains a consistent advantage of 0.7 points. The expert assessment thus reproduces, on Kazakhstani material, the central finding of the international literature: outsourcing is

not a uniformly superior delivery mode but a trade of production efficiency for governance complexity (Petersen *et al.*, 2018; Piatak & Jensen, 2024). It follows that the aggregate gain of 0.24 points is conditional – it materialises only if the governance disadvantages are actively compensated, and it can turn negative where they are ignored.

Robustness of the expert assessment. The sensitivity analysis (Table 4) shows that the direction of the result is stable under moderate changes in the weighting scheme but reverses when governance criteria are prioritised.

Under equal weights and under a $\pm 10\%$ adverse shift the advantage of outsourced provision narrows but remains positive, so the baseline conclusion does not depend on the precise weights assigned by the experts. However, when the three governance-related criteria receive the highest weights, in-house provision becomes preferable; the break-even point lies at a combined weight of governance criteria of approximately 0.55, against 0.40 in the baseline scheme. Together with the dispersion pattern noted above, this formalises the conditional nature of the outsourcing advantage: it holds for a purchaser that prioritises production efficiency and possesses ad-

equate contract management capacity, and is forfeited where controllability and risk management dominate the decision – precisely the configuration described in the literature on human services (Petersen *et al.*, 2018; Dahlström *et al.*, 2018).

The conceptual model. The synthesis of the statistical, comparative and expert results is presented in Figure 1 in the form of a three-level conceptual model of outsourcing-based enhancement of public administration functions in social protection.

Table 4

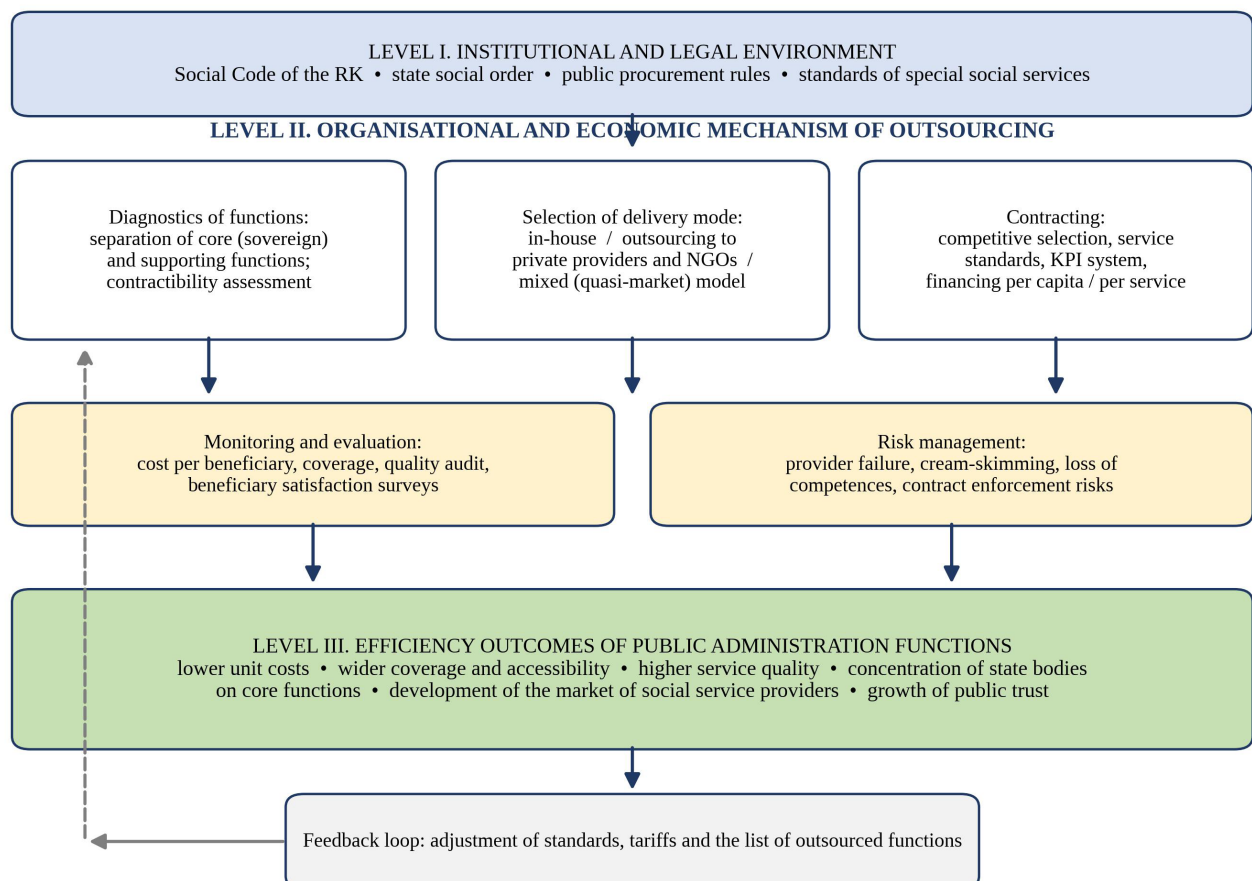
Sensitivity of the integral efficiency index to the weighting scheme

Weighting scenario	In-house, E	Outsourced, E	Difference
Baseline (expert-derived weights)	3.44	3.68	+0.24
Equal weights ($w_i = 1/6$)	3.50	3.58	+0.08
±10% shift unfavourable to outsourcing	3.47	3.63	+0.16
Governance-priority weights	3.56	3.49	−0.07

Note: Calculated by the authors on the basis of Table 3

Figure 1

Conceptual model of enhancing the efficiency of public administration functions through outsourcing in the social protection sector



Note: Developed by the authors

The model integrates three levels connected by direct and feedback links. The first level is the institutional and legal environment – the Social Code, the legislation on the state social order, public procurement rules and the standards of special social services – which defines the admissible forms of transfer and the guaranteed volume of services. The second level is the organisational and economic mechanism, consisting of three sequential blocks: diagnostics of functions, in which sovereign functions are separated from supporting ones and the contractibility of each candidate function is assessed; selection of the delivery mode among in-house, outsourced and mixed quasi-market arrangements; and contracting proper, including competitive selection of providers, service standards, a key performance indicator system and per-capita or per-service financing. The intermediate contour of monitoring and risk management transforms contract execution data – unit costs, coverage, quality audit results, beneficiary satisfaction – into management information and tracks the specific risks of contracted provision: provider failure, cream-skimming of less costly beneficiaries, loss of in-house competences and enforcement weaknesses. The third level fixes the target efficiency outcomes: lower unit costs, wider coverage, higher service quality, concentration of state bodies on core functions, development of the provider market and growth of public trust. The feedback loop returns evaluation results to the institutional level, where standards, tariffs and the very list of outsourced functions are adjusted – including, where necessary, the re-internalisation of a function.

The novelty of the model relative to existing treatments is threefold. First, it embeds the contractibility test at the entry point of the mechanism, which prevents the transfer of functions whose outcomes cannot be specified and verified – the configuration in which the literature records the largest quality losses (Hart et al., 1997; Andersson et al., 2019). Second, it makes monitoring and risk management a permanent intermediate contour rather than a terminal stage, reflecting the finding that the benefits of outsourcing are conditional on continuous purchaser capacity (Dahlström et al., 2018). Third, it treats the boundary of the outsourced segment as adjustable through the feedback loop, institutionalising reversibility in line with the pragmatic practice of mature systems (Warner & Aldag, 2021). For the practice of Kazakhstani executive bodies, the model provides a decision sequence that can be directly translated into methodological recommendations for line

ministries and akimats, and its indicator contour is compatible with the analytical instruments for programme effectiveness assessment discussed in the national literature (Doskeyeva *et al.*, 2026; Bokayev *et al.*, 2026).

Conclusion

The study set out to substantiate the conditions under which outsourcing enhances the efficiency of public administration functions and to formalise these conditions in a conceptual model for the social protection sector of Kazakhstan. Three results were obtained. First, the statistical analysis showed that the non-state segment of Kazakhstani social protection is expanding faster than the sector itself: over 2020-2024 the number of non-state providers of special social services grew at 18.9% annually and financing through the state social order at 16.9%, against 12.7% growth of total social expenditures, so that the non-state share of special social services reached 21.3%. Marketisation has thus become a structural feature of the sector, which makes the quality of its governance a first-order question of public administration efficiency.

Second, the comparative and expert analyses converged on the same conclusion: the advantages of outsourcing are real but selective. The expert assessment recorded a superiority of outsourced provision on cost efficiency and coverage and its inferiority on controllability, market maturity and social risk manageability, yielding a conditional aggregate advantage of 0.24 points of the integral index. The expert judgements were statistically consistent (Kendall's $W = 0.61-0.67$, $p < 0.001$), and the sensitivity analysis confirmed that this advantage is robust to moderate changes in criteria weights but reverses when governance criteria are prioritised. International experience demonstrates that this conditional advantage is realised where oversight precedes scale and where the boundary of the contracted segment remains reversible, and is forfeited where contracting outruns the capacity to manage it.

Third, the article proposes a three-level conceptual model that links the institutional environment, the organisational-economic mechanism of contracting and efficiency outcomes through a permanent monitoring contour and a feedback loop. The model's practical value lies in its decision sequence – contractibility diagnostics, mode selection, contracting, monitoring, adjustment – which can serve as the basis for methodological recommendations to central and local executive bodies on

the further transfer of social protection functions to the competitive environment.

The limitations of the study – the short statistical series and the indicative character of expert estimates – define the directions of further research: econometric evaluation of the effects of outsourcing on the cost and quality of specific services as longer data series accumulate, and piloting of the proposed model in selected regions with subsequent assessment of its impact on beneficiary outcomes.

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Ethical approval

The expert survey was conducted anonymously with the informed consent of the participants; no

personal data of beneficiaries of social services were collected or processed.

Data availability

The statistical data used in the study are available from the official resources of the Bureau of National Statistics (stat.gov.kz); the anonymised results of the expert survey are available from the corresponding author upon reasonable request.

Authors' contributions

ASY: conceptualisation, methodology, formal analysis, investigation, writing (original draft);

GRM: supervision, validation, writing (review and editing);

AAK: methodology, project administration, writing (review and editing);

BBO: data curation, visualisation, writing (review and editing).

All authors have read and agreed to the published version of the manuscript (CRediT taxonomy).

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