

The Executive Branch as a Subject of Regulation of Entrepreneurial Activity

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Abstract: With the in-depth advancement of the Belt and Road Initiative, China and Kazakhstan, as core countries along the Silk Road Economic Belt, have witnessed increasingly frequent cross-border entrepreneurship and economic and trade cooperation. As the core subject of regulating entrepreneurial activities, the institutional design and practice of the executive branch directly determine the entrepreneurial threshold, operational costs, and development vitality of market entities. Centering on the regulatory subject status of the executive branch in entrepreneurial activities, this paper systematically sorts out the institutional frameworks of entrepreneurial regulation in China and Kazakhstan, conducts a comparative analysis around four core dimensions—licensing and registration systems, administrative supervision and inspection, risk-oriented regulation, and digital regulation, clarifies the similarities, differences, and causes of the two countries' systems, and finally proposes paths for institutional optimization and cross-border regulatory coordination between the two countries. The study finds that both China and Kazakhstan take "simplifying access, standardizing regulation, and stimulating vitality" as the core direction of reform. However, due to differences in legal systems, stages of market economic development, and other factors, the two countries' regulatory systems exhibit significant disparities in terms of system completeness, reform depth, and digitalization level. This research can provide a reference for enriching the theory of comparative market regulation and facilitating China-Kazakhstan cross-border entrepreneurial cooperation.

1. Introduction

Against the backdrop of the slow global economic recovery, stimulating entrepreneurial vitality has become a core measure for countries to drive economic growth and stabilize employment. The regulatory institutional design of the executive branch is a key factor affecting entrepreneurial vitality^[1-5]. As the statutory subject of regulating entrepreneurial activities, the executive branch must not only correct market failures and maintain market order through regulation but also standardize its own regulatory behaviors to avoid excessive intervention that inhibits entrepreneurial freedom, thereby achieving a balance between regulation and service.

China and Kazakhstan are geographically adjacent friendly neighbors and core partners of the Belt and Road Initiative. In recent years, both countries have been in a critical stage of regulatory system transformation: China has continuously deepened the reform of "streamlining administration,

delegating power, improving regulation, and optimizing services", constructed a new credit-based regulatory mechanism, and strived to build a market-oriented, law-based, and internationalized business environment; Kazakhstan has persisted in promoting regulatory modernization reforms, simplifying entrepreneurial approval procedures, standardizing administrative regulatory power, and attracting domestic and foreign investment. With the continuous deepening of China-Kazakhstan bilateral economic and trade cooperation, cross-border entrepreneurial enterprises have put forward higher requirements for the transparency and coordination of the two countries' regulatory systems.

At present, domestic and foreign research on market regulation and entrepreneurial activities has formed rich achievements, and research on China-Kazakhstan economic and trade legal systems has gradually increased. However, systematic comparative research on the full-chain regulation of entrepreneurial activities by the executive branches of the two countries remains insufficient. Based on this, this paper takes the entrepreneurial regulatory systems of China and Kazakhstan as the research object, conducts a comprehensive comparison of the regulatory role positioning and core regulatory systems of the two countries, analyzes the causes of institutional differences, and proposes optimization paths. It not only enriches the theoretical research of comparative administrative law and market regulation but also provides practical reference for China-Kazakhstan cross-border entrepreneurial cooperation.

This paper mainly adopts the methods of comparative research, normative analysis, and literature research. Through comparing the core systems of entrepreneurial regulation in China and Kazakhstan, it clarifies the similarities, differences, and internal logic; through normative analysis, it sorts out the relevant laws, regulations, and policy documents of the two countries to clarify the regulatory powers and procedures of the executive branch; through literature research, it lays the theoretical foundation for the research and ensures the rigor and standardization of the study.

2. Role Positioning and Institutional Frameworks of the Executive Branch in Entrepreneurial Regulation in China and Kazakhstan

2.1 Regulatory Role and System of Kazakhstan's Executive Branch

The regulatory role positioning of Kazakhstan's executive branch is centered on "protecting entrepreneurial freedom, simplifying regulatory procedures, and improving regulatory transparency". In recent years, through revising a series of laws and regulations such as the Commercial Registration Law and the Administrative Procedure Law, the country has continuously restricted the discretionary power of the executive branch in regulation, reduced prior approval and improper intervention in entrepreneurial activities, promoted the shift of regulatory focus from prior approval to in-process and post-event supervision, and strengthened the support and protection for small and medium-sized enterprises (SMEs), striving to build a business environment that attracts investment.

2.2 Regulatory Role and System of China's Executive Branch

The core of the regulatory role positioning of China's executive branch is "combining decentralization with regulation and optimizing services". In terms of "decentralization", it continuously relaxes market access, cancels unnecessary approval items, lowers the entrepreneurial threshold, and unshackles market entities; in terms of "regulation", it strengthens in-process and post-event supervision, constructs a new credit-based regulatory mechanism, standardizes market order, and prevents systemic risks; in terms of "services", it provides convenient full-life-cycle services for entrepreneurial entities through the optimization of government services, realizes the in-depth integration of regulation and services, and ultimately aims to build a stable, fair, transparent, and predictable business environment.

3. Comparative Analysis of the Core Systems of Entrepreneurial Regulation in China and Kazakhstan

3.1 Access Link: Comparison of Licensing and Registration Systems

Market access is the starting point of entrepreneurial activities. The registration and licensing systems directly determine the threshold and convenience of entrepreneurship, and are the core breakthrough points of regulatory reforms in both countries.

In recent years, Kazakhstan has continuously promoted the reform of the access system, significantly simplifying the entrepreneurial access process. In terms of the registration system, the country has implemented a "one-stop" electronic registration system. Applicants can submit applications online through the national e-government platform eGov. The registration of ordinary limited liability companies can be completed within 1 working day. The minimum registered capital requirement for general industries has been completely abolished, and the registered capital can be independently agreed upon by shareholders. In terms of the licensing system, Kazakhstan has implemented a "licensing list management system", clarifying the list of statutory licensing items. Market entities can operate independently in areas outside the list without obtaining a license; meanwhile, it has continuously reduced licensing items, implemented the notification and commitment system for licenses in some low-risk industries, simplified approval procedures, shortened processing time limits, and launched license exemptions and simplified procedures for SMEs to reduce the compliance costs of entrepreneurship.

Since the launch of the commercial registration system reform in 2014, China has constructed a relaxed and convenient market access system. In terms of the registration system, it has fully implemented the subscribed registered capital registration system, canceled the minimum registered capital limit for general industries, and allowed shareholders to independently agree on the amount, method, and time limit of capital contribution; it has promoted the reform of "integrating multiple licenses into one" and "one license with one code", integrating enterprise registration with tax registration, social security registration, and other matters to realize "one application, one network processing"; it has fully implemented the full electronic registration of enterprises, enabling the registration of ordinary enterprises to be completed within "half a working day", and even "instant approval" in some regions, which has greatly improved the convenience of access. In terms of the licensing system, China has fully implemented the reform of "separating licenses from business licenses", implementing four types of reforms for all enterprise-related business licensing items—"directly canceling approval, changing approval to filing, implementing notification and commitment, and optimizing approval services", comprehensively solving the problem of "access without operation permission"; it has fully implemented the market access negative list system, clarifying the prohibited and restricted areas for investment and operation. All types of market entities can enter equally in accordance with the law outside the list, realizing the unified management of a "national unified list".

Comparative Analysis: The core directions of the access system reforms in China and Kazakhstan are highly consistent. Both countries have lowered the entrepreneurial threshold by simplifying registration procedures, canceling registered capital limits, and implementing electronic processing, and reduced prior approval through list management and simplified licensing procedures. The core differences between the two systems are reflected in three aspects: first, China's market access negative list system is more systematic and comprehensive, realizing national unified management, with stronger transparency and stability of access rules, while Kazakhstan's licensing list management still has room for improvement in industry coverage and unified implementation; second, China's "separation of licenses from business licenses" reform is more systematic and in-depth,

implementing full-coverage classified reforms for enterprise-related licensing items, with greater efforts to solve the problem of "access without operation permission", while Kazakhstan's licensing reform focuses more on process simplification with insufficient efforts to streamline licensing items; third, China has a higher level of convenience in enterprise registration, and reform measures such as full electronic registration and "instant approval" have further shortened the access time limit, giving it a greater advantage in entrepreneurial convenience.

3.2 Operational Link: Comparison of Administrative Supervision and Inspection Systems

Administrative supervision and inspection are the core means for the executive branch to standardize the operational behaviors of enterprises and maintain market order, directly affecting the operational costs and compliance pressure of enterprises, and are also the core areas for both countries to standardize regulatory power.

In recent years, Kazakhstan has focused on promoting the reform of the supervision and inspection system, striving to restrict the inspection power of the executive branch. The country has implemented an inspection plan management system: all supervisory inspections on enterprises must be included in the annual plan; unapproved inspections are prohibited, and random inspections and multiple inspections are banned. It has clarified the inspection frequency for different types of enterprises based on their risk levels and operational scales, significantly reducing the inspection frequency for SMEs and low-risk enterprises, and even implementing inspection exemptions. Meanwhile, it has specified the maximum inspection time limit to avoid indefinite inspections. It has standardized the entire inspection process, requiring inspectors to present valid certificates and inspection documents, keep full records of the inspection process, and safeguard the right to statement and defense of enterprises. It has implemented an inspection result disclosure system: except for confidential content, inspection results must be disclosed to the public to accept social supervision.

China has constructed a standardized and transparent in-process and post-event supervision system with "random inspection of both inspectors and inspection objects and public disclosure of results" as the core. The country has fully implemented the "double random and one public" supervision system, implementing "random selection of inspection objects, random assignment of law enforcement personnel, and timely public disclosure of inspection items and investigation results" for inspections of market entities, realizing full coverage of regulatory items and full recording of the regulatory process, and fundamentally eliminating random inspections and nepotistic regulation. It has promoted cross-departmental joint inspections: for multiple inspection items of the same enterprise, relevant departments carry out joint inspections to achieve "entering the door once to inspect multiple matters", effectively solving the problems of multiple law enforcement and repeated inspections. It has fully implemented the three major systems of administrative law enforcement: the administrative law enforcement disclosure system, the whole-process recording system of law enforcement, and the legal review system for major law enforcement decisions, strictly standardizing the procedures of administrative law enforcement and restricting the exercise of inspection power. It has promoted the in-depth integration of inspection results with credit regulation: the results of investigations into illegal and irregular behaviors are recorded in the enterprise credit files, and joint punishment is imposed on untrustworthy entities, realizing "one violation leads to restrictions everywhere" and strengthening regulatory deterrence.

Comparative Analysis: Both countries take standardizing administrative inspection power and reducing improper intervention in enterprise operations as the core of reform, restricting the discretionary power of regulation through plan management, procedural standardization, and result disclosure. The core differences between the two systems are reflected in: first, China's "double random and one public" supervision system is more systematic and mature, realizing the

standardization and normalization of regulation, fundamentally eliminating human intervention, and having higher fairness and transparency in regulation, while Kazakhstan's inspection system still has problems of random inspections in practice with insufficient unified implementation; second, China's cross-departmental joint supervision mechanism is more perfect, effectively solving the pain point of repeated inspections and significantly reducing the compliance costs of enterprises, while Kazakhstan's cross-departmental regulatory coordination is still in its infancy with incomplete elimination of departmental barriers; third, China's administrative inspection is deeply integrated with credit regulation, forming a long-term regulatory mechanism, while Kazakhstan's inspection results are not closely connected with the credit system, resulting in insufficient long-term effectiveness of regulation.

4. Causes of Institutional Differences and Optimization Paths of Entrepreneurial Regulation in China and Kazakhstan

4.1 Core Causes of Institutional Differences

The differences in the entrepreneurial regulatory systems between China and Kazakhstan are essentially a concentrated reflection of the differences in the two countries' legal systems, stages of market economic development, reform promotion models, and digitalization levels.

First, differences in legal systems and institutional foundations. China has formed a unified and perfect market regulatory legal system with the *Administrative Licensing Law* and the *Regulations on the Registration and Administration of Market Entities* as the core, providing a solid legal guarantee for regulatory reforms, ensuring that reforms are based on law and implemented uniformly nationwide. Kazakhstan's legal system is influenced by both the former Soviet legal system and the civil law system. Although it has formulated a series of laws and regulations related to regulation, the unity and completeness of the legal system still need to be improved. Some systems lack sufficient legal support, resulting in limited systematicness and implementation strength of reforms.

Second, differences in the stages of market economic development. China's socialist market economic system is relatively mature, with the market playing a decisive role in resource allocation. The core of regulatory reform is to optimize the relationship between the government and the market and build a modern regulatory system adapted to a mature market economy. Kazakhstan has a relatively short history of market economic development after independence and is still in a critical stage of economic transformation. The market system is not yet perfect. Regulatory reforms focus more on the transformation from a planned economy control model to a market economy regulatory model, with significant differences in the foundation and starting point of reforms compared with China.

Third, differences in reform promotion models. China's reform of "streamlining administration, delegating power, improving regulation, and optimizing services" is a systematic reform combining top-level design with grassroots innovation. It is uniformly deployed at the national level and promoted collaboratively by various regions and departments, with strong systematicness, integrity, and coordination, enabling the design and implementation of a nationally unified system. Kazakhstan's regulatory reforms are more carried out step by step in different fields and stages, with insufficient systematicness in top-level design. The reform progress varies among different departments and regions, resulting in insufficient unified implementation strength of the system.

Fourth, differences in digitalization development levels. China's digital economy and digital technologies are developing rapidly, with perfect digital infrastructure, sufficient technical capabilities, and talent reserves, providing strong technical support and application scenarios for digital government and digital regulation. Kazakhstan's digital economy development level is relatively low, with insufficient digital infrastructure, technical capabilities, and talent reserves,

which restricts the in-depth development of digital regulation and e-government.

4.2 Institutional Optimization and Cross-Border Coordination Paths

4.2.1 Institutional Optimization Directions for Each Country

For Kazakhstan, first, the government should further improve the market regulatory legal system, enhance the unity and stability of legal systems, and provide solid legal support for regulatory reforms. Second, the government should deepen the reform of the access system, improve the market access negative list system, increase the intensity of streamlining enterprise-related licensing items, and comprehensively solve the problem of "access without operation permission". Third, the government should improve the "double random and one public" supervision and cross-departmental joint supervision mechanisms, strengthen regulatory coordination, further standardize administrative inspection power, and reduce the compliance costs of enterprises. Fourth, the government should improve the risk-oriented regulatory system, unify risk classification standards, promote the full-chain application of risk regulation, strengthen digital technical support, and improve regulatory accuracy. Fifth, the government should deepen e-government construction, break down departmental data barriers, promote data sharing, expand the application scenarios of electronic licenses, and improve the capabilities of digital regulation and services.

For China, first, the government should continue to deepen the reform of "streamlining administration, delegating power, improving regulation, and optimizing services", further relax market access, improve the market access negative list system, continuously promote the reform of "separating licenses from business licenses", and solve the access problems in new formats and new fields. Second, the government should further improve the new credit-based regulatory mechanism, optimize credit risk classification standards, improve the accuracy of differentiated regulation, and balance the relationship between "non-interference without cause" and "severe punishment for violations". Third, the government should continue to promote the digital transformation of regulation, deepen the application of the "Internet + Regulation" system, improve smart regulation and off-site regulatory models, and enhance the intelligence level of regulation. Fourth, the government should strengthen the legalization of regulation, further standardize the procedures of administrative law enforcement, restrict the discretionary power of regulation, and safeguard the legitimate rights and interests of market entities.

4.2.2 Paths for China-Kazakhstan Cross-Border Regulatory Coordination

Under the framework of the Belt and Road Initiative, China and Kazakhstan should strengthen exchanges and cooperation in the field of entrepreneurial regulation to achieve institutional coordination and mutual benefit.

First, the two countries should promote the alignment and mutual recognition of regulatory systems: they should strengthen the alignment of systems in fields such as commercial registration, business licensing, and credit regulation, promote the bilateral mutual recognition of business licenses, permits, and credit information, and reduce the institutional costs of cross-border entrepreneurship.

Second, the two countries should strengthen the sharing of regulatory information and law enforcement coordination: they should establish a cross-border regulatory information sharing mechanism, promote the sharing of enterprise compliance information and illegal and irregular information, strengthen cross-border law enforcement cooperation, jointly crack down on cross-border illegal and irregular business activities, and maintain bilateral market order.

Third, the two countries should strengthen the exchange and mutual learning of reform experience: China's mature experience in the reform of "streamlining administration, delegating power,

improving regulation, and optimizing services", credit regulation, and digital regulation can provide reference for Kazakhstan's regulatory reforms. Kazakhstan's practice in regulatory reforms for transition countries can also provide insights for China. The two countries can learn from each other and jointly optimize the business environment through regular exchanges, training cooperation, and other methods.

5. Conclusion

Taking the executive branch as the subject of regulating entrepreneurial activities as the research object, this paper systematically sorts out the institutional frameworks of entrepreneurial regulation in China and Kazakhstan, and conducts a comprehensive comparative analysis of the two countries' regulatory systems around four core dimensions: licensing and registration systems, administrative supervision and inspection, risk-oriented regulation, and digital regulation. The study finds that China and Kazakhstan have highly consistent value orientations in entrepreneurial regulatory reforms, both taking "simplifying access, standardizing regulation, improving efficiency, and stimulating vitality" as the core goals, continuously promoting the shift of regulatory focus from prior approval to in-process and post-event supervision, and attaching great importance to the application of risk-oriented regulation and digital regulation to optimize the entrepreneurial business environment.

With the in-depth advancement of the Belt and Road Initiative, China-Kazakhstan economic and trade cooperation and cross-border entrepreneurship will usher in broader space. The two countries should continue to deepen their respective regulatory system reforms, continuously optimize the entrepreneurial business environment, and strengthen exchanges and cooperation in the field of regulation, promote the alignment and mutual recognition of systems, and realize cross-border regulatory coordination. This will provide a good institutional guarantee for bilateral cross-border entrepreneurship and economic and trade cooperation, and help the high-quality economic development of both countries. This research still has certain limitations: the analysis of the practical effects of the two countries' regulatory systems is not in-depth enough. In the future, empirical research can be carried out combined with survey data of cross-border enterprises to provide more targeted suggestions for the optimization of the two countries' regulatory systems.

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