МРНТИ 06.52.13
УДК
DOI 10.58319/26170493_2026_3_146

THE ADVANTAGES OF STARTUP PROJECTS IN THE CONTEXT OF THE MODERN ECONOMIC SYSTEM

Hu Huixin[1], Doszhan R.D.[1]

[1]Al Farabi business school, Al-Farabi Kazakh National University, Almaty, Kazakhstan

ABSTRACT. In an era defined by rapid digitalization deepening globalization and persuasive economic uncertainty the role of startups has transitioned from mere market participants to fundamental drivers of economic evolution. This study investigates the inherent advantages of startup models within this volatile modern landscape, aiming to identify and substantiate the unique competitive strengths that distinguish them as a specialed form of entrepreneurial activity. Adopting a methodological framework rooted in structural functioanl and comparative analysis this research synthesizes findings from a wide array of scientific literature and industry reports focused on innovative entrepreneurship. The analysis reveals that the core strength of startups lies in their high degree of organizational flexibility and a deep seated orientation toward innovation. Throught a comparative lens, the study demonstrates that startups possess a markedly higher level of adaptability to shifting market conditions than their traditional enterprise counterparts. This researc contributes to the field by systematizing the role of startups as a cornerstone of the contemporary economic system not merely as small businesses but as primary agents of market creation and technological transformation. These findings offer actionable insights for policymakers and stakeholders involved in designing innovation driven economic strategies and entrepreneurship support programs.

KEYWORDS: digital entrepreneurship, startup ecosystem, innovation management, scalability, intangible assets, economic development

ПРЕИМУЩЕСТВА СТАРТАП-ПРОЕКТОВ В КОНТЕКСТЕ СОВРЕМЕННОЙ ЭКОНОМИЧЕСКОЙ СИСТЕМЫ

Hu Huixin[1], Досжан Р.Д.[1]

[1]Бизнес-школа Аль-Фараби, Казахский национальный университет имени Аль-Фараби, Алматы, Казахстан

АННОТАЦИЯ. В эпоху, характеризующуюся стремительной цифровизацией, углублением глобализации и устойчивой экономической неопределенностью, роль стартапов трансформировалась: из рядовых участников рынка они превратились в ключевые движущие силы экономической эволюции. В данном исследовании рассматриваются присущие стартап-моделям преимущества в современных нестабильных условиях; цель работы — выявить и обосновать уникальные конкурентные качества, выделяющие стартапы как особую форму предпринимательской деятельности. Опираясь на методологию, сочетающую структурно-функциональный и сравнительный анализ, авторы обобщают данные многочисленных научных публикаций и отраслевых отчетов, посвященных инновационному предпринимательству. Анализ показывает, что главная сила стартапов заключается в высокой организационной гибкости и глубокой ориентации на инновации. Сравнительный анализ демонстрирует, что стартапы обладают значительно более высокой способностью адаптироваться к меняющимся рыночным условиям по сравнению с традиционными компаниями. Работа вносит вклад в развитие данной области знаний, систематизируя роль стартапов как фундаментального элемента современной экономической системы — не просто как малых предприятий, а как основных субъектов формирования рынков и технологической трансформации. Полученные результаты содержат практически значимые выводы для лиц, принимающих решения, и заинтересованных сторон, участвующих в разработке инновационных экономических стратегий и программ поддержки предпринимательства.

КЛЮЧЕВЫЕ СЛОВА: цифровое предпринимательство, стартап-экосистема, управление инновациями, масштабируемость, нематериальные активы, экономическое развитие

ҚАЗІРГІ ЭКОНОМИКАЛЫҚ ЖҮЙЕ ЖАҒДАЙЫНДАҒЫ СТАРТАП-ЖОБАЛАРДЫҢ АРТЫҚШЫЛЫҚТАРЫ

Hu Huixin[1], Досжан Р.Д.[1]

[1]Әл-Фараби бизнес мектебі,Әл-Фараби атындағы Қазақ ұлттық университеті, Алматы, Қазақстан

АҢДАТПА. Жылдам цифрландыру, жаһандану тереңдеуі және тұрақты экономикалық белгісіздікпен сипатталатын дәуірде стартаптардың рөлі жай ғана нарық қатысушыларынан экономикалық эволюцияның негізгі қозғаушы күшіне айналды. Бұл зерттеу бүгінгі тұрақсыз ортадағы стартап модельдерінің ішкі артықшылықтарын зерттейді; мақсат - стартаптарды кәсіпкерліктің ерекше түрі ретінде ерекшелендіретін бірегей бәсекелестік қасиеттерін анықтау және негіздеу. Құрылымдық-функционалдық және салыстырмалы талдауды біріктіретін әдіснаманы қолдана отырып, авторлар инновациялық кәсіпкерлік туралы көптеген академиялық басылымдар мен салалық есептерден деректерді синтездейді. Талдау стартаптардың негізгі күші олардың жоғары ұйымдастырушылық икемділігінде және инновацияға терең назар аударуында екенін көрсетеді. Салыстырмалы талдау стартаптардың дәстүрлі компаниялармен салыстырғанда өзгермелі нарықтық жағдайларға бейімделу қабілеті айтарлықтай жоғары екенін көрсетеді. Бұл зерттеу стартаптардың қазіргі экономикалық жүйенің негізгі элементі ретіндегі рөлін - тек шағын кәсіпорындар ретінде ғана емес, сонымен қатар нарықты қалыптастыру мен технологиялық трансформацияның негізгі қатысушылары ретінде жүйелеу арқылы осы білім саласының дамуына үлес қосады. Алынған нәтижелер инновациялық экономикалық стратегиялар мен кәсіпкерлікті қолдау бағдарламаларын әзірлеуге қатысатын шешім қабылдаушылар мен мүдделі тараптар үшін практикалық маңызды қорытындыларды қамтиды.

ТҮЙІН СӨЗДЕР: цифрлық кәсіпкерлік, стартап экожүйесі, инновациялық менеджмент, масштабталу, материалдық емес активтер, экономикалық даму

INTRODUCTION. In the midst of a profound economic transformation—fueled by rapid digitalization, deepening globalization, and a landscape of increasing institutional and technological uncertainty—startups have emerged as much more than mere market participants; they are now the pivotal engines of innovation and sustainable growth. As primary agents of change, startups do not simply introduce technological breakthroughs; they reshape the economic fabric by pioneering flexible business models and generating new employment opportunities that allow national economies to remain resilient amidst global market shifts. Their unique capacity to respond to sudden market demands, implement rapid innovations, and scale operations even under significant resource constraints often allows them to outperform traditional, more rigid firms. Given this dynamic, understanding the specific

competitive advantages of the startup model has become a critical necessity for contemporary economic study.

The central objective of this research is to dissect the fundamental advantages of startups as a distinct form of modern entrepreneurship, evaluating their broader contribution to both economic and social development. To achieve this, the study first clarifies the economic nature of startups within the current global landscape, followed by a deep dive into their core competitive drivers: innovativeness, structural flexibility, scalability, and digital orientation. Furthermore, the research assesses how these entities influence market evolution, the birth of new industries, and the optimization of resource efficiency. To ground this analysis, we also review and synthesize various scholarly approaches to startup evaluation, selecting the frameworks most relevant to today's volatile economic climate.

By analyzing both theoretical frameworks and empirical evidence, this paper identifies emerging trends in startup performance within unstable economic environments. Through a comparative lens, we contrast startup models with traditional business structures, focusing specifically on their respective impacts on innovation, national competitiveness, and the maturation of entrepreneurial ecosystems.

The complexity of this subject necessitates a multi-dimensional methodological approach, combining systemic, structural, functional, and comparative analyses. This allows for a comprehensive assessment of how macroeconomic, institutional, and technological factors converge to shape startup activity. Moreover, this study integrates regional perspectives on entrepreneurship and innovation. Specifically, the work of Russian and Kazakh scholars provides essential context regarding the role of startups in building robust ecosystems and driving innovation-led growth within transition economies, such as Kazakhstan and the EAEU member states. These regional studies are vital for understanding the institutional environments and policy mechanisms that dictate startup success in emerging markets.

MATERIAL AND METHODS OF RESEARCH. In this study we treat startups as a separate type of business that operates in today's economy. Our main goal is to figure out what gives startups their advantages and how that affects innovation, how resources are distributed, and how well the economy can handle risk.

The theoretical part is based on a broad review of literature. We looked at work by both Kazakhstani and international researchers on startups, innovative entrepreneurship, and entrepreneurial ecosystems. We also used analytical reports from international organizations and results from recent empirical studies. For the conceptual base we draw on several key authors. Ding C. et al. argue that innovation is a core driver of economic growth. Skala A. defines a startup as a temporary organization testing a scalable and repeatable business model. The work of Santisteban J., Mauricio D., and Cachay O. helped us understand how startups grow and how technology shapes that process [1-3]. We also included regional research. Studies on Kazakhstan and similar economies give context on institutions and how innovation-driven development works in practice [4-5]. The idea of open innovation is covered through Khuan H., Andriani E., and Rukmana A.Y.. For the regional economic effects we refer to Ressin M.. Additional local theoretical work on entrepreneurship in Kazakhstan was used to round out the picture[6-8].

In terms of methods, we combined general and specific approaches. A systems approach let us view startups not in isolation, but as part of the wider economy connected to financial markets, support organizations, and innovation infrastructure. With structural and functional analysis we identified what sets startups apart: their focus on innovation, flexibility, ability to scale, and growth orientation. A comparative method was then used to contrast startups with traditional firms and pinpoint where the competitive edge comes from. We chose this mix of methods because the topic is complex. To make solid conclusions about the role of startups today, you need to look at it from several angles at once.

RESULTS AND THEIR DISCUSSION. This section is based on a structural-functional and comparative analysis of startups and traditional companies. Instead of just reviewing literature, we combine empirical data and analytical evidence to see what actually drives startup advantages today. We focus on three things: how startups are organized, what resources they rely on, and how their focus on innovation shapes economic performance.

The analysis shows that startups matter not only because they create new products and technologies. They also act as core elements of entrepreneurial ecosystems. This matches findings from regional studies in Kazakhstan, which highlight the role of institutional support, innovation infrastructure, and networks for startup growth [9].

Looking inside startups, we see a very different setup compared to established firms. Based on empirical studies of innovative entrepreneurship, startup teams usually combine key roles founder, tech lead, marketer, product manager without strict hierarchies. As F. Pattyn notes, cross-functional teams dominate in the early stages because speed matters more than formal structure [10].

Value creation also works differently. For a startup, the main asset is rarely physical. It's usually a technological solution, a digital platform, or intellectual property. Research by Slávik Š., Bednár R., and Mišúnová Hudáková I. confirms this: it's the innovation in product, process, or business model that determines whether a startup has market potential [11].

Where does value come from? Our comparison shows startups depend much more on intangible resources: human capital, knowledge, data, and network effects. M. Cuvero and colleagues found that startups lean heavily on external networks — accelerators, VCs, universities rather than owning production facilities.Taken together, startup advantages come from a mix of factors: flat teams, intangible assets, low formalization at the start, and a strong drive to scale [12].

Traditional companies gain efficiency through stable operations and standardized processes. Startups do it differently. Their edge comes from adaptability and constant experimentation. That's why they can operate in uncertainty and rapid tech change.In short: startups have minimal hierarchy, high team autonomy, and put innovation above operational stability. Table 1 summarizes these systemic differences. The data also show startups more often use flexible, project-based structures and digital/platform business models.

Table 1 shows the gap is systemic, not situational. Startups score higher on innovation, flexibility, and growth orientation. Traditional firms rely on stability, physical assets, and formal structures. This supports the idea that startups follow a different organizational logic one that fits the digital and knowledge economy.

A layered view of startup advantagesTo pull this together, we propose a simple conceptual model: Foundation: Institutional and ecosystem factors. Think support infrastructure, access to venture funding, and networks. In emerging economies like Kazakhstan, this layer is critical. Core advantages: Agility, fast innovation cycles, and resource efficiency through intangibles.

Outcomes: Creation of new markets, structural economic change, and complementarity with large incumbents.

There are feedback loops here too. When a startup scales successfully, it strengthens the ecosystem, which in turn makes it easier for the next startups to grow. In transitional economies, startups play a specific role. Because they are agile and close to local problems, they can push change in areas where large firms are slow to move.

Table 1 – Startups vs Traditional Firms (2021–2025)

Comparison criterion	Startups	Traditional firms	Comparison criterion
Business objective	Search and scaling of innovative business models	Stable operation and profit generation	Business objective
Innovation cycle	Short, iterative, experiment-driven	Long, formalized, incremental	Innovation cycle
Organizational structure	Flexible, project-based, flat hierarchy	Hierarchical, bureaucratic	Organizational structure
Key resources	Human capital, knowledge, networks	Physical assets, production capacity	Key resources
Financing sources	Venture capital, accelerators, angel investors	Internal funds, bank loans	Financing sources
Risk level	High, especially at early stages	Moderate, predictable	Risk level
Growth potential	High, scalability-oriented	Limited, linear growth	Growth potential
Type of value created	Intangible (innovation, IP, platforms)	Tangible assets and operational efficiency	Type of value created
Role in the economy	Creation of new markets and technologies	Maintenance of market stability	Role in the economy

Source: compiled by the author based on [9-14]

The functional analysis was based on what startups actually do in the economy, according to scientific and industry sources. Three functions came out most clearly: bringing innovations to market fast, scaling business models quickly, and attracting venture capital.The data show that startups primarily do three things: they create and commercialize new ideas, they open up new market niches, and they speed up technological change in industries. This is visible in the growth of tech startups in digital economy sectors fintech, e-commerce, and AI. International ecosystem reports track this trend year after year.

What real cases showThe differences between startups and traditional firms become obvious when you look at practice.Take Airbnb. With almost no physical assets, it reshaped global short-term rentals in less than a decade. Compared to hotel chains like Marriott, Airbnb started with a digital platform and relied on network effects and a scalable model. That let it enter new countries fast, without building hotels or owning property.

A similar story is Tesla. In its early years it was a startup betting on radical innovation in EVs and software. Meanwhile Ford and GM were optimizing existing production lines and making incremental updates. Tesla's flat structure and product-first focus allowed it to push the whole auto industry toward electrification, even though the risks and cash burn were huge at the start.In fintech, compare Stripe with traditional banks. Stripe built simple, flexible payment tools for internet companies. Banks had more money and market power, but they were slower to adapt to how digital businesses actually work.These examples line up with Table 1. Startups win on speed and customer focus. Traditional firms win on stability and scale. The advantages of startups are not one-off. They are systemic.

The analysis confirms that startup advantages are multi-level, not just about having a new technology. The key differences are in organizational logic, how value is created, and how firms adapt to the environment. Modern research treats startups not as "small versions of big companies", but as a fundamentally different type of economic organization.

Why can they have such impact with limited money? Because they compete on intangibles: knowledge, technology, data, new business models, and people. In a knowledge economy these matter more than factories or inventory. That's why a lean startup can shift an entire industry.

At the same time, the model has clear limits. Startups face high uncertainty, especially at the beginning. Failure rates are high. They depend on venture funding. Cash flows are unstable. These are structural features, not exceptions. Global experience also shows a pattern: the willingness to take risks and experiment is what lets startups adapt faster. Big companies often react with a delay.

Importantly, startups and incumbents are not enemies. They are complementary. Startups generate radical ideas and new markets. Traditional firms provide the capital, stability, and channels to scale those ideas. This is why we should view startups as part of entrepreneurial ecosystems, not in isolation.

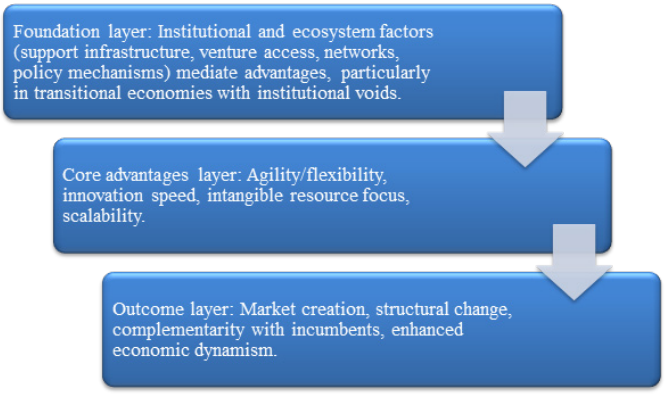


Figure 1. Layered Conceptual Framework of Systemic Advantages of Startups

Source: compiled by the author based on synthesis of literature [1–15] and comparative analysis

From a practical view, this means governments and development institutions need a different toolkit for startups. Standard SME support doesn't work well here. Startups have high risk, intangible assets, and need flexible regulation.

What does help: developed venture financing, innovation infrastructure, mechanisms for knowledge transfer, and links to international markets. In Kazakhstan

and similar economies this is especially important for diversification and building innovation capacity [15].

In conditions of digitalization and global competition, the combination of startups and traditional firms drives long-term growth. But it is startups, with their focus on innovation, that provide the dynamism and structural change.

Overall, the analysis shows that startups generate competitive advantage mainly through intangible assets, scalable platforms, and innovation-driven organization. Traditional companies still rely on accumulated capital and institutional stability, which makes them less agile when the market changes fast.

CONCLUSION. This study has successfully identified and systematized the fundamental advantages that startup projects bring to the modern economic landscape. Our findings confirm that startups represent a unique breed of entrepreneurial activity one defined not just by innovation, but by a distinct organizational flexibility, rapid decision-making capabilities, and a strategic focus on generating intangible value. By employing a combination of structural, functional, and comparative analyses, we were able to meet our research objectives and provide a clear picture of how these entities operate differently from established firms.

The scientific novelty of this work lies in its holistic perspective. Rather than viewing startups through the narrow lens of isolated technological or financial factors, this paper treats them as a systemic element of the contemporary economy, essential for market formation and accelerating technological shifts. In an era defined by digitalization and intense global competition, the superior adaptive and scaling potential of startups distinguishes them as primary drivers of economic dynamics.

From a practical standpoint, the implications of these findings are significant. The results offer actionable insights for the design of government innovation policies, the refinement of startup support programs, and the strategic operations of venture funds, business accelerators, and development institutions. Specifically, our conclusions advocate for a more nuanced, differentiated approach to regulation and support one that accounts for the high-risk nature and intangible-asset focus inherent to the startup model.

While this research provides a robust conceptual framework, certain limitations must be acknowledged. The study is primarily theoretical and analytical, relying on the synthesis of secondary sources. This, by necessity, limits the depth of empirical grounding and the broader generalizability of the findings. Furthermore, the potential for a Western-centric bias in existing literature may lead to an underrepresentation of certain emerging regions. The absence of primary empirical data, such as large-scale surveys or longitudinal case studies, also presents a challenge for the direct validation of the proposed framework.

These limitations, however, open vital avenues for future inquiry. Subsequent research should prioritize empirical validation, particularly within emerging and transitional economies such as Kazakhstan, the EAEU member states, Sub-Saharan Africa, and Latin America (beyond Brazil). We recommend the adoption of mixed-methods approaches and longitudinal tracking of the interactions between startups and incumbent firms. Additionally, the development of quantitative ecosystem metrics and cross-regional comparative studies will be essential to test and refine the conceptual framework established in this study.

REFERENCES:

1. Ding, C., Liu, C., Zheng, C., & Li, F. (2022). Digital economy, technological innovation and high-quality economic development: Based on spatial effect and mediation effect. Sustainability, 14(1), 216. https://doi.org/10.3390/su14010216
2. Skala, A. (2022). Sustainable transport and mobility-oriented innovative startups and business models. Sustainability, 14(9), 5519.
3. Santisteban, J., Mauricio, D., & Cachay, O. (2021). Critical success factors for technology-based startups. International Journal of Entrepreneurship and Small Business, 42(4), 397–421.
4. Asaul, A. N. (2021). Ekonomika predprinimatel'stva [Entrepreneurship economics]. St. Petersburg: Piter. (In Russian)
5. Rubin, Yu. B. (2020). Predprinimatel'stvo i innovatsionnoe razvitie ekonomiki [Entrepreneurship and the innovative development of the economy]. Moscow: Yurayt. (In Russian)
6. Khuan, H., Andriani, E., & Rukmana, A. Y. (2023). The role of technology in fostering innovation and growth in start-up businesses. West Science Journal Economic and Entrepreneurship, 1(8), 348–357.
7. Ressin, M. (2022). Start-ups as drivers of economic growth. Research in Economics, 76(4), 345–354.
8. Sagadiyev, K. A. (2021). Innovatsionnoe razvitie ekonomiki Kazakhstana [Innovative development of Kazakhstan's economy]. Vestnik Kazakhskogo natsional'nogo universiteta imeni al-Farabi. Seriya ekonomicheskaya [Bulletin of al-Farabi Kazakh National University. Economic Series], (3), 4–15. (In Russian)
9. Nurlanova, N. K., & Kenzhegaliev, A. B. (2022). Razvitie predprinimatel'skikh ekosistem v Kazakhstane [Development of entrepreneurial ecosystems in Kazakhstan]. Ekonomika: strategiya i praktika [Economics: Strategy and Practice], (2), 25–36.
10. Pattyn, F. (2024). The critical role of product managers and their responsibilities in software startups: A systematic literature review. American Journal of Engineering and Technology Management, 9(4), 112–121.
11. Slávik, Š., Bednár, R., & Mišúnová Hudáková, I. (2021). The structure of the start-up business model: Qualitative analysis. Sustainability, 13(15), 8386.
12. Cuvero, M., et al. (2023). Start-ups' use of knowledge spillovers for product innovation: The influence of entrepreneurial ecosystems and virtual platforms. R&D Management, 53(4), 584–602.
13. Anderloni, L., & Harasheh, M. (2025). Innovative startups and their traditional peers: Further evidence using performance and survival analysis. Review of Financial Economics, 43(3), 317–335. https://doi.org/10.1002/rfe.70004
14. Dechezleprêtre, A., & Kelly, P. (2025). Venture capital, innovation and business success in cleantech startups: The new green economy. OECD Science, Technology and Industry Working Papers, No. 2025/13. Paris: OECD Publishing. https://doi.org/10.1787/ba73f647-en
15. Zhanbozova, A. B. (2023). Startapy kak faktor innovatsionnogo rosta ekonomiki [Startups as a factor in the innovative growth of the economy]. Vestnik Kazakhskogo natsional'nogo universiteta imeni al-Farabi. Seriya ekonomicheskaya [Bulletin of al-Farabi Kazakh National University. Economic Series], (2), 58–69. (In Russian)

AUTHOR INFORMATION:

Ху Хуэйсинь - 3-й курс докторантуры (DBA), бизнес-школа Аль-Фараби, Казахский национальный университет имени Аль-Фараби, Алматы, Казахстан. E-mail: huixin@bk.ru. ORCID ID: 0009-0009-8504-8006

Досжан Райгул – PhD, доцент, Бизнес-школа имени Аль-Фараби, Казахский национальный университет имени Аль-Фараби. Email: raiguldos2011@gmail.com. ORCID ID: 0000-0001-7480-3568

Ху Хуэйсинь - 3 курс PhD докторанты (DBA), Әл-Фараби бизнес мектебі, Әл-Фараби атындағы Қаз¥У, Алматы, Қазақстан. E-mail: huixin@bk.ru. ORCID ID: 0009-0009-8504-8006

Досжан Райгүл – PhD, доцент, Әл-Фараби атындағы бизнес мектебі, Әл-Фараби атындағы қазақ Ұлттық Университеті. Email: raiguldos2011@gmail.com. ORCID ID: 0000-0001-7480-3568

Hu Huixin – 3rd year Doctoral Student (DBA), Al-Farabi business school, Al-Farabi Kazakh National University, Almaty, Kazakhstan. E-mail: huixin@bk.ru. ORCID ID: 0009-0009-8504-8006

Doszhan Raigul – PhD, Associate Professor, Al-Farabi business school, Al-Farabi Kazakh National University, Almaty, Kazakhstan. Email: raiguldos2011@gmail.com. ORCID ID: 0000-0001-7480-3568