T02P15 / Realities of Public Policy and Management Reforms in Central Asia

Topic : T02 / Comparative Public Policy sponsored by Journal of Comparative Policy Analysis
Chair : Saltanat Janenova (Nazarbayev University)
Second Chair : Colin Knox (Nazarbayev University, Graduate School of Public Policy)

GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

The panel is aimed at analyzing various public administration reforms in the Central Asia region (including Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan). Political transformation over the recent decade has re-shaped the geopolitical landscape in the Eurasian region and created new challenges for future development of Central Asian countries. There is a shortage of academic research on this region, hence, this panel aims to improve scholarly knowledge on policy analysis and practices in Central Asia. The recent global economic crisis has increased the importance of good governance and the capacity of the government bodies to design, implement and evaluate public policies. The governments of Central Asian countries have attempted to transfer "best" international practices from all parts of the world and introduced various socio-economic and political reforms with varying degrees of success. This panel seeks to analyze whether the governments of Central Asian countries have been able to overcome Soviet legacies, adopt international practices to the local context, and meet new global social, economic and political challenges.

The panel invites papers on various aspects of the public policy and management reform processes in any of the Central Asian countries with a particular focus on civil service and public sector reforms, including labor and welfare relations, migration, education, economic and budgetary policies. Regardless of their theoretical and/or analytical point of departure, papers are expected to draw significantly on original empirical research. A selection of the accepted papers will be considered for potential publication in a special issue of an international peer-reviewed journal. This panel is interdisciplinary and will combine international and regional scholars from Central Asian countries who represent different academic traditions and institutes.

CALL FOR PAPERS

This panel invites abstracts for papers addressing issues broadly in the spheres of civil service and public management reforms in Central Asian countries. The panel aims to bring together international and regional scholars from Central Asian countries analyzing civil service and public administration reforms, including labor and welfare relations, migration, education, economic and budgetary policies. Regardless of their theoretical and/or analytical point of departure, papers are expected to draw significantly on original empirical research. It is expected that papers will analyze and discuss design, implementation and evaluation of various policies from public policy and/or public management perspective.

Our panel welcomes contributions analyzing single and multi-country settings, employing both quantitative and qualitative design and research methods. Papers will be accepted which feature (but are not limited to): • Theoretical overviews of the public policy/public management literature. • Interesting case studies in Central Asian countries. • Longitudinal research in public policy/public management reforms in any of the Central Asian countries. • Comparative research on Central Asian countries.

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Session 1Central Asia Policy

Thursday, June 29th 08:15 to 10:15 (Manasseh Meyer MM 3 - 4)

The Challenge of Pension Reform in Kazakhstan: Pressures for Change and Reform Strategies

Elena Maltseva (University of Windsor)

Saltanat Janenova (Nazarbayev University)

In 1997, in response to various demographic and socioeconomic pressures, and following the advice of the USAID and the World Bank, the Kazakhstani government designed a private pension-fund system that resembled the Chilean pension model. It was hoped that the new system would avert an old-age social security crisis by promoting self-sufficiency instead of government dependence, help reduce government expenditures, improve the management of pension funds, encourage savings, and contribute to the development of the capital market (Bird, 1997; Kokovinets, 1998; Andrews, 2001; Seitenova and Becker, 2004). However, by 2012 it became evident that the new pension system displayed several institutional and socioeconomic shortcomings. These factors motivated the government to launch another pension reform in 2013 that merged the assets of all private pension funds into one national pension fund and increased the retirement age for women from 58 to 63. Two years later, in yet another dramatic change, the government stated that the nationalisation of pension funds has not resulted in profitable long-term ventures and investments that would benefit pensioners and the country. As a result, in November 2015, in an attempt to boost the fund's profitability but also to stimulate the economy, the President announced his decision to transfer the management of pension fund back into private Kazakhstani and foreign hands (Rakhzhanov, 2016).

This paper analyses the origins and implications of the 1998, 2013 and 2015 pension reforms in Kazakhstan. It argues that introducing fully-funded or fully-nationalised pension systems in the context of weakly developed institutions, a poorly diversified economy and serious socioeconomic problems creates serious obstacles for building an effective and socially just pension system. The paper also offers a number of policy recommendations meant to tackle the problem of old-age pension security for all Kazakhstani citizens. In particular, the Kazakhstani experience points to the need for a comprehensive approach to old-age pension security, with simultaneous economic and healthcare reforms, changes in the labour market, and effective education and information campaigns. The government needs to focus on building a multi-pillar pension system, with transparent mandatory pillars, a bigger role for voluntary savings, and a basic solidary pension pillar. Based on extensive research, including interviews with the leading experts on the Kazakhstani pension reform, this article offers important insights into the dynamics of institutional change and continuity in transitional socioeconomic and political contexts.

The steering of the higher education system in Kazakhstan: the perspectives of autonomy in universities

Danagul Yembergenova (University of Geneva)

The marketization and neoliberal trends have called Kazakhstan to pay greater attention to the issue of university autonomy. Thus, the topic of university autonomy has been studied rather intensively. However, most of the studies mainly concentrated on the future perspectives of autonomy and formal tensions between the state and HEIs, whereas the issue of actual dynamics and content of changes remain narrowly defined. Paper revisits the issue of university autonomy using agency theory and Olsen's four steering model. First utilizing the Olsen's four steering model, paper addresses the question of why and how government is advancing institutional autonomy in Kazakhstan. Second, agency theory assists in analyzing

the university autonomy from the perspectives of the state representatives and universities. Therefore, semi-structured interviews were held with the Ministry of Education official, member of Information Analytical Center, university top management and deans with the special attention to the information flow and goal conflicts between representatives. The empirical focus has been placed on public and private universities in Kazakhstan, and comparison has been made to understand differences in the autonomy related dimensions that affect university functions. It concludes by observing that there are information mismatches in the financing mechanism, academic matters and in the reorganization of universities due to the hybridized approach of the state policies and path dependency nature of implementation process. Thus, paper provides recommendations and successful practices for the implemetation of established policy reforms.

· What are the perceptions of the state level officials regarding autonomous universities?

· What changes are occurring on state level aimed at advancing institutional autonomy?

· What are the perceptions of university managers regarding autonomous universities?

· What are the main autonomy related dimensions that are affecting university settings and functions?

Fiscal Decentralization with Focus on City Development in Kazakhstan

Madina Junussova (Institute of Public Policy and Administration, University of Central Asia)

The most significant national government decisions in Kazakhstan's spatial planning are directly linked to two main cities Almaty and Astana. About 50 percent of targeted fiscal state transfers for local government have gone to Astana and Almaty. Most of the finances are allocated to the transformation of cities into hosts for international events. Instead of strengthening local government, national transfers, aiming to finance national projects, make the city governments increasingly dependent on external transfers. Constant intervention of the national government with the country's development priorities does not permit Astana and Almaty city governments to get financial sustainability and to reflect the local community needs. The Almaty and Astana city governments experience many difficulties with implementing externally imposed national projects. The lack of vacant land for proper location and infrastructure capable of serving these new developments leads to growing conflict of interest between national ambitions and local community development needs. This includes active citizens' opposition to the construction of new sports and exhibition complexes.

Despite the national attention to Almaty and Astana, none of the city governments are efficient when it comes to the distribution of the local budget to supply the local development needs. According to the fiscal decentralization proponents, it happens because of the lack of fiscal autonomy and the constant interference of central government in the local development priorities of these cities. It is suggested that national and local governments should not engage in income redistribution, because the local decisions concerning public expenditures may be remote from the real local needs. The redistributive mechanisms established by the national government of Kazakhstan have been found to be a key factor of national economic development and poverty reduction in Kazakhstan. At the same time, scholars pay attention to the fact that there is a selective redistribution of budgets in Kazakhstan with a few cities receiving special financial support from the national government. The national governments' constant interference, aiming at the promotion of national projects in two cities, together with the biased fiscal redistribution at the national level can result in the decrease of the financial sustainability of these cities in a long run.

The purpose of the paper is to contribute to a better understanding of the impact of fiscal decentralization on the role played by city governments in local economic development in Kazakhstan. It focuses on fiscal decentralization and a change in resource allocation within the country with the provision of more autonomy to Almaty and Astana governments in the development and distribution of their local budgets. The main question is: how does fiscal decentralization impact on the use of local resources for urban development?

Can Kazakhstan Follow Singapore? Assessment of Its Civil Service Reform Capacity

Naomi Aoki (Lee Kuan Yew School of Public Policy, National University of Singapore)

Saltanat Janenova (Nazarbayev University)

Studies have found that the success of civil service reforms initiated by the political executive depends in part on the reform capacity of the government. In this article, we assess the reform capacity of Kazakhstan – a country that seeks to modernize and professionalize civil service as a part of its "100 Concrete Steps" for institutional reform, embarked on by President Nursultan Nazarbayev. We chose Singapore as a comparative benchmark because the city-state is known to have achieved civil service excellence and because the President has been citing Singapore as a model for Kazakhstan to follow. For a systematic

comparison, we adopt Christopher Knill's (1999) propositions, which state that reform capacity differs between two ideal types of public administration: instrumental and autonomous. These two types differ with respect to three dimensions, namely, (1) executive leadership, (2) bureaucratic power, and (3) administrative entrenchment (which is positively associated with the structural complexity and size of the government, and the power of the judiciary). An ideal instrumental administration features strong executive leadership, weak bureaucratic power, and low administrative entrenchment, whereas an ideal autonomous administration features the opposite in all three dimensions. Knill posited that the conditions of the former are more favorable to the introduction of civil service reforms by the political executive, and hence, an instrumental administration has a higher reform capacity than an autonomous one. Applying Knill's theory, Painter (2004) argued that Singapore in its early decades had a relatively instrumental administration, and hence a high reform capacity. As a result, the city-state was able to introduce a series of civil service reforms. Can Kazakhstan follow Singapore? Does the country have the same reform capacity? We argue that since Kazakhstan's independence, its administration has been less instrumental than that of Singapore. Our study draws implications from this finding for the reform challenges and opportunities ahead.

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Session 2Central Asia Sector Specific

Thursday, June 29th 10:30 to 12:30 (Manasseh Meyer MM 3 - 4)

Development of entrepreneurship education in Kazakhstan: the need for government regulation

Agipa Monobayeva (Narxoz University)

Maira Iembekova (Narxoz University)

Kazakhstan is currently modernizing its public sector. This is affecting all sectors and fields, including education. The paper discusses the state of entrepreneurship education in Kazakhstan. Based on research findings as well as previous studies, the authors highlight the need to strengthen government regulation in this field.

Entrepreneurship education is a relatively new field in Kazakhstan and the Central Asian region in the whole. Therefore, regulations and administrative systems surrounding business and entrepreneurship education are currently in the development stage. This paper focuses on the entrepreneurship education and the need of government regulation to ensure proper legislation and supportive environment for this emerging field.

The paper primarily seeks to address the following set of questions. First, what is the current state of entrepreneurship education in Kazakhstan? What is the role of government in developing and fostering entrepreneurship education? What are the main challenges in governance and regulation of entrepreneurship education? Second, why partnership between education providers, business and government have disappointed results? To what extent the business education outcomes meet the labour market needs in Kazakhstan? How existing obstacles and constraining factors correlate with government regulation?

Within the framework of the questions mentioned above, this study will investigate the possibilities of introduction the principles of Network Governance in creation the platform for policy makers, academia and business to join their efforts in developing entrepreneurial skills and eliminating the existing discrepancy between education outcomes and job market needs.

The primary message of this paper is that government has to play a crucial role in the development of entrepreneurship education by providing a proper legislation support and motivating business and education institutions to consolidate their efforts in training entrepreneurial skills to accelerate economic growth.

Methodologically, this paper builds on previously published studies on business education and entrepreneurship development, and utilizes the results of survey (questionnaires) of 50 college graduates, 50 university graduates, as well as the results of extensive interviews (involving semi-structured questions) with deans of business schools in 3 Kazakhstani universities as well as 5 directors of local companies and 5 managers of SME (business owners).

Questions to college/university graduates have been related mainly to the extent of their satisfaction with the acquired knowledge and skills as well as the help of practical training (internships). Deans of business schools have been asked about graduates' employment and the existence of partnership relations with companies and employers' professional associations. Questions to company executives have been concerned primarily with the partnership relations with colleges and universities and satisfaction with the graduates' skills. Business owners have been asked about to what extent the obtained business education helped them to open their business and become entrepreneurs.

The research results can be presented as a case study (Kazakhstan) at the panel "Realities of Public Policy and Management Reforms in Central Asia".

'Good enough governance' in Central Asia

Omer Baris (Nazarbayev University)

Colin Knox (Nazarbayev University, Graduate School of Public Policy)

The Worldwide Governance indicators are composite governance indicators based on over 30 underlying data sources that report the views and experiences of citizens, entrepreneurs, and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance. These data sources are rescaled and combined to create the six aggregate indicators using a statistical technique (unobserved components model). Each of the 6 aggregated indicators is then reported on a scale ranging from 0 (very poor governance) to 100 (very strong governance). But there are several questions raised by these good governance indicators – are they cumulative in improving good governance? Are they all equally important – does one contribute more to good governance than another? Is one a pre-condition for another? Are they causally linked or mutually exclusive? In short, the empirical questions, using Central Asia as a case study, we will investigate are: can these 6 dimensions of good governance can be developed into a overall good governance index; whether specific dimensions can be prioritized as having made a greater (or lesser) contribution to good governance in each of the 5 Central Asian states; and if context (as opposed to content) can explain what is not explained by content. There is little knowledge available to guide the prioritization, sequencing and strategic thinking about good governance interventions. This research is aimed at helping to address this issue and operationalize what 'good enough governance' means for developing countries.

Who Sets the Agenda in Kazakhstan? An analysis of key actors in economic diversification

Mergen Dyussenov (Astana IT University)

Abstract

The proposed article, as applied to the context of Kazakhstan, seeks to answer a major question that persists in current agenda-setting debates: who sets the current policy agenda in economic diversification, in 2012-2016? As a broad literature review suggests with regard to a wide range of policy issues, among the major actors across different nations, media seems to exert key agenda-setting influence, though the public (collectively viewed as non-experts) has also grown in influence especially with emergence of the internet in much of the developed, and increasingly across developing, world. Finally, academia and think tanks, collectively experts, also tend to exert agenda-setting influence for some issues, often socially controversial issues and those with scientific uncertainty.

The research methodology includes: using certain think tanks' web-sites to collect observed trends in the number of publications as a proxy for attention dynamics and conducting the content analysis of these publications; Scopus database to trace scholarly articles as a proxy of academic attention; Nexis Lexis to trace media publications as a proxy for attention dynamics, with content analysis of articles; and use of Google search (filtered for blogs)[1] to trace comments of the wider public on e-blogs and/or media articles related to economic diversification in Kazakhstan. Based on tracing longitudinal trends over the period 2012-2016, the analysis would allow identifying the key actor (or actors) that actually sets the policy agenda in the context of Kazakhstan.

Economic diversification remains a crucial issue that persists across developing nations, Kazakhstan included. Particularly, this issue remains crucial in Kazakh current policy agenda since the petroleum sector's share is about 60% of total national exports as of 2016 (KazMunaiGaz 2016). Although agenda-setting is viewed as the most critical stage of the policy process (Howlett et al. 2009) that determines its subsequent stages (Peters 2015), there appears to be a persistent scarcity of agenda-setting research in the context of Kazakhstan. The present paper, therefore, seeks to fill this gap. A vital policy implication is to allow the Kazakh government and the public to clearly identify the most influential actor in setting the policy agenda for economic diversification to better craft a set of relevant policies, taking this player's interests into consideration. This would significantly improve budget allocation efficiency, with further implications to democratic governance, and further strengthening national competitiveness.

Reference:

Howlett, M., Ramesh M, & Perl, A. (2009). Studying public policy: Policy cycles & policy

subsystems (3rd ed.). Don Mills, Ont; Oxford: Oxford University Press.

KazMunaiGaz (2016). Oil and gas sector. Retrieved from:

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Peters, B. G. (2015). Advanced introduction to public policy. Cheltenham: Edward Elgar

[1] Google has recently disabled its Blog search engine, so now it offers instead Google news search that can be filtered by specifically selecting blogs.
http://searchengineland.com/google-blog-search-now-within-google-news-search-202202

Separation of powers and constitutional reforms on power transition in Kazakhstan.

Serik Orazgaliyev (Nazarbayev University, Graduate School of Public Policy)

Separation of powers and constitutional reforms on power transition in Kazakhstan

The Constitution of Kazakhstan, which was adopted in 1998 established the separation of powers between the executive, legislative and judiciary institutions of the Republic of Kazakhstan. The new Constitution was criticised for not providing sufficient checks and balances for preventing the domination of a single branch of power. Therefore, in 2007 the Government introduced amendments to the Constitution granting more powers to the Parliament. However, it was questioned, whether the 2007 constitutional reforms really empowered the Parliament or transferred only formal powers to the country's legislative. In December 2016, the President of Kazakhstan announced the creation of the commission for drafting the next stage of constitutional reforms to further empower the Parliament. If successful, the upcoming constitutional reform will transform the Parliament into a more influential body and will legitimise the power, possessed by the governing institutions. This paper argues that Kazakhstan's model of power succession is likely to be different from other models of succession in the Post-Soviet space. At the core of this power transition process is the upcoming constitutional reform, which was initially launched in Kazakhstan in 2007 and was designed to transfer powers from presidential to the legislative branch.