

Proceedings of IYSC, (2021), vol. 10

Journal homepage: <http://journals.sdu.edu.kz/index.php/iysw>

2021 International Young  
Scholars' Conference



**POST-SOVIET ERA NEOLIBERALISM AND PRIVATIZATION IN KAZAKHSTAN'S  
HIGHER EDUCATION SYSTEM**

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*Abstract*

By applying grounded theory as a methodological tool and using higher education policy documents and the speeches of the former president of the Republic of Kazakhstan, Nursultan Nazarbayev (1991-2019), I examined the changes that occurred in higher education system in Kazakhstan based on neoliberalism. Kazakhstan has transition to higher education policies based upon core neoliberal ideas, such as privatization, meritocracy, individualism, self-reliance, and competition. However, neoliberal policies in Kazakhstan has been influenced by the local political and governance system. Specifically, as it was found, the first president of the Republic of Kazakhstan has maintained a crucial position in shaping the contemporary higher education policies. With Nazarbayev's initiative, significant educational projects that meet core neoliberal ideas have been introduced and financially and politically prioritized despite the lack of evidence of their effectiveness.

The analysis of the policy documents has revealed that higher education policy changes were informed by autocratic and leader-centric neoliberal system.

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Before transitioning to a market-based economy, Kazakhstan maintained a centralized government as a Soviet Republic within the Union of Soviet Socialist Republics (USSR). Kazakhstan achieved its independence in 1991, the last Soviet Republic to do so. During the Soviet era, higher education was financed by the central government, and students received university education without charge. The private sector did not exist prior to independence. With the dissolution of the USSR in 1991, Kazakhstani higher education became informed by neoliberalism with one of its central tenets being privatization. Through corruption, the power elites in the Soviet era could create wealth for themselves from the centrally planned economy, but with neoliberalism, they could generate significantly more wealth because the market economies from which they siphoned performed better than centrally controlled communist economies (Bayetova & Robertson, 2019). In the Post-Cold War era, neoliberalism has come to be perhaps the dominant political-economic paradigm globally (Bayetova & Robertson, 2019; Harvey, 2005; Robertson, 2020a, p. 45; Robertson, 2020b, pp. 124-125; St. John, Daun-Barnett, & Moronski-Chapman, 2018; Saunders, 2010; Slaughter & Rhodes, 2016; Steger & Roy, 2010; Yilamu, 2018). In the power struggle during Perestroika, Nursultan Nazarbayev emerged as President with a pronounced commitment to neoliberalism (Yilamu, 2018). The goal of this chapter is to conduct a thorough analysis of the higher education reforms and policies introduced from 1991 to 2020 in Kazakhstan, a rapidly developing former Soviet republic transforming from a centrally planned resource-based economy to a globally connected knowledge-based economy. Many paradoxes (e.g., Kazakhstani national development by connecting to global corporate interests) are explored.

The conceptual framework for this study is drawn from Silova's (2004; 2009) characterization of the creation of a private sector and the privatization of public institutions as key strategies in post-socialist academic reform processes. In the period of the planned economy in the USSR, the state transferred its property to the operational and economic management of state institutions and enterprises, while remaining the owner of this property. The new market economy system introduced in Kazakhstan after 1991, enabled the transfer of state property to private ownership (Azimbayeva, 2017; Sagintayeva & Kurakbayev, 2015). The state became a member of a private legal entity, usually a joint-stock company or limited liability partnership. Possessing a block of shares (usually 30-35%) in a joint-stock company, the state becomes an ordinary participant in an official entity that follows the rules of participation, regulated by the civil law of private legal entities (Mitrofanskaya, 2011).

#### *Data and Methods*

This study uses grounded theory as a methodological tool to analyze higher education policy and privatization in Kazakhstan. A flexibility of grounded theory is that it allows researchers to utilize various data sources, including documents (Charmaz, 2006, 2011; Ralph, Birks, & Chapman, 2014). In this study, the speeches, educational laws, strategic plans, and policy texts to advance higher education policy in Kazakhstan are used as primary data sources.

We conducted a pilot study using the NVIVO software program to code and analyze four sources of texts: (a) Organization for Economic Co-operation and Development report, 2017; (b) Strategy Kazakhstan, 2050; (c) speech of the President Kassym-Jomart Tokayev; (d) speech of the former president of the Republic of Kazakhstan, Nursultan Nazarbayev; and (e) internal documents of Kazak-British Technical University (KBTU).

*Preliminary Findings*

The study's pilot analysis suggests that Kazakhstan exhibits an education borrowing policy (Silova 2004; 2009) that is characterized by three phenomena: (a) reliance on privatization of state institutions, (b) introduction of corporate governance, and (c) institutional autonomy at national universities.

*From Public to Private*

The Kazakhstani government initiated privatization by disposing of the shares of state institutions of higher education. In total, 16 universities have undergone the privatization process, whereby a joint-stock company is established and at least 35% of shares are sold to private companies or individuals. Out of the 16 universities that have been privatized so far, two are now completely private, and others have 20% to 35% of government ownership (Organization for Economic Co-operation and Development, 2017).

The documents and speeches of the key political figures explicitly stated that the privatization of state universities was a necessary step in financial independence, decentralization, and the improvement of institutional and academic autonomy at historically state-controlled universities in Kazakhstan. From the government's perspective, the partial or full transfer of ownership implies potential savings in terms of future capital expenditures for which the government is no longer responsible. In addition, resources are generated by the sale of shares and potential profits if the privatized university effectively operates on a profit basis. From the university's viewpoint, privatization means increased independence from government administrative regulations and the possibility of adopting more flexible management practices (Organization for Economic Cooperation and Development, 2017).

For example, the shares of Kazakh-British Technical University (KBTU) were sold on auction to a private organization. KBTU maintained a reputation for attracting the most competitive and talented students inside and outside the country. In 2018, KBTU was auctioned for approximately 11.37 billion tenge (\$27,934,157 USD). When we tried to find out who purchased the shares of KBTU, we could not acquire any reliable information neither on the Ministry of Education and Science's website nor KBTU's. The majority of the deals that involve the purchase of shares of state universities in Kazakhstan are not transparent.

### *Corporate Governance*

In former President Nazarbayev's (Kazakhstan's President, 1991-2019) last strategic plan, Strategy Kazakhstan, 2050 (Nazarbayev, 2012), he launched a modern type of management model that had never been practiced in Kazakhstan before. New personnel policies and divisions of labor based on Western capitalistic models were initiated, which follow the notion of policy borrowing. Specifically, there was a necessity to "introduce modern management tools and principles of corporate governance in the public sector" (Nazarbayev, 2012, p. 53) to increase the effectiveness of managerial skills of personnel in the market modernization. Corporate governance logic also extended to the higher education system. According to the State Program of Education Development 2011-2020 (2010), one of the major objectives of education management is "improvement of education management including the introduction of corporate governance principles and formation of the public-private partnership in education." (p. 23). Corporate governance principles in higher education includes accountability of university managers to shareholders. In Kazakhstan, corporate governance principles are intended to be implemented through public-private partnership. Public-private partnership in higher education involves the government and business that work together to provide services to students and other stakeholders.

*Institutional and Academic Autonomy*

Institutional and academic autonomy represent the following significant step in the recreation of Western-style higher education in Kazakhstan. A shift of power from a central governing body was one of the subjects in the document, 100 Concrete Steps Toward a New Nation (Nazarbayev, 2015). In step 78, the former president, Nazarbayev underscored that “academic freedom shall be gradually reinforced moving towards the self-management of universities, taking into account the experience of the Nazarbayev University. Transformation of private universities into non-profit organizations in line with international practice.” (Nazarbayev, 2015, para. 78). Institutional autonomy was extended with the election of a new president, Kassym-Jomart Tokayev, who adapted a decree on the election of university rectors, instead of their appointment by the Ministry of Education and Science (MES). Since 2019, rectors of the leading national universities had to participate in the highly selective competition and have to meet the requirements, established by the board of governments at a particular institution.

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