

Social Reforms in Kazakhstan

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Svante E. Cornell

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Preface

In recent years, the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center has focused significant attention on the reform processes under way in Central Asia and the Caucasus. In a number of publications thus far covering reforms in Kazakhstan, Uzbekistan and Azerbaijan, we have attempted to detail the steps being taken in these countries to engage in gradual reform of government institutions, seeking to do away with the Soviet-era culture of state institutions that prioritized the state over society and was riddled by significant corruption, and instead build modern and more transparent state institutions that exist to provide services to the population.

In this regards, the past year has seen the Joint Center publish several studies on Kazakhstan, focusing on the political and economic reforms that have been the central focus of President Kassym-Jomart Tokayev's presidency. This included most recently an ambitious package of political reforms that was put to referendum in June 2022.

Following on these studies, in this paper we turn our attention to issues that are not necessarily in the center of news, but are at the center of the lives of ordinary people: the social reforms including education, healthcare and social protection – issues that are closest to the lives of people. We explore how these have progressed, but also their connection to the broader reform agenda in the country.

Svante E. Cornell, Director

Executive Summary

Since President Kassym-Jomart Tokayev came to power, a series of reform packages focusing mainly on the political and economic sectors have been launched in Kazakhstan. But as has been seen in instances of public dissatisfaction over recent years, social issues are at the heart of the concerns of the population of Kazakhstan – a population that saw great improvements in living standards from 1992-2008, but somewhat of a stagnation since then. Having achieved middle-income status, many people in Kazakhstan now focus increasingly on the quality and accessibility of education, healthcare, and social protection. In his September 1, 2022, address to the nation, President Tokayev acknowledged this priority by focusing considerable attention to reforms in the social sector that would improve education, healthcare and social protection and in particular provide a more equitable delivery of services in these areas to the population.

In the education sector, Kazakhstan has a history of large and comparatively successful reforms. The Bolashak (future) program, launched almost immediately following independence, provided opportunities for high-achieving students to study abroad, and over ten thousand have done so. But Kazakhstan's reforms have not focused solely on higher education. One of the most successful programs has seen the rollout of nearly universally available preschool education, and efforts to improve the status, pay, and training of teachers in primary and secondary education. Kazakhstan joined the Bologna process, and the implementation of international standards has done a lot to improve the education system.

Kazakhstan also invested in elite institutions – the Nazarbayev Intellectual Schools and Nazarbayev University, which have catered to high-achieving students. These institutions have obtained ample resources and have been highly successful – NIS scores in PISA tests, for example, are high above the average in OECD countries. Kazakhstan’s difficulty has been to replicate this success across the width of the education system. Access to education in rural and remote areas remains difficult. And whereas NIS and NU have benefited from academic and financial autonomy, the same is not the case for regular schools, whose principals have much less freedom to run their institutions the way they see fit. In other words, the rest of the public school systems suffers from state bureaucracy. And regular schools – particularly in rural and remote areas – lag far behind the NIS in standardized testing. This should come as no surprise given the disproportional part of the education budget that is allocated to the NIS and NU.

The question going forward is to what degree the NIS and NU model can be replicated in the rest of the education system – which does not benefit from having selected the best students and given them the most resources. Human resources are a particular challenge: finding qualified teachers for the needs of Kazakhstan has proven difficult, and is made even harder by the government ambition to develop trilingualism: that not only should Kazakh, Russian and English be taught, but that certain subject matters should be taught in these languages. While the initiative is laudable, in practice the country so far lacks teachers with language skills to be able to teach in all three languages. This suggests that some initiatives in the education sector may have been overly ambitious; but it should be recalled that Kazakhstan has aimed high; and even if it has not quite met its own ambitions, the initiative has nevertheless produced results as can be seen from the rapid spread of English proficiency in the country.

Healthcare reforms in Kazakhstan are in many ways similar to the education sector. Certain reforms have aimed very high and proven remarkably successful. Capabilities at the high end have been developed, including a medical school at Nazarbayev University, advanced cancer treatment and research, and the development of an indigenous pharmaceutical industry. In addition, Kazakhstan has rolled out a compulsory health insurance system that is sustainable in the long run.

Just as in the education sector, however, the difficulty has been in scaling these advances up to meet the needs of society as a whole. One challenge has been to provide adequate primary healthcare services that run independently of major hospital systems. Another has been to train enough medical staff to provide adequate coverage of the population. Indeed, Kazakhstan needs to double the ratio of doctors per capita to meet the OECD average. In particular, providing adequate access to medical services in rural and remote areas has proven difficult to implement.

Still, the advances are visible. Before the pandemic, Kazakhstan saw rapidly improving life expectancy numbers, reaching 73 years, a strong improvement over numbers in the 1990s. While the pandemic was a temporary setback, the country has also learnt valuable lessons on the weaknesses of its healthcare system.

In the field of social protection, Kazakhstan has succeeded in putting in place an adequate system to protect the unemployed, the disabled, as well as mothers and children. In addition, a strong and sustainable pension system has been introduced. Still, the country faces challenges: an aging population that will complicate matters, and the continued persistence of high-level corruption and mismanagement of assets and investments.

Social reforms are intimately linked with the broader reform agenda that President Tokayev has made into a centerpiece of his presidency. The success of social reforms will depend in no small part on the development

of the broader management system in the country and on the nature of Kazakhstan's state institutions. The potential of social reforms can only be fulfilled if the political reforms aiming to change the nature and culture of state institutions, to develop a new reality where the state exists not for its own sake, but to provide services to the population of the country. Given President Tokayev's stated commitment to seeing all of these reforms through, it remains to be seen how successful Kazakhstan will be along this path.

Kazakhstan's Reform Agenda in a Time of Troubles

For over a decade, Kazakhstan has been accelerating its efforts to implement far-reaching reforms to accelerate the development of the country. While much of the attention on these reforms have focused on the political and economic aspects of reforms, this study investigates reforms in the area that has the most direct impact on society: reforms in the social field, specifically focusing on education, healthcare and social protection. The importance of these reforms has been highlighted by the Covid-19 pandemic, which illustrated challenges particularly in the healthcare area, while putting additional strain on the education system and social protection as well, given the lockdowns and economic downturn that resulted both in Kazakhstan and globally.

The reforms in the social sphere are in many ways those that are least sensitive, compared to economic and particularly political reforms. Indeed, as this study will show, many of the reforms in the social sphere have been developed and fine-tuned for many years. But the limits to the efficiency of these reforms have in many ways been dictated by political and economic issues related to the broader management of the country and its political system.

This chapter seeks to set the scene in which Kazakhstan's social reforms have been progressing.¹ It does so by summarizing the political and

¹ This chapter summarizes more extensive studies of Kazakhstan's reforms published by the Central Asia-Caucasus Institute & Silk Road Studies Program. See in particular, Svante E. Cornell, Albert Barro and S. Frederick Starr, *Political and Economic Reforms in Kazakhstan under President Tokayev*, Silk Road Paper, November 2021 (www.silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13430); Svante E.

economic reform agenda in the country and how it has changed since President Kassym-Jomart Tokayev took over the helm of the country in 2019. It then turns to the context of these reforms, domestic and international. In the external realm, an overview of Kazakhstan's increasingly precarious security and economic situation is in order, as it has a direct impact on the government's ability to implement reforms. In the internal realm, by contrast, the focus is on the growing public demands for change, which serve as a strong incentive for policy-makers to accelerate the pace of reform.

Political And Economic Reform Agenda

The reform efforts that guided Kazakhstan's development since its independence until 2019 were dictated by the personality of the country's First President, Nursultan Nazarbayev. These led on one hand to a clear vision for advancement, but on the other hand, to the citizens' disenchantment with the country's non-inclusive political system and remaining structural obstacles to reform. In 1991, Nazarbayev mobilized Kazakhstan's energy sector to establish an economy independent of the Soviet system, while also kickstarting social reforms that would improve the standards of living of the population. The global financial crisis in 2008, however, revealed the vulnerabilities to which such dependence on fossil fuels exposed Kazakhstan's economy, and under Nazarbayev's leadership, Kazakhstan implemented radical reform to diversify the economy. In 2012, a new vision, "Kazakhstan 2050," was launched with the aim of bringing Kazakhstan into the world's 30 most developed countries by 2050.

Cornell and Albert Barro, "Kazakhstan's June Referendum: Accelerating Reform," *Central Asia-Caucasus Analyst*, May 31, 2022 (<http://www.cacianalyst.org/publications/feature-articles/item/13720>); and Svante E. Cornell, "Learning from Kazakhstan's January Crisis," *Central Asia-Caucasus Analyst*, April 18, 2022 (<http://www.cacianalyst.org/publications/feature-articles/item/13715>)

This ambitious plan required economic diversification and political democratization; but Nazarbayev was vocal in his intention to bench efforts toward democratization in order to first prioritize advancement in the economic development. This created an internal contradiction in the reform process, as the political obstacles to economic development and diversification were not removed. As a result, criticism of authoritarian rule in Kazakhstan and high-level corruption deepened not only within the international community but among Kazakhstan's citizens. In 2019, Kassym-Jomart Tokayev replaced the First President following his unexpected resignation, and promised to begin making concurrent progress toward both political and economic reform. Despite Tokayev's guarantees, many were skeptical given the lasting, surreptitious influence that Nazarbayev maintained on Kazakhstan's polity through his role as Chairman of the country's Security Council, and the absence of any indication that the First President had changed his attitude toward political reform. These fears, compounded by a perception of widespread corruption within the bureaucracy and dissatisfaction with the pace of political reform, grounded many of the frustrations that Kazakhstani citizens maintained in the early years of Tokayev's presidency.

Kazakhstan 2050

The "Kazakhstan 2050" agenda set out ambitious goals for political and economic reform in the country. The 2012 plan envisioned Kazakhstan's entry into the world's 30 most developed nations by 2050 and it outlined seven separate strategies to achieve that goal, including the modernization of economic policy, entrepreneurial development, social policy, education and professional training, democracy and governance, foreign policy, and Kazakh patriotism. While all these strategies underpin each reform package that has been released since 2012, economic and political reforms maintain the strongest continuity in succeeding reform packages.

Economic policy, entrepreneurial development, and education/professional training each received separate strategies, but ultimately all served the same end goal: to diversify and modernize the Kazakh economy away from fossil fuel exports toward advancement in technology and finance. Specific reform initiatives toward this end have included investment in infrastructure, revitalization of manufacturing industries, development of the agricultural industry, management of natural resources and of state-owned assets, establishment of favorable business and legal environments, and the creation of innovation spaces like the Astana International Financial Center.

The plan for reforming Kazakhstan's polity included an equally comprehensive list of goals: improvement of state planning, decentralization of power, election of rural mayors, developing a professional state apparatus, establishment of a more efficient public-private sector interface, reinforcement of systems towards law and order, fighting corruption, and reformation of law enforcement bodies and special agencies. Like the economic reforms, the political goals laid out here remain central to reform packages that have been released since the 2050 strategy was originally announced. As mentioned, however, Nazarbayev's stated intent to develop "economy first, then politics"² hampered the implementation of this program.

It was apparent that Nazarbayev feared the risks to Kazakh statehood (and the political regime) should democratization progress too quickly, leading ultimately to regime collapse. Much of this fear was driven by the

²"Address by the President of the Republic of Kazakhstan, Leader of the Nation, N.Nazarbayev 'Strategy Kazakshtan-2050': new political course of the established state'," Akorda.kz, December 14, 2012. (https://www.akorda.kz/en/addresses/addresses_of_president/address-by-the-president-of-the-republic-of-kazakhstan-leader-of-the-nation-nnazarbayev-strategy-kazakhstan-2050-new-political-course-of-the-established-state)

experience of “color revolutions” that occurred in Kazakhstan’s neighborhood, and which Nazarbayev and much of the Kazakh elite viewed not as encouraging signs of democratic momentum, but as dangerous and destabilizing upheavals. Nazarbayev’s plan to pursue the economy first, politics second, thus, was an effort to thread the needle, allowing for economic and democratic advancement without destabilizing the country.

Economic Reforms

President Nazarbayev executed on his plans, remaining largely consistent with his guarantee to focus on the economy first. His successor, President Tokayev, promised in 2019 to accelerate the pace of political reform stating that further economic development of the country is “impossible without political modernization.” But economic reforms also saw an invigoration of planning and funding when the second President took office. All economic reforms can best be divided into reforms regarding agricultural and industrial development, digitalization of the economy, investment in transportation, management of state-owned assets and support for small-to-medium-sized businesses (SME’s).

Kazakhstan’s agricultural reforms are centered on the idea of establishing the country as the “breadbasket” of Central Asia, cementing the brand of “Made in Kazakhstan.”³ Major reform began in 2015 with the restructuring of agricultural co-operatives, their relationship with the government, and their role in the economy. Tokayev later took additional steps by banning foreign ownership of Kazakh farmland and releasing a five-year plan

³ “The President of Kazakhstan Nursultan Nazarbayev’s Address to the Nation of Kazakhstan. January 31, 2017.” Akorda.kz. *Republic of Kazakhstan*, January 31, 2017. (https://www.akorda.kz/en/addresses/addresses_of_president/the-president-of-kazakhstannursultan-nazarbayevs-address-to-the-nation-of-kazakhstan-january-31-2017)

entitled “National Project on the Development of the Agro-Industrial Complex,” with clear goals to gain self-sufficiency in food production, increase labor productivity by 2.5 times, double agricultural exports, and increase the income of one million rural residents through the establishment of seven agricultural ecosystems.⁴

Manufacturing in Kazakhstan shares a similar narrative, focusing on increasing the share of non-commodity exports and producing the goods that Kazakh citizens demand for daily life. Progress is being made, and manufactured goods contributed more to Kazakhstan’s GDP in 2020 than did the mining industry for the first time in a decade.⁵

“Digital Kazakhstan” plays a major role in Kazakhstan’s economic reforms. It is foundational to establishing a knowledge-based economy and has two forms, involving the digitalization of government and business operations to improve labor efficiency and reduce opportunities for illicit exchanges, and supporting Kazakhstan’s tech industry through favorable regulatory environments.

There are a lot of other initiatives intended to support the overall business environment in Kazakhstan, too. For example, President Tokayev committed an additional \$16.1 billion in infrastructure development through the Nurly Zhol program. There are also reductions being made in the footprint of state-owned enterprises in Kazakhstan’s economy. This has manifested in major divestments from state-owned funds like Samruk-

⁴ “Development of agricultural sector for 2021 and plans for coming period - Official Information Source of the Prime Minister of the Republic of Kazakhstan,” *primeminister.kz Republic of Kazakhstan*, February 17, 2022. (<https://primeminister.kz/en/news/reviews/itogi-razvitiya-sfery-selskogo-hozyaystva-za-2021-god-i-plany-na-predstoyashchiy-period-22422>)

⁵ “State of the Nation Address by President of the Republic of Kazakhstan Kassym-Jomart Tokayev.” *Akorda.kz. Republic of Kazakhstan*, September 1, 2021. (<https://www.akorda.kz/en/state-of-the-nation-addressby-president-of-the-republic-ofkazakhstan-kassym-jomart-tokayev-38126>)

Kazyna and Baiterek Holding in order to promote competition in the private sector. Finally, a number of legal reforms over the past couple of decades have created a regulatory environment favorable to entrepreneurs, and it has earned Kazakhstan the 25th rank in the World Bank's Doing Business Report for 2020, the last year such a rating was compiled.)

Political Reforms

While economic reforms have enjoyed the luxury of support from almost all parts of Kazakhstani society, political reform has been far more complicated. Leaving aside areas where Kazakhstan has rejected foreign partners' urge to conduct reform – such as issues of religious freedom, where Kazakhstan has stuck to a staunchly secularist and restrictive policy – political reforms divide into issues where the government has made significant efforts to follow through on reforms, and those where the pace of implementation has been very slow. Reforms in this latter category tend to be those that influential forces fear will result in social upheaval should they be pursued too hastily, such as further decentralizing government and providing greater freedoms of speech, media, and assembly.

Reforms where the government has made good faith efforts toward substantive reform, are reforms that in many cases began well before Tokayev ascended to power in 2019. These had included anti-corruption efforts, reform of law enforcement, and the improvement of women's rights. Notably, these were reforms that did not challenge the current balance of power, since they aimed at producing a sense of legitimacy among the people by providing better governance. Anti-corruption efforts began as early as 2003 when the country partnered with the OECD, and include improvements to the recruitment and training of civil servants and judicial officials. Kazakhstan has also more recently partnered with the OSCE and Council of Europe in an effort to adhere to international

standards for combating corruption. One closely related reform focuses on shifting the police force away from its soviet-era role as a “power tool of the state” toward a western-oriented model centered on the responsibility to serve and protect.⁶ A third reform in this category is supporting women’s rights and has primarily involved the passing of legislation to combat domestic violence. This has been a significant issue and it has only worsened with the pandemic. Prior efforts to combat domestic violence have been criticized as insufficient, but Kazakhstan announced its intention to join the Council of Europe’s Istanbul Convention in April 2020 in an effort to implement international best practices, and more initiatives should be expected.

By contrast, Kazakhstan’s leaders have until recently been reluctant to implement reforms promoting greater political participation or freedom of speech, media, or assembly, despite these goals being identified as long-term objectives in the Kazakhstan 2050 program. While President Tokayev has emphasized the importance of political reforms, he too has cautioned that “explosive, unsystematic political liberalization” has been shown elsewhere to lead to the “destabilization of the domestic political situation and even to the loss of statehood.”⁷ It is no surprise, then, that progress in these areas has been limited.

Reforms dealing with political participation have focused on greater inclusion in parliament, and the democratization of local politics. President Tokayev in 2019 cut in half the number of required signatures to form a political party, and mandated all parties to have a minimum of 30%

⁶ “President of Kazakhstan Kassym-Jomart Tokayev’s State of the Nation Address, September 2, 2019,” Akorda.kz *Republic of Kazakhstan*, September 2, 2019. (https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstankassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019)

⁷ Ibid.

women and youth on their lists. He also guaranteed opposition parties chairmanship of at least one standing committee and the secretary position of two standing committees in the lower house of parliament, as well as the right to initiate parliamentary hearings at least once each session. In his third reform package, Tokayev proposed that the minimum political representation required to gain seats in parliament be reduced from 7% to 5% in the general election. Regarding the local level of politics, Tokayev sought to introduce direct elections of district and rural mayors in his May 2021 reform package, while keeping the right to appoint regional and city governors. Introducing direct elections for mayors began the process of fostering a democratic culture that can be expanded in the future.

Reforms that have been met with trepidation by the ruling elite are those concerning freedoms of speech, media, and assembly. In December 2019, Tokayev made first strides by removing article 130 from the penal code, which criminalized defamation and was often used to persecute oppositional journalists. It remains, however, an administrative offense. This provision, along with another one criminalizing the “fomenting” of hatred, was regularly abused by state officials to suppress journalists and government critics. While the wording of these provisions has been changed, it will be seen if that will suffice to prevent such abuses. This same reform package included a new, controversial law on peaceful assemblies in which the mandate for protestors to request permission to hold a demonstration was replaced by a requirement to notify the local government of planned demonstrations. This has nevertheless been criticized by civil society activists as superficial since the government can still reject notifications. Additionally, even under the new law, there are only limited approved spaces to hold protests. That said, officials claim this new law led to a rapid growth in the number of protests conducted in the country.

The June 2022 Referendum

President Tokayev's March 16 state of the nation address, entitled "New Kazakhstan: The Path of Renewal and Modernization," was a direct response to the upheavals of January.⁸ For the first time, a reform package focused entirely on the political realm, and included nine priorities concerning the powers of the president, the representative branch of government, the electoral system, political parties, the electoral process, human rights institutions, administrative territories, decentralization of local government, and anti-crisis measures.

The first reform priority, "On the Powers of the President," seeks to weaken what Tokayev calls a "super-presidential model of government." This included decoupling the state from the party system and preventing nepotistic practices, among other by legislating a mandate requiring the president to disaffiliate from all political parties during their presidential term. Similar mandates will be legislated for lower-level officials. The reforms also included a ban on close family members of the president from holding positions as political civil servants or top managers in state-owned enterprises, and the suspension of the right of the president to annul actions of regional and municipal governors, and to remove district and rural mayors from office.

The second reform priority focused on parliament. The goals are threefold: further reduce the power of the president over parliament, improve the system of checks and balances between the chambers, and strengthen the role of the lower chamber of parliament and local assemblies. To reinforce

⁸"State-of-the-Nation Address by President of the Republic of Kazakhstan Kassym-Jomart Tokayev, New Kazakhstan: the Path of Renewal and Modernisation," Akorda.kz *Republic of Kazakhstan*, March 16, 2022. (<https://www.akorda.kz/en/state-of-the-nation-address-by-president-of-the-republic-of-kazakhstan-kassym-jomart-tokayev-17293>) Additional quotes in this section are from this speech.

checks and balances, the Senate will no longer adopt laws approved by the lower chamber, but the reverse, while the Senate gains the power to approve candidates for Chairpersons of the Constitutional Court and the Supreme Judicial Council. As for local assemblies, they will be provided two candidate nominations by the President from which to elect regional and city governors. This has the effect of creating an “indirect election” of these positions.

The third priority was to revise the electoral system, moving away from a proportional toward a more majoritarian model, allocating 70% of seats in the lower chamber to a proportional vote and the remaining 30% to a majoritarian vote. The same system, but with a 50-50 breakdown, will be adopted in regional assemblies of major cities and regions.

Fourth is the expansion and strengthening of the party system, by further reducing the number of signatures to establish a political party to 5,000, and simplifying procedures for party registration. Closely connected to this is the fifth priority, to modernize the electoral *process* to ensure that elections are as transparent, fair, and secure as possible. This included legalizing campaigning on social media, formalizing the role of election observers, and professionalizing territorial election commissions while also safeguarding against foreign interference in elections through greater financial transparency.

The perhaps most heavy-hitting sixth priority aimed at improving human rights conditions by establishing a Constitutional Court (as opposed to a Constitutional Council as previously), and giving citizens the right to appeal directly to protect their rights and challenge questionable legislation. Other provisions included the abolition of the death penalty, and stepping up the investigation of crimes involving torture by the police and domestic violence against women and children. In addition, steps will be taken to expand the categories of cases that qualify for jury trial, thus

ensuring greater transparency and accountability of the court system to the people.

The seventh priority, responding to public demands, focused on realigning Kazakhstan's administrative territories. This will include forming the Abai and Ulytau regions with Semey and Zhezkazgan as their respective capitals; dividing the Almaty region into the Zhetysu and Almaty regions with Taldykorgan and Kapshagai as their respective centers in order to improve the efficacy of public administration, and improve consistency with the proposed reforms to electoral procedure. Connected to this is the eighth priority, which proposes to establish greater independence and autonomy of local governments, including through direct financing of smaller government entities and revising their procurement procedures in a specific law on local self-government.

The ninth and final priority concerns managing financial crises and food scarcity, issues that had been brought into sharp focus since economic sanctions against Russia impacted countries in Russia's neighborhood. Steps included restrictions on export of foreign currency, and requiring second-tier banks to monitor their clients' purchase of foreign currency. Concerning food prices, greater responsibility is accorded to the government and governors, and efforts to de-bureaucratize the state to improve decision-making functions.

These proposals were put to a referendum on June 5, 2022, and were approved by over 77 percent of voters.

Times of Trouble

The accelerated reform agenda under President Tokayev has developed in the context of contradictory pressures on the government from outside powers and from Kazakh society. On one hand, external pressure on Kazakhstan has increased in the both the political and economic realm; on

the other, demand for change from Kazakh society grew in an unmistakable fashion in recent years. These contradictory pressures came to a point in early 2022, when the country was rocked by protests shortly before Russia's invasion of Ukraine.

External pressures on Kazakhstan have intensified for over a decade. A key element has been the country's dependence on hydrocarbons, making it highly vulnerable to fluctuations in the oil price, as well as the prices of other commodities that constitute most of Kazakhstan's non-oil exports. This became apparent following the 2008 financial crisis, and as mentioned above, this triggered the urgency of economic reforms. The Ukraine crisis of 2014, and the growing economic warfare between Russia and the West, exacerbated matters further, not least as it coincided with the renewed collapse of the oil price in late 2014 and early 2015. While the oil price recovered somewhat in subsequent years, it mostly remained in the \$40-60 interval, much lower than previously. In combination, these forces led to serious currency devaluations of over 20 percent in 2009 and of 19 percent in 2014, followed by an even bigger devaluation in 2015, when the currency was allowed to float freely. This led to tangible declines in standards of living for many ordinary Kazakhs, whereas much of the country's political and economic elite had dollar-denominated assets that shielded them from the hit, thus further exacerbating social inequalities.

Meanwhile, political pressure mounted as the deepening conflict between the West and Russia made it increasingly difficult for Kazakhstan to maintain constructive relations with both sides. Indeed, Kazakhstan's multi-vector foreign policy has seen its rationale undermined by the pressure from Moscow to align with its priorities, coupled with the relative disengagement of the United States from the region, visible most directly with the U.S. withdrawal from Afghanistan. Kazakhstan is linked with Russia through the Eurasian Economic Union and the Collective Security

Treaty Organization. But its leaders have worked hard to avoid being lumped with Russia: Deputy Foreign Minister Roman Vassilenko in March 2022 made it clear that Kazakhstan does not want to find itself “behind a new Iron curtain” if one were to descend around Russia, and has taken issue with the suggestion, admittedly fringe at this point, that Kazakhstan should be included in Western sanctions on Russia. Kazakh officials have also made clear they will comply with sanctions on Russia and do their part to ensure the country is not utilized for Russian sanctions-busting schemes. Most notably, only months later, President Tokayev at the St. Petersburg Economic Forum clearly distanced Kazakhstan from President Putin’s war in Ukraine, stating that Kazakhstan had no intention of supporting the separation of the Donbas from Ukraine.

Meanwhile, domestic demand for change has been growing rapidly and become more assertive. The Oxus society for Central Asian Affairs in a 2020 study recorded over 500 incidents of protest in Kazakhstan from January 2018 to August 2020, which constituted the majority of protests identified in Central Asia as a whole. While many of these were related to the presidential election, a significant number was related to welfare provision and women’s rights; other leading sources of protests included Covid-19 restrictions and opposition to Chinese investments in the country.⁹

Thus, it gradually became clear that a dissonance had emerged between the government of Kazakhstan and its population. The government had for a long time provided highly ambitious goals for Kazakhstan’s future, most notably joining the 30 most developed nations in the world.

⁹ Bradley Jardine, et. al., “Mapping Patterns of Dissent in Eurasia: Introducing the Central Asia Protest Tracker,” Oxus Society for Central Asian Affairs, October 2020. (<https://oxussociety.org/wp-content/uploads/2020/10/2020-09-28-mapping-patterns-of-dissent-in-eurasia.pdf>)

Meanwhile, it had maintained a restrictive approach to popular assembly inherited from the Soviet era. As for the population, in the past decade many Kazakhs had seen stagnant or declining living standards, which contrasted sharply with the promises of future greatness. The population, particularly an emerging post-Soviet generation, exhibited a much greater tendency to make its voice heard on a considerable variety of issues, which in turn contrasted with the government's restrictive approach to freedom of expression and assembly. This should not be surprising: the connection between a growing middle class and demands for greater political participation has been made since the time of Aristotle.¹⁰ The fact that Kazakhstan's economic development in the 1991-2008 period was so successful almost guaranteed that the new urban middle class would begin to express its demands both on specific issues, as well as more generally toward greater political voice.¹¹ This was exacerbated by the shocks of the past decade and the socio-economic implications they have had.

Importance of Social Issues

There is no doubt that political and economic concerns animate much of the frustration that is being expressed through protests in Kazakhstan. But there is a strong case to be made that local, social concerns are front and center in the minds of the population. General notions of fairness and justice certainly animate the population of Kazakhstan, and technological progress has made it possible for instances of injustice and corruption to be widely publicized and circulated. And in an economic sense, it appears

¹⁰ See eg. Ronald M. Glassman, *The Middle Class and Democracy in Socio-Historical Perspective*, Leiden: Brill, 1995; Ergun Özbudun, "The Role of the Middle Class in the Emergence and Consolidation of a Democratic Civil Society," *Ankara Law Review*, vol. 2 no. 2, 2005, pp. 95-107. (<http://dergiler.ankara.edu.tr/dergiler/64/1539/16877.pdf>)

¹¹ John C. K. Daly, *Kazakhstan's Emerging Middle Class*, Washington: Central Asia-Caucasus Institute & Silk Road Studies Program, Silk Road Paper, March 2008. (<https://www.silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13136>)

that the sense of *relative* deprivation as opposed to an absolute decline in standards of living has also played an important role in the social frustration that has grown in Kazakhstan's society: visual evidence of the lifestyle of a small elite clearly resonates more strongly when large sections of the population are not seeing any tangible improvement in their own lives. This, in turn, generates support for political change. That said, for the wide swathes of society that may be less politically engaged, it is likely that attention is focused, besides economic development more generally, on key social issues. These are education, healthcare, and social protection issues. As anywhere else in the world, the emergence of a middle-class society enables people to focus not solely on putting food on the table and shelter over their heads, but on the future. Foremost among their minds will be the future of their children and families; this means the most important issues of concern will be the education of their children, a key factor in enabling their offspring to have a better living standard; the availability and quality of healthcare; and the development of social protection.

These areas all have in common that they consume enormous resources, both capital and human. They require a very large chunk of the budget of any post-industrial state; but they also require functioning administrative and management systems, accountable institutions, and skilled personnel. All this, of course, takes time to develop – or reform, in the case of Kazakhstan, where the collapse of the Soviet system led to a sharp decline in all three sectors. They also require prioritizing, because a state will not be able to do everything at once. In education, for example, there is a tradeoff between focusing on a few elite institutions and lifting the quality of mass education. And a landlocked country like Kazakhstan that is already exposed to a "distance tax" must carefully consider how much to raise taxes to provide social services, which in turn will increase the burden on the economy.

Still, leaders in Kazakhstan have long decided that social reform must be a priority, and that they will strive to build a social state that spends significant resources taking care of its citizens. The following chapters will bore deeper into what Kazakhstan has sought to do in the sectors of education, healthcare, and social protection.

Education Reform

Reform in education began before the Kazakhstan 2050 vision was released in 2012. The need for education reform arose prior to and independently from the need for economic diversification inherent in Kazakhstan 2050, but reforms in this area have been integrated seamlessly into the country's long-term economic development goals. Indeed, a diversified, innovative, and technologically advanced economy requires a well-educated and highly skilled workforce. Accordingly, Kazakhstan's current education reforms can best be understood in the context achieving the goals set out in Kazakhstan 2050, and like almost all reforms deriving from the strategic plan, aside from political reforms, initiatives being pursued by President Tokayev maintain a strong continuity with strategic aims that have been in place well before he took power in 2019.

The initiatives that continue to drive education reform today include achieving universal coverage of preschool education for children aged 3-6, increasing the standards and quality of curricula, raising teacher's salaries and their prestige as professionals, establishing the Kazakh, Russian, and English languages not only in language courses but as mediums for instruction in other courses, providing greater managerial autonomy to schools, and achieving equal access to education – especially for those students with disabilities or that live in underprivileged areas. While a great deal of progress has been made in specific areas such as raising teacher salaries, growing preschool enrollment, and fostering trilingualism, among others, significant issues remain regarding financing of education, academic independence, and equal access to education.

Despite the role that education has played in the whole of Kazakhstan's reform agenda, it has received less attention than economic and political reforms in major political pronouncements, such as the state of the nation addresses delivered since Nazarbayev's address in 2012 outlining Kazakhstan 2050. Rather, these reforms are more clearly outlined in a series of state development programs that began as early as 1991. Those packages that are most relevant include the State Programs for Education Development (SPED) that cover the timeframes 2011-2020, 2016-2019, and 2020-2025.

Reviewing these documents reveals several things. First, it demonstrates what progress has, and has not, been made on the country's education priorities; secondly, it shows that any shifts in education reform reflect shifts in specific needs as they change over time, and they rarely diverge significantly from long-standing, central themes in reform priorities; and third, it illustrates how the central themes in education reform converge on a singular value – establishing a context of “lifelong education,” in which citizens have access to educational resources from preschool through post-retirement.¹² The ideal product of lifelong education, the model citizen, “is a citizen of Kazakhstan who knows his or her history, language, culture but who is also modern, fluent in foreign languages and has progressive and global worldview.”¹³

Developing Preschool

Establishing lifelong education begins with providing universal access to preschool. SPED 2011-2020 identified three objectives toward this aim:

¹² SPED 2011-2020.

¹³ State of the Nation Address by the President of the Republic of Kazakhstan Nursultan Nazarbayev, January 10, 2018.

(https://www.akorda.kz/en/addresses/addresses_of_president/state-of-the-nation-address-by-the-president-of-the-republic-of-kazakhstan-nursultan-nazarbayev-january-10-2018)

enlarging the network of preschool organizations, updating the content of preschool education, and training preschool staff. A concurrent program, called Balapan, set out to leverage public-private partnerships to achieve the first of these three goals. Balapan began in 2010 with an initial termination of 2014, but in 2012 it was extended through to 2020. It was ultimately subsumed into SPED in 2018.¹⁴ Targets set by SPED 2011-2020 and by Balapan hoped to achieve 73.5% of preschool coverage of students aged 3 to 6 by 2015 and then 100% coverage by 2020. This is from a starting point of 40% coverage in 2010.¹⁵ Kazakhstan reports that these targets have ultimately been achieved. In the period 2011-2020, more than 4,500 preschool organizations were constructed, starting from 6,133 and ending with 10,650. Of those organizations, more than 4,100 were financed through private investment.¹⁶ The OECD reports that by 2017, 73.4% of children aged 3 to 6 were enrolled in a preschool program.¹⁷ UNICEF reports that number increased to 90.8% by 2019. By 2022, Education Minister Askhat Amagambetov claimed that coverage reached 99%. However, this refers not to the percentage of children in total but to those who actively seek preschool.¹⁸ Indeed, President Tokayev in his 2022 State

¹⁴ UNICEF, "A Situation Analysis of Children in Kazakhstan," Situation Analysis, 2019. (<https://www.unicef.org/kazakhstan/media/4611/file/Situation%20Analysis-2019.pdf>)

¹⁵ SPED 2011-2020.

¹⁶ Agency for Strategic planning and reforms of the Republic of Kazakhstan, Bureau of National statistics, "Statistics of Education." (<https://stat.gov.kz/official/industry/62/statistic/8>)

¹⁷ Ineke Litjens et. al., *Early Childhood Education and Care Policy Review*, OECD, 2017. (<https://www.oecd.org/education/school/Early-Childhood-Education-and-Care-Policy-Review-Kazakhstan.pdf>)

¹⁸ A report by the Central Asian Bureau for Analytical Reporting (CABAR) claims that Kazakhstan calculates these statistics using the number of available places in preschool organizations, and the number of students waiting in line for a place. They also claim that their calculations based on the number of children in preschool over the number of children in the population aged 0-6 shows that the true preschool coverage rate is at 38.6%. As President Tokayev alluded to in his September 1, 2022, address to the nation, however, this is misleading. Education is not compulsory in Kazakhstan until primary school, which begins at about age 6 or 7, and Kazakhstan defines preschool age as 3-6. So, a calculation using the number of students in

of the Nation speech referred to the “inadmissible” situation that only slightly more than half of children aged 2-6 are covered by preschool programs.¹⁹ SPED 2019-2025 included an allocation of 50 billion tenge to close this final gap in preschool coverage.

An October 2018 law encapsulates the efforts toward the second goal for preschool reform, updated content. In fact, the law, titled “On Approval of State Compulsory Educational Standards for All Levels of Education,” sets curriculum standards for the entirety of Kazakhstan’s educational system. For preschool specifically, content is centered on cognitive and social development, building creative thinking skills, and providing for students’ physiological and psychological needs for that age.²⁰ An October 2018 announcement by the office of the prime minister indicated intent to develop a roadmap to tackle the third goal for preschool education, improving the standard of training for preschool educators.²¹ The issue is raised again in a February 2022 announcement by the same office, indicating that preschool teacher training has remained on the radar of lawmakers, even if action has yet to be implemented.²²

preschool and the population of children aged 3-6 shows that preschool coverage is actually around 79%. Even this discrepancy should not be considered inconsistent with Kazakhstan’s report of 99% coverage. There are several valid reasons why families may opt not to enroll their children into preschool, especially when preschool is not legally mandated. So the statistic on preschool coverage should not be understood as a percentage of coverage of all children of appropriate age. Indeed, it is reasonable for Kazakhstan to calculate the statistic based on the demand for preschool enrollment as they currently do.

¹⁹ Kassym-Jomart Tokayev, “A Fair State. One Nation. Prosperous Society,” September 1, 2022.

²⁰ Legal information system of Regulatory Legal Acts of the Republic of Kazakhstan “On approval of state compulsory educational standards for all levels of education,” November 1, 2018. (<https://adilet.zan.kz/eng/docs/V1800017669>)

²¹ Prime Minister of Kazakhstan, “Roadmap will provide measures to improve skills of preschool educators and revision of remuneration system — Ministry of Education and Science,” October 9, 2018. (<https://www.primeminister.kz/en/17249>)

²² Prime Minister of Kazakhstan, “External assessment of education quality to be fully implemented from 2022 — Ministry of Education and Science,” February 1, 2022.

Primary and Secondary School

Initiatives driving primary school reform overlap significantly with those driving secondary school reform with little, if any, divergence between the two. Main themes shared by both include adding a 12th year of schooling, improving teacher training, augmenting teacher salary, transitioning to the Latin alphabet, and developing trilingual education.

Moving primary and secondary school from an 11-year format to a 12-year format has been a priority since as early as 2001, however, the Ministry of Education and Science has had to repeatedly postpone this specific reform due to continued insufficiency of resources. Specifically, Kazakhstan has suffered from a dearth of books, spaces, equipment, supplies, and qualified teachers. Any progress made to address these issues were setback by significant global events like the financial crisis in 2008, the oil market crash in 2014, and then the pandemic in 2020. When this reform is ultimately implemented, it is planned to place the additional year of schooling at the front end of the current system, requiring students to enter primary school at age 6, rather than 7.²³ Because it is dependent on a variety of factors, successful implementation of a 12th year of schooling will coincide with other reforms such as an update of textbooks, improvement of teacher quality, and even a switch to the use of a Latin alphabet, away from the current Cyrillic alphabet.²⁴ The latest timeline has targeted a start date for the 12-year format in 2023.²⁵

(<https://www.primeminister.kz/en/news/s-2022-goda-goda-budet-polnostyu-vnedrena-vneshnyaya-ocenka-kachestva-obrazovaniya-mon-rk-112634>)

²³ Sidiqa AllahMorad, "Education in Kazakhstan," WENR, July 29, 2021.

(<https://wenr.wes.org/2021/07/education-in-kazakhstan>)

²⁴ Nzira Kozhanova, "Kazakhstan to increase mandatory schooling from 11 years to 12 by 2021," *Astana Times*, October 30, 2019. (<https://astanatimes.com/2019/10/kazakhstan-to-increase-mandatory-schooling-from-11-years-to-12-by-2021/>)

²⁵ AllahMorad, "Education in Kazakhstan."

Significant progress has already been made on many of the issues that will precede the addition of a 12th year of school. Improving the quality of teachers has involved increasing their salary, improving their training, and raising the standards of teaching qualifications. All of these issues have been addressed in the 2019 law, "On the status of a teacher."²⁶ In it, the law provides for a significant increase in salaries that has already resulted in over a 25% pay bump, and the OECD reports that planned salaries will increase by 300% by 2025.²⁷ There is also a provision for pedagogical training that will allow persons with relevant subject matter expertise or professional experience to enter the teaching profession without having had a prior degree in education.²⁸ Thirdly, the law contains a mandate for retraining of teachers once every five years, and a February 2022 announcement by the Ministry of Education and Science indicates that this will increase to once every three years.²⁹ All of these provisions, and more, are part of OECD and World Bank recommendations from 2015 that Kazakhstan make the teaching profession more attractive, competitive, and qualified. As will be seen below, President Tokayev underlined these priorities again in his September 1, 2022 State of the Nation speech, and added that all illegally obtained proceeds of corruption that will be confiscated by the state following court proceedings will be allocated toward the construction of schools. Furthermore, he noted the need for a new standard of accreditation for teacher training institutions.³⁰ He also

²⁶ Legal Information System of Regulatory Legal Acts of the Republic of Kazakhstan, "On the status of a teacher," December 27, 2019. (<https://adilet.zan.kz/eng/docs/Z1900000293>)

²⁷ OECD, "Raising the quality of initial teacher education and support for early career teachers in Kazakhstan," *OECD Education Policy Perspectives*, No. 25, 2020. (<https://www.oecd-ilibrary.org/docserver/68c45a81-en.pdf?expires=1654612347&id=id&accname=guest&checksum=4EA466909E3880034E25E8B97E4A0EC2>)

²⁸ "On the Status of a Teacher."

²⁹ "External Assessment."

³⁰ Kassym-Jomart Tokayev, "A Fair State. One Nation. Prosperous Society," September 1, 2022.

launched the prospect of personal education vouchers. It remains to be seen how this idea will be operationalized.

While the initiatives mentioned above precede the 12-year format, another major initiative coincides with it – the adoption of the Latin alphabet. Of course, there is also the implementation of a trilingual educational system, which is closely related but distinct. The goal of both these initiatives is to encourage the formation of worldly, dynamic, and well-rounded Kazakh citizens. This will affect not only the primary and secondary school systems but universities, too. The emphasis on English and Russian is a reflection of Kazakhstan’s political realities. On one hand, the Latin alphabet and English language proficiency will help Kazakhstanis engage the world economy and its financial and technology sectors. On the other hand, Russian is still a widely spoken language in Kazakhstan and it is needed to manage political affairs in Central Asia considering that Russian is a common language among former Soviet countries. Russia, of course, maintains significant influence on the region, too.

The Latin Alphabet and Trilingualism

The transition to the Latin alphabet was announced in 2017 with an initial completion date of 2025, but these plans have been revised to include a gradual transition from 2023 to 2031 as the country updates its textbooks ahead of adopting a 12-year format.³¹ Concurrently, Kazakhstan has been fostering trilingualism in the country’s education system. This initiative was first announced in 2006 by Nazarbayev, and by 2011, his goals were more precisely identified: 100% Kazakh language proficiency, 95% Russian language proficiency, and 20% English proficiency in the population by

³¹ AllahMorad, “Education in Kazakhstan.”

2020.³² Adopting the “Trinity of Languages” program has involved introducing language courses in Russian and English as early as preschool.³³ It has also included the use of Russian and English as languages of instruction for other courses like history or chemistry. In fact, for the academic year 2018-2019, “History of Kazakhstan” was taught in Kazakh while “World History” was taught in Russian. In the academic year 2019-2020, tenth- and eleventh-grade students were expected to take chemistry, physics, biology, and computer science in English. These language standards are expanded at the university level, but a significant issue that the country is facing involves a shortage of subject-qualified teachers who are sufficiently proficient in the expected language of instruction, particularly English.³⁴ Despite this issue, students graduating from top universities have proved capable of achieving trilingualism with 96.3% in a survey of 337 students exhibiting fluency in Russian and 39.7% exhibiting fluency in English.³⁵ Estimates show that those numbers were 94.4% and 22.3% respectively in the greater population by 2017.³⁶

The Latin alphabet and the Trinity of Languages are indeed reforms that have significant impact on Kazakhstan’s entire educational system, from preschool to university, but reforms that are specific to higher education have primarily involved improving accreditation and quality of education.

³² Jill Neuendorf, “Kazakhstan’s Trinity of Languages Program – A Model of Success or Failure?” Central Eurasian Studies Society Conference, 2019.

(<https://nomadit.co.uk/conference/cess2019/paper/50394>)

³³ “National mandatory standard of pre-school education and training,” *egov.kz*, October 22, 2021. (<https://egov.kz/cms/en/articles/preschool>)

³⁴ Neuendorf, p. 7.

³⁵ Dinara Tlepbergen et. al., “Language-in-Education Policy of Kazakhstan: Post-Pandemic Technology Enhances Language Learning,” *Education Sciences*, 12, 2022. (<https://www.mdpi.com/2227-7102/12/5/311/pdf>)

³⁶ “Kazakhstan,” CIA World Factbook. (<https://www.cia.gov/the-world-factbook/countries/kazakhstan/>)

Higher Education

In 2010, Kazakhstan became a full member of the Bologna Process in order to establish student mobility among European states, but the effect has been the establishment of degree structures and accreditation system that is in line with international standards. The goal of the Bologna Process is to establish a European Higher Education Area (EHEA) with a common set of educational standards and to promote those standards in the world. After joining the EHEA through the Bologna Process, Kazakhstan established a three-cycle qualifications structure – bachelor’s, master’s, and doctoral – and it created a National Register of Accreditation Bodies, allowing external accreditation of universities for the first time. By 2020, 92% of Kazakhstani higher-ed institutions had gained institutional accreditation.³⁷ One strategy that has been implemented over the past decade to ensure quality standards in higher education has been the forced closure or merger of underperforming institutions. The strategy resulted in a reduction of over a third of higher education institutions between 2001 and 2021, from 185 to 122.³⁸ Tokayev stated in his 2020 state of the nation address that closing underperforming schools has proved increasingly difficult. In his 2019, address, Tokayev committed to banning schools that were “selling diplomas,” but he explained the following year that a lot of institutions, as lucrative as they are, are tied to influential individuals who have resisted their closing. A 2017 article by Radio Free Europe/ Radio Liberty illustrates the problem in describing the ownership of five different colleges and universities by a former Education and Science Minister, who

³⁷ AllahMorad, “Education in Kazakhstan.”

³⁸ “Statistics of Education.”

himself had complained in the past about the difficulty of closing underperforming institutions that were owned by influential people.³⁹

When discussing reforms to Kazakhstan's education system, from preschool to higher education, time must be spent discussing the role that Nazarbayev Intellectual Schools (NIS) and Nazarbayev University (NU) have played in the reform process. These institutions stand independent of the rest of the educational system and enjoy the advantages of autonomous management structures. The two systems, NIS and NU are distinct, but they stand to serve the same role in their respective tiers of the education system: independent, innovative schools that are on the leading edge of developing new educational and research programs in Kazakhstan. NU was announced in 2006 and founded in 2010 while the NIS program was opened in 2008. Their roles are codified in a 2011 law "On the states of 'Nazarbayev University', 'Nazarbayev Intellectual Schools,' and 'Nazarbayev Fund.'" As an illustration of their role, SPED 2016-2019 lists as a target indicator that by 2020 all grades within the primary and secondary education systems in Kazakhstan will have adopted the content and curriculum set by NIS.⁴⁰ However, data to track progress on the adoption of updated content is scarce. Similarly, Nazarbayev University's role is to help shape the nature of educational governance in higher education by working with the Ministry of Education and Science to apply its own managerial practices to the broader system.⁴¹ Critics argue, however, that these institutions take up too great a portion of the state education budget and the rest of the school system struggles to achieve

³⁹ Ron Synovitz and Manas Qaiyrtaiuly, "How Top Officials, Relatives Scooped Up Kazakhstan's Higher-Education Sector," *RFE/RL*, June 25, 2021. (<https://www.rferl.org/a/kazakhstan-universities/31326535.html>)

⁴⁰ SPED 2016-2019.

⁴¹ "Nazarbayev University: the results of 10 years of experience sharing," Nazarbayev University, June 1, 2020. (<https://nu.edu.kz/news/nazarbayev-university-the-results-of-10-years-of-experience-sharing>)

similar quality standards. For example, there are only 21 NIS's, but they take up one third of the budget for secondary education.⁴² Students are enrolled into NIS at a unit cost three times the national average.⁴³ NU receives a disproportionate amount of funding, too, generating dissatisfaction among administrators of other institutions of higher education.

Challenges and Remaining Obstacles

It appears, then, that despite the roles assigned to NIS and NU, there remain significant barriers to applying the models of education established in these experimental institutions to the rest of the Kazakhstani education system. Kazakhstan may have high ambitions for its educational system, and every intention to achieve them, but the issues standing in its way are substantial. They include updating the model of financing education, establishing academic independence in schools, and providing equal access to education.

The need to update the structure of financing public education was identified as early as SPED 2011-2020. The current method of centralized financing involves budget proposals that are consolidated first from the local level and then at the oblast level before being submitted to the Ministry of Education and Science at the national level. The process is prone to discrepancies and a lack of transparency.⁴⁴ The model proposed in SPED 2011-2020, instead, depends on direct government-to-school fund

⁴² Asel Sultan, "Kazakhstan: Will Per Capita Financing Solve Formal Educational Issues?" CABAR, September 17, 2018. (<https://cabar.asia/en/kazakhstan-will-per-capita-financing-solve-formal-educational-issues>)

⁴³ OECD, *Education Policy Outlook: Kazakhstan*, December 2018. (<https://www.oecd.org/education/education-policy-outlook-country-profile-kazakhstan-2018.pdf>)

⁴⁴ Ibid.

allocations that are formulated based on the number of students attending the individual school, often referred to as “per-capita funding.” Kazakhstan initially piloted the new formula-funding model as early as 2013 but has had to make several adjustments to their formulae over a period of several years.⁴⁵ A more finalized version of the funding model was set for implementation in 2018 and is expected to be completed by 2024.⁴⁶

Until the new funding model achieves full implementation, the Kazakhstani education system will continue to suffer from inequity, lack of transparency, and underperformance. A study found that only 30% of school principals in Kazakhstan reported having the responsibility to determine teachers’ salary increases and 34% reported being able to determine course content.⁴⁷ The report also found that Kazakhstan ranked below average in the Performance for International Student Assessment (PISA) 2018, along with other countries whose schools’ principals report low levels of fiscal decision-making power. It is telling that NIS students scored significantly above average in PISA 2018, scoring 511 in reading, 554 in math, and 526 in science compared to the PISA averages of 487, 489, and 489 respectively.⁴⁸ The averages for all of Kazakhstan were 387, 423, and 397 in the same categories. Part of this is due to selective recruitment to NIS, but that NIS enjoys more resources likely has a significant influence on the scores. NIS’s have enjoyed financial autonomy since their founding,

⁴⁵ Grayson Clarke, “A Review of Formula Funding,” UNICEF Kazakhstan, November 2018. (<https://www.unicef.org/kazakhstan/en/reports/review-formula-funding>)

⁴⁶ Liz Winter and Rita Kasa, “Financial Autonomy of Schools in Kazakhstan: International Comparison and a National Perspective,” The European Conference on Education 2021. (https://papers.iafor.org/wp-content/uploads/papers/ece2021/ECE2021_60485.pdf)

⁴⁷ Ibid.

⁴⁸ Yerbol Sarmurzin et. al., “The impact of OECD research on the education system of Kazakhstan,” *Asia Pacific Education Review*, vol. 22, 2021, pp. 757-766. (<https://link.springer.com/article/10.1007/s12564-021-09715-8>)

but these benefits cannot be shared with the rest of the education system until the new funding model is fully adopted. The above-mentioned study reveals that those educators who have thus far benefitted from the pilot funding program are optimistic about their ability to improve student performance after gaining more financial autonomy, and there is a link between schools' academic performance and their level of fiscal autonomy.⁴⁹ Providing for a greater amount of fiscal autonomy will help to ensure the success of development in Kazakhstan's education system, but funding is just one piece of the picture.

Indeed, academic freedom in schools and universities will be a necessary value to foster in Kazakhstan, too. Just as NU and NIS have been the only schools to enjoy a certain amount of fiscal autonomy, they have also been the only systems free to determine their own course curricula and academic content. Notably, there are 21 NIS's in Kazakhstan that enjoy this privilege, but Nazarbayev University is the only university available to Kazakh students with such a level of autonomy. Otherwise, the Ministry of Education and Science determines the academic content at each level of education, but it can be slow to make necessary updates and fail to accommodate specific needs of regional schools. A 2018 law, titled "On increasing HEI's academic and organizational autonomy," aims to expand managerial independence of universities, but the law's impact is yet to be known.⁵⁰

In addition to the inequalities that exist between Kazakhstan's elite institutions and the rest of the education system, there exist significant inequalities between the urban and rural milieus. This inequality is manifest in the amount and quality of materials, resources, and staff available to rural school systems. CABAR reports that the percentage of

⁴⁹ Ibid.

⁵⁰ AllahMorad, "Education in Kazakhstan."

teachers in urban school systems possessing the highest level of professional qualifications available to teachers is 30% while that number is 17% in rural school systems.⁵¹ Classes in rural villages are often conducted in “small-staffed schools” where different classes are held in the same room due to a lack of available teachers.⁵² This discrepancy affects student performance. If Kazakhstan’s average reading score was around 400 on the PISA 2018 assessment, the average for students in rural Kazakhstan was around 360.⁵³ Additionally, according to OECD’s Teaching and Learning International Survey, 30% of school principals in rural settings reported that teacher shortages directly affected the schools’ ability to provide quality instruction, while that percentage was 17% in urban settings and 21% for the OECD average.⁵⁴ The government seems to be acutely aware of these issues. In the 2019 announcement for SPED 2025, Minister Aimagambetov announced an intended allocation of 150 billion tenge for the provision of teaching materials and digital equipment and another 53 billion for the construction of 114 boarding schools in rural areas.⁵⁵ Later, in 2021 Minister Aimagambetov announced plans to modernize over 400 rural schools with 5.1 billion tenge.⁵⁶ Additionally, a project known as “With Diploma—to the Village” will incentivize qualified professionals to live and work in rural villages by subsidizing their

⁵¹ OECD, “Raising the Quality.”

⁵² Zhaslan Nurbaev, “Kazakhstan: Unequal Struggle for Equality in School,” CABAR, July 22, 2019. (<https://cabar.asia/en/kazakhstan-unequal-struggle-for-equality-in-school>)

⁵³ OECD, “Raising the Quality.”

⁵⁴ Ibid.

⁵⁵ Prime Minister of Kazakhstan, “State Program of Education Development until 2025: Updating curricula, supporting science and electronic UNT,” December 19, 2019.

(<https://primeminister.kz/en/news/gosprogramma-razvitiya-obrazovaniya-do-2025-goda-obnovlenie-uchebnyh-programm-podderzhka-nauki-i-elektronnoe-ent>)

⁵⁶ Prime Minister of Kazakhstan, “By 2025, it is planned to open campuses of 5 leading foreign universities — Askhat Aimagambetov,” March 11, 2021.

(<https://www.primeminister.kz/en/news/2025-zhylga-karay-kazakstanda-5-zhetekshi-sheteldik-zhoo-kampusyn-ashu-zhosparlanuda-a-aymagambetov-1121526>)

housing. About 70% of those involved in the program will include trained educators.⁵⁷ These measures, along with above-described reforms for greater financial and academic autonomy, are likely to have an impact on the quality of education in rural parts of Kazakhstan, but the extent of that impact can only be known with time.

What can be understood from the reforms above is that Kazakhstan, along with its economy and its politics, is attempting to implement fundamental transformations to their educational system. All of these reforms are oriented toward meeting international standards and equipping Kazakhstani citizens with the skills to engage the world economy. The ultimate goal is aligned with that of Kazakhstan 2050: to enter the world's 30 most developed countries. Some reforms center on developing new standards of education. These include changing the alphabet, teaching in three languages, updating course content, and applying models for autonomous management structures. Other reforms are centered on addressing existent deficiencies in the system like equal access to education and quality of teacher training. Together, these reforms are ambitious, comprehensive, but incomplete. There remains significant progress to be made if Kazakhstan wants to achieve its ultimate goals. Timelines have already been pushed back on several of these initiatives, and time will only tell if Kazakhstan can adhere to its latest deadlines.

⁵⁷ Prime Minister of Kazakhstan, "In the framework of project "With a Diploma – To the Village," about 4 thousand specialists will receive housing in 2019," August 7, 2019. (<https://primeminister.kz/en/news/press/v-ramkah-proekta-s-diplomom-v-selo-okolo-4-tysyach-specialistov-poluchat-zhile-v-2019-godu>)

Healthcare Reforms

Reforms in Kazakhstan's healthcare system follow a similar narrative as the country's education reforms. Efforts to improve the quality and availability of the country's medical services began long before Kazakhstan 2050 was developed in 2012, and the healthcare reform priorities that were already in place got quickly swept up in Nazarbayev's plan to bring Kazakhstan into the world's 30 most developed countries. Indeed, the healthcare priorities that Kazakhstan 2050 identified present as late-stage developments in an evolution of the country's healthcare system more than they present as holistic transformations of that system. They contrast from the country's economic reforms in this way.

The healthcare reforms also differ from the political reforms in that the pace and direction of healthcare reforms were largely unaffected by Tokayev's succession to Presidency. In fact, the only event since Kazakhstan 2050 that has had any major effect on reform progress has been the COVID-19 pandemic. However, this has only forced additional priorities onto Kazakhstan, and has not taken away from major priorities in place before the pandemic. As a matter of fact, the most transformational reform initiative since perhaps the 2000s involved the rollout of universal, compulsory, social health insurance, which was launched on January 1st, 2020 – just before the start of the pandemic. Despite this success, however, there remains a lot of work to be done to ensure that the structural reforms that have been implemented translate into the improved health of the nation. What follows is a short review of Kazakhstan's history in healthcare reforms, a description of major government strategies that are guiding current stages of reform, a brief

outline of international cooperation, and descriptions of individual reform initiatives that have been impactful in the development of the healthcare system.

State Programs for Healthcare Development

After the fall of the Soviet Union, the public health situation in Kazakhstan was marked with high infant and adult mortality rates and beset by material insufficiency, emigration of skilled staff, and poor financing. Efforts at developing compulsory medical insurance between 1996 and 1998 failed, but influenced the modern insurance market. The period between 1998 and 2008 saw the first successful strides in reformation with the transformation of the administration bodies responsible for the healthcare system and the creation of the legal and regulatory framework to adapt the system to a market economy. This is known to be the most significant period in the transition away from a post-Soviet system of healthcare.⁵⁸ The state program for healthcare development between 2005 and 2010 also saw significant progress as it defined a package of free medical services available to the people, initiated a process of pursuing international cooperation in healthcare development, introduced a quality assessment system of healthcare services, and established per-capita financing for hospital systems.⁵⁹ This last item, per-capita-financing, precedes a similar financing system currently being rolled out in the country's education system. As a result, in part, of these reforms life expectancy at birth increased from 63.5 to 68.7 between 1995 and 2011.⁶⁰ This reform progress in the first 20 years of Kazakhstan's independence

⁵⁸ Aizhana Zhatkanbayeva and Daniyar Saipinov, "The Stages of the Healthcare System Reform of the Republic of Kazakhstan," *Procedia - Social and Behavioral Sciences*, 140, 2014, pp. 657-661.

⁵⁹ *Ibid.*, p. 659.

⁶⁰ "Life expectancy at birth, total (years) – Kazakhstan," World Bank Data. (<https://data.worldbank.org/indicator/SP.DYN.LE00.IN?end=2020&locations=KZ&start=1992>)

demonstrates that the reforms being implemented today are best understood not as a transformation of the healthcare system, but as a maturation of a modern healthcare system whose foundation has already been laid.

Kazakhstan 2050 set out to build upon that foundation by setting ambitious goals to improve the quality and availability of healthcare services, and the priorities listed within the strategy are the same priorities driving reform today. Some of the most significant priorities listed in Nazarbayev's 2012 speech included diagnostication and treatment of a wide range of diseases, development of preventative medicine and distance treatment, improvement of medical education, improving medical R&D, foster the growth of private healthcare, incorporate international accreditation of medical schools and institutions, improve access to medical services in rural areas, and develop a culture of active and sporting lifestyle in Kazakhstan.⁶¹ In his 100 Concrete Steps to implement the reforms laid out in the 2050 strategy, Nazarbayev lists the establishment of compulsory social health insurance, the creation of a commission on the quality of healthcare services, and the development of private healthcare.⁶² All of these same priorities received attention in various state of the nation speeches by both Nazarbayev and Tokayev with the addition of new priorities that arose, including improving and digitalizing business processes in healthcare, adopting a comprehensive plan to battle cancer, increasing the wages of healthcare workers, and of

⁶¹ Address by the President of the Republic of Kazakhstan, Leader of the Nation, N. Nazarbayev "Strategy Kazakhstan-2050": New Political Course of the Established State."

(https://www.akorda.kz/en/addresses/addresses_of_president/)

⁶² Agency for Financial Monitoring, "The 100 concrete steps set out by President Nursultan Nazarbayev to implement the five institutional reforms."

(<https://afmrk.gov.kz/en/activity/strategy-and-program/100-concrete-steps-towards-the-implementation-of.html>)

course responding to threats posed by COVID-19 and possible future pandemics.

State development plans have been written to execute on the priorities listed above. The central document, the State Program for Healthcare Development for 2020-2025, covers the whole range of priorities at a higher level and sets certain target indicators like increasing the life expectancy to 75 years, reducing maternal mortality to 14.5 per 100,000 live births, and reducing infant mortality to 8.3 per 1,000 live births.⁶³ Ultimately, this development plan was overridden by the adoption of the “Healthy Nation Project” in October 2021, in response to the pandemic. The project subsumes the same goals of the state development plan, but adds on several short-term and long-term priorities. The short-term priorities involve securing adequate supplies of Pfizer-Biontech COVID vaccines as well as different Chinese vaccines. They also include a commitment to providing booster doses to the population and to expanding vaccination for other preventable diseases. Some long-term goals address the potential threat of future pandemics while others expand upon pre-existing goals. In the first bucket, there is the formation of a modern epidemiological forecasting and response system and the development of domestic pharmaceuticals. Reforms in the second bucket raise previous ambitions by committing to 100% primary healthcare coverage of rural villages, modernizing facilities and research centers, and increasing private investment.

These documents are supported by several auxiliary state development plans that cover several areas including the modernization of healthcare

⁶³ Prime Minister of Kazakhstan, “Emphasis on healthy lifestyle and human capital — about the new State Program for Healthcare Development,” December 19, 2019.

(<https://primeminister.kz/en/news/akcent-na-zozh-i-razvitie-chelovecheskogo-kapitala-kakoy-budet-novaya-gosprogramma-razvitiya-zdravoohraneniya>)

infrastructure, cancer control, development of domestic pharmaceuticals, nursing care development, and development of physical education and mass sports. Each of these plans are effective through 2025 except for the nursing development and cancer control plans which were effective through 2020 and 2022 respectively. Each of these contains realistic, yet significant goals. The first envisions the construction of 19 new hospitals and the increase of total hospital bed capacity by 50%.⁶⁴ The second calls for the establishment of the National Scientific Cancer Center and sets a target for 80% coverage of the population with cancer screening and early detection. The third plan aims to double domestic medicine production (\$537 million) and triple its exports (\$175.1 million) by 2025.⁶⁵ The fourth spells out a modernized nursing education, introduces a master's program therein, and enhanced the independence of nurses in administering healthcare alongside physicians. Finally, the fifth plan aims to develop a culture of sports activity with plans to construct 43 sports and recreation complexes and targets for 35% involvement of the population in sports activity.⁶⁶

While Kazakhstan's reforms are quite ambitious, the country is receiving a significant amount of support from international organizations. Organizations like the OECD, WHO, UNICEF, and the World Bank maintain robust partnerships with Kazakhstan involving development,

⁶⁴ EBRD, "Healthcare Planning Advisory Services to the Ministry of Health of the Republic of Kazakhstan." (<https://www.ebrd.com/documents/procurement/82870-tors.pdf>)

⁶⁵ Aidana Yergaliyeva, "Kazakh Government Adopts Comprehensive Plan Through 2025 To Develop Domestic Pharmaceutical Industry," *Astana Times*, October 13, 2020. (<https://astanatimes.com/2020/10/kazakh-government-adopts-comprehensive-plan-through-2025-to-develop-domestic-pharmaceutical-industry/>)

⁶⁶ Prime Minister of Kazakhstan, "Meeting on further development of mass sports in Kazakhstan: Yeraly Tugzhanov voiced several key tasks," August 21, 2021. (<https://primeminister.kz/en/news/soveshchanie-po-dalneyshemu-razvitiyu-massovogo-sportiva-kazahstane-e-tugzhanov-ozvuchil-celyy-ryad-klyuchevyh-zadach-127154>)

monitoring, and funding of reform initiatives. These partnerships have proven crucial in every step of the reform process, from strategy formulation to implementation. One partnership with Finland's JAMK University of Applied Sciences demonstrates this well. JAMK led a consortium of Finnish universities of applied sciences in designing and implementing the "Comprehensive Plan of Nursing Care Development in the Republic of Kazakhstan up to 2020."⁶⁷ There is also a great deal of influence in terms of accreditation and quality control. Joining the Bologna Process, influential in the education section of reforms, has impacted medical education.⁶⁸ And the Centre Hospitalier of the University of Montréal partnered in 2019 with Kazakhstan's Joint Commission on Health Care Quality to transform the government body into an independent and financially autonomous organization with an updated management structure.⁶⁹ Also in 2018, Kazakhstan adopted a law on medical organization accreditation standards based on recommendations by the WHO to bring the country in line with International Society for Quality in Healthcare Standards.⁷⁰ The incorporation of international standards, partnerships, and expertise at all phases of the reform process

⁶⁷ Johanna Heikkilä, "Strategic partner of the Ministry of Healthcare of the Republic of Kazakhstan in providing consultation for the Nursing Education Reform," JAMK, n.d. (<https://www.jamk.fi/en/article/strategic-partner-of-the-ministry-of-healthcare-of-the-republic-of-kazakhstan-in-providing>)

⁶⁸ Hannele Tiittanen, Johanna Heikkilä, and Zaure Baigozhina, "Development of management structures for future nursing services in the Republic of Kazakhstan requires change of organizational culture," *Journal of Nursing Management*, vol. 29 no. 8, 2021, pp. 2565-2572.

⁶⁹ Université de Montréal, "Kazakhstan: Supporting the Healthcare System Through Quality Management," February 23, 2021. (<https://usi.umontreal.ca/english/news-and-newsletter/news/nouvelle/news/detail/News/kazakhstan-supporting-the-healthcare-system-through-quality-management/>)

⁷⁰ "New accreditation standards for medical organizations are approved by the Ministry of Healthcare of the Republic of Kazakhstan," Salidat Kairbekova National Research Center for Health Development, July 11, 2018. (<http://www.rcrz.kz/index.php/en/press-service/press-releases/1289-id-1289-reliz>)

showcases the commitment with which Kazakhstan is pursuing genuine, substantive change in its healthcare system.

Specific Reform Initiatives

Discussing the specific reform initiatives requires a case-by-case review, however, since some reforms are progressing better than others. Accordingly, these initiatives will have to be broken down into the following buckets: 1) updating infrastructure, materials, and business processes, 2) Domestic production and pharmaceuticals, 3) primary healthcare (PHC), 4) staffing policies and education, 5) access to health care in rural areas, 6) preventative medicine, sanitation, and epidemiology, 7) Cancer Control, 8) mass sports, and 9) compulsory health insurance.

For the long-term development of infrastructure, the Ministry of Healthcare lists 26 major investment projects receiving funding from 9 different countries, including investments by Kazakhstan. These investments range from the production of equipment and medicine to the construction of hospitals and research centers. These investments total 1.4 trillion tenge (\$3.1 billion USD).⁷¹ Kazakhstan is preparing to build eight new hospitals with a completion date of 2025, and another 12 will begin construction in 2026. The decision, updated in February 2022, backtracks from the original commitment made in the 2021 Healthy Nation Project to finish construction of all 20 hospitals by 2025.⁷² This Healthy Nation construction plan differs from that which was originally planned in the

⁷¹ Ministry of Healthcare of the Republic of Kazakhstan, "Investment Projects."

(<https://www.gov.kz/memleket/entities/dsm/investment-projects?lang=en>)

⁷² Ainur Aiypkhanova, "To contain costs, Kazakhstan's Government is capping expenses for hospital construction," p4h.world, February 15, 2022. (<https://p4h.world/en/news/contain-costs-kazakhstans-government-capping-expenses-hospital-construction>)

development program for hospital modernization, approved in 2019.⁷³ Infrastructure development is advanced through public private partnerships (PPP). A 2015 PPP law has provided the legal framework for developing such partnerships and the law was updated in 2020. Since the law was written, over 280 PPP projects have been implemented in Kazakhstan and investments in healthcare have more than doubled between 2016 and 2019 with an annual 31% increase.⁷⁴

As of 2020, Kazakhstan had 89 major enterprises involved in the production of medicine, medical devices, and medical equipment. 12% of registered medicines and 10% of registered medical devices in the country were domestically produced. New pharmaceutical factories have been built and the domestic share of medicines being purchased from distributors is expected to increase from 30% to 80% by 2024. Amendments to “On People’s Health and the Healthcare System” have been drafted to foster further development of production and ensure compliance with World Health Organization’s Good Manufacturing Practice.⁷⁵ Urgency has been placed on the country in this realm since the pandemic. The focus on developing pharmaceuticals is new in Kazakhstani reforms, starting with the Healthy Nation project. The pandemic likely revealed how reliant the country was on foreign supplies.

The development of Primary Healthcare (PHC) is an area in which Kazakhstan seems to be lagging, despite its commitment to reform. A 2018 OECD review listed challenges with the country’s dependence on

⁷³ Prime Minister of Kazakhstan, “Review of Kazakhstan’s healthcare system: Results of 2020 and plans for 2021,” March 1, 2021. (<https://www.primeminister.kz/en/news/reviews/review-of-kazakhstans-healthcare-system-Results-of-2020-and-plans-for-20215968>)

⁷⁴ Ayesha Waheed et. al., “Kazakhstan’s Health PPP Program,” Morgan Lewis, June 2020. (<https://www.morganlewis.com/-/media/files/publication/outside-publication/article/2020/kazakhstans-health-ppp-programme.pdf>)

⁷⁵ “Review of Kazakhstan’s Healthcare System.”

hospitals for providing PHC. As a result, hospitals are overwhelmed with patients having chronic illnesses, and patients lack proper follow-up care.⁷⁶ A contributing factor to this is that Kazakhstan's classification system is too broad and overestimates the number of facilities that can sufficiently provide PHC. Additionally, in 2018, Kazakhstan set a workforce standard for having one general practitioner for every 2,000 people, but at that time there was one for every 4,300.⁷⁷ Notably, even at 2,000, PHC physicians would still be responsible for 30% more patients than the OECD average.⁷⁸ Not much information can be gained about progress in these areas. Building PHC facilities was a priority for the state healthcare development plan 2016-2019, but now only seems to be a priority in the context of providing 100% access to PHC in rural areas under the Healthy Nation Project, which considered the inequities revealed in the pandemic.⁷⁹ One pilot project currently underway seeks to open 620 new PHC facilities in rural districts.⁸⁰ President Tokayev alluded to this in his 2022 State of the Nation speech, where he announced a specific national project focusing on the rural population from 2023. This would lead to the construction of

⁷⁶ OECD, *OECD Reviews of Health Systems: Kazakhstan 2018*, February 27, 2018. (https://www.oecd-ilibrary.org/social-issues-migration-health/oecd-reviews-of-health-systems-kazakhstan-2018_9789264289062-en)

⁷⁷ Ibid.

⁷⁸ Assel Satubaldina, "Kazakhstan gears up primary healthcare coverage," *Astana Times*, September 5, 2018. (<https://astanatimes.com/2018/09/kazakhstan-gears-up-primary-healthcare-coverage/>)

⁷⁹ Prime Minister of Kazakhstan, "Healthy nation. What areas does national project of the Ministry of Healthcare include," October 15, 2021. (<https://primeminister.kz/en/news/reviews/deni-sau-ult-kazakstannyn-densaulyk-saktau-ministriginin-ulttyk-zhobasy-kanday-bagyttardy-iske-asyrudy-kamtidy-1895549>)

⁸⁰ Prime Minister of Kazakhstan, "Implementation of President's instructions: Kazakhstan plans to launch pilot national project "Modernization of rural healthcare," July 15, 2022. (<https://primeminister.kz/en/news/prezidenttin-tapsyrmalaryn-oryndau-kazakstanda-auyldyk-densaulyk-saktaudy-zhangyrtu-pilottyk-ulttyk-zhobasyn-iske-kosu-zhosparlanyp-otyr-156364>)

medical and obstetric stations in 650 villages that lack medical facilities, as well as modernize 32 district hospitals and develop telemedicine.

Staffing policy updates are a major component of reform, and the pandemic has accelerated some of those priorities. Education has been a priority for some time since joining the Bologna process in 2010 and opening Nazarbayev University's school of Medicine in 2015. In 2017, they also launched their first master's degree in nursing, through their partnership with JAMK. This last reform is intended to increase the status and working independence of nurses so they can contribute to PHC teams more effectively.⁸¹ Since the pandemic, there has also been a lot of attention in President Tokayev's speeches regarding raising the salaries of healthcare workers to two times the national salary average by 2023.⁸² As quickly as in 2020, doctors saw a 30% increase, and nurses a 20% increase.⁸³ There has also been an increase of 3,800 funded grants for residency programs in deficient specialties.⁸⁴ All of these reforms are designed to increase the number of qualified healthcare professionals to address major deficiencies.

The lack of access to regular healthcare in rural areas became apparent during the pandemic, even though it had long been a priority. In response to the pandemic, the government instituted a distribution system of recent graduations of medical education to rural districts, and over 2,000 specialists were relocated. Additionally, amendments to "On People's Health and Health Care System" were made to provide social assistance to specialists in rural areas including childcare and housing subsidies.

⁸¹ Tittanen et. al., "Development of management structures."

⁸² "President of Kazakhstan Kassym-Jomart Tokayev's State of the Nation Address, September 1, 2020." (https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-1-2020)

⁸³ "Review of Kazakhstan's Healthcare System."

⁸⁴ "Healthy Nation."

Additionally, 3,676 mobile teams were assembled and operate out of all regional hospitals to provide remote and distance medical services.⁸⁵ Of course, the construction of 620 new facilities in rural areas, as already discussed, will be significant, too.

The pandemic also revealed deficiencies in epidemiology. The country has begun developing educational programs for specialists. They have begun working on new master's programs in epidemiology and hygiene. Additionally, training seminars have been developed for the whole of the healthcare system to increase the standards of practices in diagnostics, treatment, pathogenesis, sanitation, and hygiene.⁸⁶

Kazakhstan reported successful implementation of its Comprehensive Cancer Control plan despite the pandemic. Construction on the National Scientific Cancer Center is being completed, a new cancer center has been operationalized in Katar, the drug treatment list has been expanded, and 80% of the population has been covered by early detection and screening.⁸⁷

The creation of sports culture has always been an important part of health reform to improve the health of the nation and prevent disease that would otherwise burden the healthcare system. The comprehensive Plan for Physical Culture and Mass Sports was signed in 2019, good through 2025. As part of it, 73 sports complexes were planned for construction in 2021. An Olympic training base is under construction in Almaty. A Law on physical culture and sports was adopted in late 2020 providing greater framework for developing youth sports leagues and clubs. Salaries will be increased for teachers who instruct extracurricular activities. A 2021 statement by the Minister of Culture and Sports indicates that Kazakhstan plans to have 45% involvement in sports activities in the population by

⁸⁵ Ibid.

⁸⁶ "Review of Kazakhstan's healthcare system."

⁸⁷ Ibid.

2025. This is up from the original 35% stated in the comprehensive development plan.

Compulsory Social Health Insurance

By far, the most significant reform is the Compulsory Social Health Insurance (CHSI), which became operational on January 1, 2020. Before the insurance program, 38% of total healthcare expenditures were paid out-of-pocket (OOP), compared to the OECD average of 20%. The WHO has found that healthcare systems are only effective if OOP is at or below 20%.⁸⁸ Kazakhstan's healthcare spending as a percent of GDP was at 3.1% in 2014, but now with CHSI, that should increase. Data on OOP in Kazakhstan's healthcare spending is not currently available for the years following the rollout, but it is clear that citizens will gain a lot of coverage. The program includes three tiers of coverage, the first of which every Kazakh citizen is automatically entitled to. That tier includes coverage for ambulances, primary healthcare, specialized medical care in outpatient facilities, specialized care for "socially significant" diseases (like TB or COVID-19). The second tier is for regular contributors to the insurance program and it includes coverage for a broader range of specialized care including "high-tech" medical care. Notably, the list of drugs covered under the program has been expanded from 45 to 138, which is significant since OOP for medications in Kazakhstan was 84%, compared to OECD average of 40%.

As will be discussed in detail below, President Tokayev in his 2022 state of the nation speech criticized the current system, pointing to "the artificial division of medical care into state-guaranteed and insurance packages."⁸⁹

⁸⁸ *OECD Reviews of Health Systems: Kazakhstan 2018*.

⁸⁹ Kassym-Jomart Tokayev, "A Fair State. One Nation. Prosperous Society," September 1, 2022.

He instructed the government to reconsider the financing of healthcare and focusing on voluntary health insurance.

Kazakhstan's reform efforts are clearly tracking as planned, but despite this, the reforms may not translate to the targeted health status target indicators, and they will not be sufficient to bring the country to OECD averages, 80.7 years. COVID set back their goal for reaching a life expectancy of 75 by 2025. In 2019, they sat at 73.2, but in 2020 they dropped to 71.4 years. Maternal mortality also took a significant hit.⁹⁰ But with the pandemic aside, certain factors are holding these numbers down naturally. First, according to the OECD, deaths from preventable diseases are disproportionately high. Lower respiratory diseases represent the second highest cause of death in the country and the average death from them is six times higher than in the EU15 and five times higher than in other CIS countries. This is in no small part related to the environmental damage inflicted by the Soviet system on Kazakhstan, most dramatically nuclear testing. Two things may be able to close this gap: improving care for chronic, preventable diseases by investing in PHC and investing in the prevention of risk factors like tobacco use, alcohol use, and excess weight. Reform initiatives currently exist in both of these realms: developing new PHC facilities and developing a culture of physical health and sporting activity, but they may not go far enough to solve the problems in the country's health status by 2025.⁹¹

⁹⁰ Gabriel Gulis et. al., "Population Health Status of the Republic of Kazakhstan: Trends and Implications for Public Health Policy," *International Journal of Environmental Research and Public Health*, vol. 18 no. 22., 2021 (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8621160/>).

⁹¹ *OECD Reviews of Health Systems: Kazakhstan 2018*.

Conclusions

The structure of Kazakhstan's healthcare system matches that of modern healthcare systems, and the reforms that are currently active are meant to facilitate the maturation of the system by increasing quality and availability of services. Kazakhstan has set realistic and significant reform goals for 2025, the initiatives that pushing their progress are robust, comprehensive, and ambitious. Kazakhstan has also established sufficient international partnerships to guide development and to achieve its target goal. However, even with these reforms, Kazakhstan's healthcare system still suffers from excessive mortality and lack of access to primary health care. Kazakhstan's new Compulsory Social Health Insurance should do a lot to increase healthcare spending, but more investments still need to be made in primary health care and the treatment and prevention of chronic diseases.

Social Protection and Social Housing Policy Reforms

A third major component of Kazakhstan's reform priorities is social protection. These policies include those that are intended to prevent poverty and homelessness and to ensure that all of Kazakhstan's citizens have the ability to maintain an adequate minimum standard of living. In Kazakhstan's context, this falls into two broad categories: social policies that target the protection of citizens' incomes, like social assistance, social insurance, and social security; and those that focus on affordable housing. There are of course other policies within Kazakhstani social protection, too, but these are the two areas that are driven by major strategic reform efforts. These two reform buckets are at different stages of development. Kazakhstan has pursued reforms in income assistance starting as early as the mid-1990s, and the country has executed on all of its planned initiatives that it identified since the launch of Kazakhstan 2050. On the other hand, affordable housing is still early in the implementation phase of development. While Kazakhstan has had 6 housing development plans since 2005, the latest, known as Nurly Zher, was approved in 2016 and is being implemented in the period between 2020 through 2025. These reforms are similar to other social reforms in that efforts toward their development began before Kazakhstan 2050, and their direction has been largely unaffected by Kazakhstan's presidential transition in 2019. Additionally, though the pandemic has had an impact on the demand for the benefits provided by these reforms, little if anything has changed in the programs' strategic direction as a result of the pandemic. The two reform buckets differ primarily in their stage of development and in the fact that income assistance holds more weight in the framework of Kazakhstan

2050. Housing policy received no mention in either the Kazakhstan 2050 address or the 100 Concrete steps to achieve the goals set out in Kazakhstan 2050. The latest developments in both of these reform buckets may be too recent to pass generalized judgment on the overall success of reform, but specific problems have occurred earlier in the reform process for income assistance. More needs to be learned about possible problems with the rollout of Nurly Zher.

This chapter offers a brief overview of each of these reform efforts, first by describing the international precedent for and the historical development of income assistance within Kazakhstan. This framework will then be set in the context of Kazakhstan 2050, and the most recent developments will be described. Then the paper will briefly review the history of housing development in Kazakhstan before describing the current reforms in place today. Problems and suggestions for improvement for each will then be presented. It should be noted that while compulsory social health insurance is a major component to Kazakhstan's social protection system, that particular reform has already been discussed at length in the section on healthcare reform.

Social Assistance and Security

There is significant international precedent for the provision of social income assistance, but these forms of social protection have not been very widely adopted. Articles 22 and 25 of the UN Declaration of Human rights clearly define the rights to social security, to an adequate standard of living, to food, to housing, to medical care, and to assistance in the case of unemployment, disability, sickness, or old age. Article 25 even includes a provision on the rights to assistance of mothers and children. These protections are also enshrined in the UN's International Convention on the Economic, Social and Cultural rights, which Kazakhstan ratified in 2006.

The International Labor Organization (ILO), which is the leading international authority on developing social protection standards, reports that only 30.6% of the world's population has comprehensive coverage under state social security systems while in total only 46.9% is covered by one or more social protection benefits. Kazakhstan is a member of the ILO and has ratified all ten of the organization's Fundamental Conventions and all four Governance Conventions. One of the most impactful documents by the ILO is Recommendation No. 202, The Social Protection Floors Recommendation. Kazakhstan has not submitted the document for approval by its government, but has implemented the basic recommended minimums identified in the document for social protection. They include: (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality; (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services; (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and (d) basic income security, at least at a nationally defined minimum level, for older persons.

All of these requirements are captured in Kazakhstan's three forms of social protection: social insurance, social assistance, and social security. Social insurance is established by the law "On Compulsory Social Insurance." The law was originally written in 2005, and has changed little since its adoption despite being amended in 2019. These benefits are meant to replace incomes that previously existed for individuals and families prior to some interruption of that income. It is not meant to prevent poverty. The amount of payment in a lot of cases depends on the history of contributions made to the social insurance system. Payments are made in

the case of loss of income whether it be the loss of the breadwinner, the loss of earning capacity, the loss of work, pregnancy and childbirth, adoption of a newborn, or care for a child under the age of one year. Significant benefits under this system include those that are paid to mothers and families burdened with intensive childcare: 1) one-time payments for loss of work due to childbirth paid at 100% of the mother's monthly income multiplied by the amount of time of expected absence for childbirth; 2) monthly payments made to families raising a child up until their first birthday, paid at 40% of income lost to duties of childcare; 3) monthly payments made to families raising disabled children or large families including four or more children.⁹² In September 2022 President Tokayev announced the childcare payment period would be increased to 18 months.

Targeted Social Assistance is given to persons or families living below the poverty line. The law, "On State Targeted Social Aid" was written in 2001. The system includes two forms: unconditional assistance and conditional assistance. Unconditional payments are made to low income persons or families who have limited opportunities to work in connection with old age, disability, or disease. Conditional payments are made to low-income, able bodied persons under the condition that the able-bodied person(s) participate in employment promotion programs. Payments are applied when persons drop below the poverty line or the per capita income of families is below the poverty line.⁹³ Reform efforts that were announced by Nazarbayev in 2017 and went into effect in 2018 include the addition of the conditional requirements of able-bodied persons and families living below

⁹² Legal Information System of Regulatory acts of the Republic of Kazakhstan, "On Compulsory Social Insurance." (https://adilet.zan.kz/eng/docs/Z030000405_)

⁹³ Legal Information System of Regulatory acts of the Republic of Kazakhstan, "On Targeted Social Assistance." (https://adilet.zan.kz/eng/docs/Z010000246_)

the poverty line and a redefinition of the poverty line. Prior to 2018, the poverty line was defined as 40% of the minimum established livable wage for each region of the country. In 2018, the poverty line was increased to 50% of the minimum livable wage. Additionally, in 2018, the minimum monthly livable wage was increased from 24,459 KZT to 28,284 KZT.⁹⁴ That was increased again in 2019 to 42,000 KZT and a third time to 60,000 KZT in 2022.⁹⁵ It should be noted that unemployment has steadily declined in Kazakhstan from 10.4% in 2001, to 5.4% in 2011, and has remained at a steady 4.9% since 2018, when these reforms were implemented.⁹⁶

The third form of social protection is social security and it has a more complicated reform history. The Kazakh system contains three tiers of pension plans: Basic, solidary, and funded. The basic pension is paid out of the Republican Budget at a set rate to all citizens and permanent residents of Kazakhstan above retirement age. In 2017, that rate was 14,466 – 59% of the minimum livable wage.⁹⁷ In 2018, however, reforms set the minimum basic payments to 54% the minimum livable wage for anyone having worked 10 years or less. For every year worked more than 10 years, an additional 2% of minimum livable wage is paid. So 20 years of work experience earns a pensioner 74% of the minimum livable wage, and 33 or

⁹⁴ “Changes in Kazakhstan life for 2018,” *Astana Times*, January 30, 2018. (<https://astanatimes.com/2018/01/changes-in-kazakhstan-life-for-2018/>)

⁹⁵ “Tokayev promised to increase minimum salary from 42 500 to 60 000 from 2022,” *Kaztag*, September 1, 2021. (<https://kaztag.info/en/news/tokayev-promised-to-increase-minimum-salary-from-42-500-to-60-000-from-2022>)

⁹⁶ Agency of Strategic Planning and Reforms, Bureau of Statistics, “Statistics on Labour and Employment.” (<https://stat.gov.kz/official/industry/25/statistic/8>)

⁹⁷ Saltanat Rakymzhanova et. al., “Development of the social protection funding mechanisms in the Republic of Kazakhstan,” *Espacios*, vol. 39 no 27, 2018. (<https://www.revistaespacios.com/a18v39n27/a18v39n27p31.pdf>)

more years of work experience earns them 100% minimum livable wage.⁹⁸ In September 2022, President Tokayev announced that the minimum basic pension rate should be raised to 70% of the subsistence minimum, and the maximum to 120%.

This reform is meant to incentivize longer careers and greater contribution to the economy. The solidary pension is paid out of individual pension accounts to which employers have historically contributed 10% of an employee's wages. Starting in 2020, however, they began contributing an additional 5%.⁹⁹ This system was established in 1998, adapted from the Chilean state pension system. Initially, it involved privatized pension funds. But issues regarding the participation of self-employed persons for fear of risks to pension funds forced the government to nationalize the pension fund, liquidating all private funds in 2014 and transferring them to a Unified Accumulative Pension Fund (UAPF), managed by the state.¹⁰⁰ The third tier, funded, involves payments based on voluntary contributions of the individual to the UAPF, at the full discretion of the contributor. In 2020, the government established regulations to allow for the expenditure of pension savings on things like housing and medical treatment or even to transfer accounts for asset management.¹⁰¹

⁹⁸ "Retirement in Kazakhstan: calculation of the amount of the pension, the retirement age and changes in the pension legislation" egov.kz, August 26, 2021. (https://egov.kz/cms/en/articles/pension/pensionnaya_sistema)

⁹⁹ "Why Kazakhstan Introduces Additional Pension Contributions?" CABAR, August 19, 2019. (<https://cabar.asia/en/why-kazakhstan-introduces-additional-pension-contributions>)

¹⁰⁰ Zhanna Khamzina and Ermeke Buribaev, "The Model of Pension System in Chile: Transformation in Kazakhstan," *Kasetsart Journal of Social Sciences*, March 2021. (https://www.researchgate.net/publication/350290247_The_Model_of_Pension_System_in_Chile_Transformation_in_Kazakhstan)

¹⁰¹ "President of Kazakhstan Kassym-Jomart Tokayev's State of the Nation Address, September 1, 2020." (https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-1-2020)

Specific pandemic aid packages included 42,500 KZT in unemployment benefits to those who lost their job or a large portion of income, 10% increase in state pensions, utility caps for vulnerable populations, and food baskets and food supply chain assurances for vulnerable populations. However, these packages did not translate into greater efforts at reform.¹⁰²

Two problems have threatened Kazakhstan's pension system: poor management and demographic shifts. In regard to poor management, poor management of UAPF assets have been an issue and so has high-corruption. In 2017, the fund experienced major exposure to an investment of \$250 million dollars in bonds from the International Bank of Azerbaijan (IBA) when the IBA had to default on its obligations. Additionally, in January of that same year chairman of the UAPF, Ruslan Yerdenayev was detained on charges of embezzlement. The charges prompted the establishment of a public council tasked with reviewing the investment policy of the UAPF. However, the Council lost its chairman and two other principal officers after only two months of operations due to differences over transparency and role of the council.¹⁰³ The second problem, demographic shifts, pertains mostly to an aging population. Tokayev identified the problem in his 2019 state of the nation address.¹⁰⁴ The share of the population above retirement age increased from 10.3% in 2013 to 11.1% in 2017. It is forecast to reach 14% in 2030, assuming retirement age standards pre-2018.¹⁰⁵ The biggest response the government has had to counter this has been to introduce a graduated increase in female

¹⁰² "Kazakhstan Country Report 2022," BTI Transformation Index, 2022. (<https://bti-project.org/en/reports/country-report/KAZ>)

¹⁰³ Paolo Sorbello, "Pension Fund Problems in Kazakhstan," June 14, 2017.

¹⁰⁴ "President of Kazakhstan Kassym-Jomart Tokayev's State of the Nation Address, September 2, 2019." (https://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019)

¹⁰⁵ Rakymzhanova, "Development of the social protection."

retirement age. Since the beginning of the pension system, retirement ages were 63 and 58 for men and women respectively. Starting in 2018, the government decided to increase the female retirement age by 6 months each year until it matches the male retirement age. In 2022, the retirement age is now 60. By 2028, female retirement age will reach 63.

Housing Assistance

The second bucket of major social protection reform in Kazakhstan involves housing assistance. A number of strategic documents establish housing as a major priority, and creating the conditions for the provision of housing is codified in Kazakhstan's constitution.¹⁰⁶ The country has adopted six housing construction programs since 2005, after housing construction plummeted after the fall of the Soviet Union, and the priorities have changed over time. In earlier development programs, the priority was to foster the growth of private housing development in market conditions, but an assessment in 2011 shows that over 6 million working citizens, out of 8.4 million who were economically active, could not afford to purchase housing in market conditions. Housing policies shifted to focus on providing greater access to affordable housing. The latest iteration is the Nurly Zher program, adopted in 2016 and expanded with a second iteration in 2019. It combines objectives that were established under prior strategies, the 2020 Programme of Regional Development and the Nurly Zhol Programme of Infrastructure Development for 2015-2019.¹⁰⁷ A key distinction about the Nurly Zher program is the shift from direct financing out of the Republican Budget to extra-budgetary financing. The program aims to construct 52.79 million m²

¹⁰⁶ UNECE, "Country Profiles on the Housing Sector: Kazakhstan (2018)." (<https://unece.org/kazakhstan-2018>)

¹⁰⁷ Ibid.

of housing for an increase of 15% in housing stock in the country compared to 2016. Nurly Zher contains seven objectives: increase the affordability of mortgage lending, encourage the construction of housing by private developers, construct affordable housing for members of the housing construction savings system, establish a rental housing stock for the socially vulnerable, develop individual housing construction, provide citizens with rental and commercial housing, and support shared housing construction.

For citizens in need of subsidized housing, a waiting list system has been constructed for each region, stratified according to the income of the family or individual on the waiting lists. As of 2018, there were 473,019 registered on the waiting lists, among which 265,053 were registered as socially vulnerable.¹⁰⁸ The different strata on the waitlist provide different housing financing opportunities. For households with up to one living wage, rental housing is being constructed without the right to purchase, and rent will be subsidized. For households with incomes up to two living wages, a soft loan program has been developed for the purchase of housing at an interest rate of 2% per annum. For households of up to three living wages, credit housing arrangements can be made with a program (5-10-20) involving an interest rate of 5% per annum, a 10% down payment, and a 20 year note. Those with higher incomes either participate in a subsidized program (7-20-25) with a full loan at a 7% interest rate, a 20% down payment, and a 25 year note, or apply for housing through second tier banks.¹⁰⁹

¹⁰⁸ Ibid., Executive Summary.

¹⁰⁹ Prime Minister of Kazakhstan, "New Nurly Zher program: Housing waiting lists to be formed based on level of population's income," November 28, 2019. (<https://primeminister.kz/en/news/press/novaya-programma-nu-rly-zher-ocheredi-na-zhile-budut-formirovatsya-ishodya-iz-urovnnya-dohodov-naseleniya>)

In 2020, housing investments totaled two trillion tenge, 133.6% of the 2019 figure. Of that, 751 billion tenge was allocated from the state budget for housing development. 15.3 million m² of housing was commissioned. Over 40,000 families were covered by state support. 9,000 families were provided rental housing off the first category from the Nurly Zher waitlist. 6,000 soft loans were given to households in the second category of the waitlist. 25,000 affordable credit housing loans were given to people in the third category of the waiting list.¹¹⁰ For 2021, it was planned to commission 15.2 million m² of housing with a total investment volume of 2.2 trillion tenge. Over 20,000 people received subsidized housing in 2021.¹¹¹

In an expanded meeting of the government in 2022, Tokayev cited slow rates of developing the rental subsidization program for the socially vulnerable. He demanded that the program be launched by May of 2022, stating that it was already a year overdue. He demanded that Otbasy Bank, responsible for the rental subsidy program, and the Ministry of Digitalization create a registry platform for leasing property owners and people entitled to receive subsidized rental.¹¹² A Unified National System is planned to integrate 22 information systems from 8 government bodies, forming a central registry for the waitlist.¹¹³ Other digitization projects are being implemented to increase efficiency in the construction industry. One project, E-Kuryls will improve transparency and efficiency in coordination between contractors, fire fighters, sanitary services, and epidemiological

¹¹⁰ Prime Minister of Kazakhstan, "Housing construction in Kazakhstan in 2020: Trends and features," February 8, 2021. (<https://primeminister.kz/en/news/reviews/housing-construction-in-kazakhstan-in-2020-trends-and-features>)

¹¹¹ Ibid.

¹¹² Prime Minister of Kazakhstan, "State support and focus on affordability: Results of housing construction in Kazakhstan for 2021," April 14, 2022. (<https://primeminister.kz/en/news/reviews/state-support-and-focus-on-affordability-results-of-housing-construction-in-kazakhstan-for-2021>)

¹¹³ Prime Minister of Kazakhstan, "Housing construction in Kazakhstan in 2020."

services, among other interested bodies. A second project will develop Unified Register of Licensees to improve record keeping regarding contractors (work experience, commissioned facilities, material, technical equipment, availability of tax payments, etc.)

A Renewed Focus on Social Issues: President Tokayev's September Address

On September 1, 2022, President Tokayev turned his focus once again to the social sphere in his annual Address to the nation, entitled "A Fair State. One Nation. Prosperous Society." The address focused on structural economic transformation as a continuation of the political modernization process, with the President affirming that "the state will ensure equality of opportunities and justice for all."

There were important economic aspects to the President's address, in which he lamented the systemic problems of the Kazakh economy, including "dependence on raw materials, low labor productivity, insufficient level of innovation, and unequal income distribution." He launched several initiatives to "de-monopolize" the economy, most importantly a complete overhaul of the tax code, which the President stated would be fully digitalized by 2023, thus abolishing the face-to-face contact that is an essential element in the corruption problems that continue to mar the relationship between the state and the citizen. Other important initiatives include the transformation of the sovereign wealth fund Samruk Kazyna, which has accumulated control over large swathes of the Kazakh economy. From now on, Samruk will only be a majority stake owner, thus opening up the possibility of minority stakes in its companies to the public. From now on, Samruk will participate only in critically important projects that cannot be implemented by private investors. President Tokayev also emphasize the priority to developing the Trans-Caspian transit corridor, not surprising given the problems Russia

has posed for Kazakhstan's interaction with the world economy across that country.

Beyond these points, the brunt of Tokayev's address concerned social issues. In the field of education, the focus was on raising the quality and availability of preschool education and reducing inequalities in the provision of education. He focused on the need of preschool education, particularly the need to raise the status and compensation of educators – as well as the professionalization of the preschool teachers and the creation of clear requirements for professionals in this sphere.

A big concern is the existence of multiple-shift schools in Kazakhstan. Tokayev announced an initiative to create 800,000 student places that "meet modern requirements." He then addressed the need to reduce the difference of quality of educational infrastructure in urban and rural areas, and promised that funds seized by the state as a result of the struggle against corruption – i.e. proceeds of illegal activity – would be allocated to the construction of secondary schools. In addition, he emphasized the importance of technical and vocational educational institutions that focus on the real needs of the labor market – i.e. seeking to retool this sector to be demand-driven and match the graduates with the needs of the Kazakh economy.

In a major initiative, Tokayev announced the creation of personal education vouchers through unified educational accounts. This voucher program would revolutionize the financing of education, tying money to the student rather than to the physical school – and changing incentive structures for school administrators to deliver quality services to students. Though President Tokayev did not specify it, such a voucher system is normally tied to a broader school choice system, which often allows parents to choose privately run schools, such as charter schools, thus providing competition to public schools. While such efforts have been

politically controversial in many countries, many U.S. states and a dozen OECD members have allowed school choice and voucher systems in order to reform a problematic public education sector.¹¹⁴

Similarly in the higher education sector, President Tokayev focused on financing: making available higher education grants to high-scoring students and concessional loans for higher educations to a broader public in order to be able to attend higher education.

Concerning healthcare, President Tokayev lamented the division of medical care into state-guaranteed and insurance-covered packages, and noted that “we have to admit that there is no insurance model as such.” To address this, Tokayev spoke of the need to “finally launch a system of voluntary health insurance.” Mostly, however, he focused on the inequalities in the healthcare system, particularly concerning rural areas. He called for a “national project aimed at the needs of the rural population” to be launched in 2023, aiming at building and equipping medical and obstetric stations in 650 villages lacking medical facilities over two years, thus providing access to primary care for over a million citizens. In addition, he announced that 32 district hospitals would be modernized to provide more advanced care for rural areas.

In the field of social protection, Tokayev announced the fixing of the retirement age of women to 68 years. He focused also on maternal leave, extending the payment period for childcare to 18 months. Other initiatives included specifying that unemployment benefits would be fixed at 45% of the average income.

¹¹⁴ OECD, *School Choice and School Vouchers: An OECD Perspective*, 2017 (<https://www.oecd.org/education/School-choice-and-school-vouchers-an-OECD-perspective.pdf>);

More broadly, President Tokayev spoke of a reboot of the system of public administration. The aim will be to decentralize state administration and increasing the personal responsibility of public officials. A key reform will be the transformation of the Office of the Prime Minister into a compact Government Office, with broad responsibilities for overseeing public administration. A key component of this is the “urgent renewal and rehabilitation of the judiciary,” in particular an effort to “eradicate the influence of law enforcement agencies by eliminating all instruments of administrative pressure on judges” – clearly an important reform if implemented. Closely related is the promise to improve the “uniformity in the administration of justice,” eliminating the frequent situation that different courts rule differently in similar cases depending on the location or nature of the plaintiff or defendant.

Finally, the biggest announcement came at the end of the Address, where President Tokayev announced the holding of early presidential election in fall 2022 and early parliamentary election in early 2023, in order to secure a renewed public mandate for the reforms being implemented and ensure that the provisions of the 2022 constitutional amendments will be implemented more rapidly. This will further abolish the possibility for a president to be re-elected, while extending the term to seven years, with a stated intention to reduce the monopolization of power. Tokayev also announced changes that will enable the government to include members of minority parties as well.

Conclusions

The analysis above suggests that Kazakhstan has conducted considerable work in the social sector to develop into a high-middle income country, responding to the population's needs and providing conditions for the further human development of the population. This work should be commended, but there is much work left to be done, in conditions that are far from ideal.

In the education sector, Kazakhstan has made important achievements in rolling out universal preschool and raising the status, training, and pay of the country's teachers. The country has also been widely successful in building top-notch institutions through the NIS schools and Nazarbayev University. When it has sought to apply the experience of these elite institutions to the broader education system, however, there have been difficulties. Most notably, Kazakhstan has run into the fact that an immense amount of human capital is needed to develop quality education across the vast country, including both urban and rural settings. The sheer number of trained professionals needed for such an effort ensures that the completion of this program will necessarily take many years. In this, the trilingual initiative is symptomatic: the notion that instruction should take place in three languages is laudable on paper; but it appears that Kazakhstan simply does not possess anywhere close to the number of teachers required that are proficient enough in the languages in which they are supposed to provide instruction, particularly English. This, however, merely suggests that some initiatives in the education sector may have been overly ambitious; but to outside observers who visited Kazakhstan in the 1990s and can compare with the situation today, the prevalence of

English proficiency in the younger population is nothing short of a stunning development. In other words, Kazakhstan has aimed high; and even if it has not quite met its own ambitions, the initiative has nevertheless produced results.

Similarly in the healthcare sector, Kazakhstan has invested heavily in increasing the quality and availability of care in the country. The fact that the country has been able to roll out a compulsory health insurance system, develop cancer treatment research and centers, and begun to produce a sizable proportion of it's the medicine used in the country are achievements that should not be underestimated. As in the education sector, however, the challenge is to ensure that services are available in an equitable fashion across the country. In this, the challenge is once again staffing: Kazakhstan needs numerous additional doctors and nurses to arrive at the OECD average of healthcare professionals per capita – and developing primary care facilities in remote and rural areas will be the most difficult task to achieve.

In the social protection sphere, Kazakhstan has also come a very long way compared to the situation in the aftermath of the collapse of the USSR, where very little in terms of social protection existed. Kazakhstan's rollout of a functioning pension system, and its ambition to provide greater protection to the segments of society that need it the most are indications that Kazakhstan has come a long way from the stereotypical post-Soviet state and is now developing along the lines of European systems of social protection.

Where do social reforms fit with the broader reform agenda that President Tokayev has made into a centerpiece of his presidency? From one perspective, social reforms could be seen as dissociated from the more recent reforms that President Tokayev has announced, which focus much more closely on the political and economic sphere. Indeed, this study has

shown how the reforms in the social sphere feature considerably continuity over time, and build on policies that were advanced in the 2000s or even the late 1990s. But it would be wrong to disconnect these reforms from the political and economic agenda. President Tokayev in his September 2022 Address to the nation made it clear that he sees the reforms in the social sphere as intimately connected with the political and economic reforms he has championed. Indeed, the latter are a prerequisite for the social reform to succeed.

The success of social reforms will depend in no small part on the development of the broader management system in the country and on the nature of Kazakhstan's state institutions. All reforms in education, healthcare and social protection would be unable to fulfill their potential if the Kazakh state continues to feature remnants of the Soviet state mentality – institutions riddled with mismanagement and corruption, and whose personnel harbor a view of state-society relations that is decidedly unhealthy, prioritizing the state at the expense of society.

President Tokayev's political reforms aim squarely at changing this logic, and to develop instead a new mentality in state institutions in which the state exists not for its own sake, but to provide services to the population of the country. Because much of the social sphere is under the umbrella of the state, this shift in mentality – itself directly linked to the political reforms being implemented – is absolutely crucial for the long-term success of reforms in the social sphere as well.

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