

Issue 3, January - March, 2015



GSPP NEWSLETTER





Dear all we are pleased to present the third issue of our quarterly Newsletter.

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NOTABLE EVENTS

THE FIRST COHORT OF MPA STUDENTS HAVE STARTED THEIR STUDIES

The first cohort of MPA (Master in Public Administration) students started their classes in March, 2015. The MPA Programme has been launched this year for the first time. The unique feature of the programme is that students earn their degrees while retaining their jobs.

A total of 15 students have been accepted after a rigorous selection process. There were about 3 applicants per one state grant. As with other GSPP cohorts, the MPA class comprises accomplished, motivated and mature students who bring with them a wealth of diverse experiences. Students come from government, private and nonprofit sectors. Most of them have received their Bachelor degrees

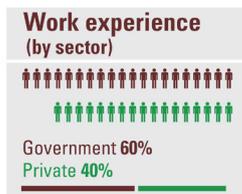
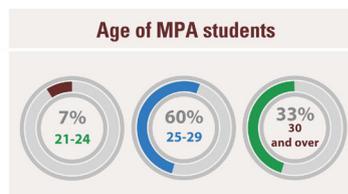
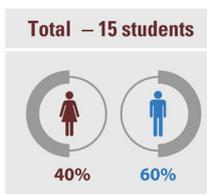
in prestigious universities abroad. The average age of MPA students is 27.8 years and average work experience is 6.2 years.

It should be mentioned that the Government provides scholarships covering tuition fees and a monthly allowance. This year we have also started accepting self-paid students and the tuition fee for the MPA programme is 18 900 US dollars (for the 2 year programme/this covers the entire period of study).

We congratulate our MPA students and wish them good luck with their studies!



Master in Public Administration 2015 Class Profile



EDUCATIONAL BACKGROUND OF MPA STUDENTS:

by geography



Our students work in the following types of organizations:

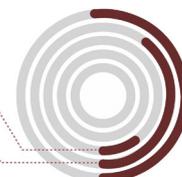


Average work experience

6,2
years

by major:

- 1 Engineering
- 6 Economics / Finance
Business administration
- 8 Public Administration
International relations
Law / Diplomacy



ORIENTATION SESSION FOR THE MPA STUDENTS

On 28 March NU GSPP conducted an Orientation Programme for the new cohort of MPA students. New students were welcomed by the Dean of the GSPP Neil Collins, Professor Eduardo Araral from LKY School of Public Policy, and other faculty and staff of the GSPP.

Students received information about the MPA programme, were introduced to the Student Code of Conduct and plagiarism issues, got familiar with

the work of the NU Office of the Registrar, Career Advising Center and Department of Student Affairs. LKY School Prof. Zeger van der Wal held an introduction session on Academic Writing. Students had an opportunity to learn about the NU Library resources.

The Orientation day ended with a welcome dinner in honour of the new MPA students hosted by LKY School of Public Policy.



RESEARCH HIGHLIGHTS

NU GSPP conducted workshops for Kazkhstani and UK researchers funded by the British Council



During 2-5 February 2015, the Graduate School of Public Policy jointly with the University of Exeter and University of Edinburgh under the British Council's Newton-Al-Farabi Fund "Researcher Links Programme" held a workshop "Learning in Governance and Public Service Innovations".

Altogether 15 UK researchers travelled to Astana from different universities to participate in the workshops, including: UCL, University of London, Bristol, Glasgow Caledonian, Strathclyde, Nottingham, Edinburgh, Exeter, Ulster, Leeds, Middlesex, Carlton, and Leicester. Over 35 Kazakhstani participants represented universities, government and non-government research institutions from different regions of Kazakhstan

(West, East, South, North Kazakhstan, Almaty and Astana).

The workshop provided unique opportunities for sharing research and networking between early-career researchers from the UK and Kazakhstani research institutions. It made a valuable contribution to the establishment of long-term, sustainable and beneficial partnerships between the UK and Kazakhstani research organisations as well as the development of capacity for young researchers. Continuous professional networking will be supported through dedicated blogs and a Facebook page: the participants have been encouraged to share ideas and develop joint proposals under the coordination of the workshop organizers.

FEEDBACK FROM THE PARTICIPANTS OF THE WORKSHOP



The seminar was very beneficial. Participation in such seminars gives us an opportunity to establish connections with other researchers, share our experiences and learn of the experiences of other countries in this field. Improving public governance through innovation technologies is very important. Application of new technologies may significantly enhance the level of interaction between state authorities and the public.

Radko Natalya,
*Junior Researcher in the Institute of Socio-Economic Research
at the Turar Ryskulov New Economy University*

I would like to express my sincere gratitude to NU, it was very useful and more importantly the seminar united researchers from all parts of Kazakhstan and Scotland. This was a good place for idea sharing and networking. We hope that such seminars will be held frequently.

Maganat Shegebayev,
Assistant professor, KIMEP University



I am impressed with the success of the event, particularly the participants' level of commitment towards knowledge and innovation in terms of thinking about how to in-build different models into the current system. I am really impressed by that. On the other hand it has been a very reflective learning experience for me as an individual researcher as well. I am grateful for the organizers and the British Council for the funding and creating such opportunities. We hope in the near future we will continue this form of cooperation.

Wendy Wu,
PhD Student, Business School, University of Edinburgh



The workshop was very well organized and I am pleased that I could attend this workshop. It was very engaging and collaborative and was a platform for connecting researchers from UK with practitioners and researchers from Kazakhstan, not only from Astana but different regions of the country. I am sure that there will be some potential collaboration such as joint projects or writing papers together. The collaboration will be continued, and we have already set an agenda with some of the delegates for keeping in contact and communicating some projects. Thanks for hosting us as well.

Denis Frydrych,
PhD Students, Business School, University of Edinburgh



FACULTY ACHIEVEMENTS!



CONGRATULATIONS TO
GSPP FACULTY FOR WINNING
MINISTRY FOR EDUCATION AND SCIENCE
OF KAZAKHSTAN RESEARCH GRANT!



Faculty members of the GSPP, Dr. Saltanat Janenova and Dr. Riccardo Pelizzo in cooperation with Prof. Eduardo Araral from the Lee Kuan Yew School of Public Policy have been awarded a grant by the Ministry of Education and Science of the Republic of Kazakhstan for a project “Public Service and Accountability in Kazakhstan and OECD countries: A Comparative Analysis”.

Over 5,000 applications from Kazakhstani research institutions were submitted this year including 34 from NU and we are proud to win this tough competition together with 13 successful applicants from other NU Schools.

The goal of the project is to support the Government of Kazakhstan in becoming an OECD member by improving standards of accountability in public service and by making a valuable contribution to the international academic literature on public administration and governance in transitional countries.



In order to achieve this goal, in the course of the project the grant recipients plan to produce a benchmarking report on public service and accountability in Kazakhstan compared with OECD countries, to fill a gap in the academic scholarship on public administration and governance studies in transitional countries; and to stimulate public debate on accountability issues both on the national and international levels.

GUEST LECTURES



On 2 March 2015 MPP Programme students attended a guest lecture on “Performance Assessment System of the Government Bodies in Kazakhstan” delivered by Eldar Idiyatov, the Head of the Division for Assessment of Public Service Delivery, Economic Research Institute.

The guest speaker presented the Kazakhstani system of performance assessment for all central and local state bodies with a particular focus on the main areas of evaluation such as budget planning, HRM, informational technology, public service delivery and implementation of laws and strategies.

Mr. Idiyatov discussed the challenges faced in the process of design and implementation of the new performance evaluation system and continuous improvement of this system by re-reviewing performance indicators and replacing meaningless indicators with clear ones, analysing feedback from stakeholders and involving external experts from NGOs and international organisations in the process of evaluation. The results of the performance assessment has not been available to the public yet; they are used in internal processes to encourage government bodies to improve their performance; and also to identify good practices in the public sector and use these examples as benchmarking.

On 5 March 2015 Mr. Kamen Velichkov, Head of the Political, Press and Information Section at the European Union Delegation to Kazakhstan came to an MPP class to talk about the partnership between the European Union and Kazakhstan and European Union security strategy.

He talked about the Enhanced Partnership and Cooperation Agreement (EPCA) between the European Union and Kazakhstan, which was initialed in January 2015 and which aims to facilitate stronger political, economic and trade relations. Kazakhstan is the first Central Asian partner to have concluded an EPCA with the EU. The new Agreement will replace the Partnership and Cooperation Agreement in force since 1999, and will give EU-Kazakhstan relations a stronger foundation.



On 27 February 2015 Dr. Riccardo Pelizzo of the GSPP gave a lecture in the Academy of Financial Police on the causes and consequences of corruption. Particular emphasis was placed on the fact that corruption represents a major obstacle for socio-economic development and that curbing corruption is essential for creating the conditions for sustainable economic growth and development in Kazakhstan.

EVENTS

NU GSPP and NU GSB have moved to a new building

In February 2015 NU GSPP students started their classes in classrooms of the new building. During the construction NU GSPP's strategic partners the Lee Kuan Yew School of Public Policy of the National University of Singapore and NU GSB's partner Duke University's Fuqua School of Business gave

recommendations on the design of the classrooms, learning and working spaces. As a result, the Schools received a functional building specially designed for academic purposes with rooms for teamwork, modern equipment and spacious auditoriums.



GSPP FACULTY VISIT PARTNER SCHOOL, **THE LEE KUAN YEW SCHOOL OF PUBLIC POLICY**

On 26-30 January 2015 Prof Lilian Barria, Prof Riccardo Pelizzo, Prof Julie Yu-Wen Chen, Prof Omer Baris and Prof Aziz Burkhanov undertook an executive training on public policy and private sector development at its partner school, the Lee Kuan Yew School of Public Policy at the National University of Singapore. The training was led by Prof Francis Fukuyama (Stanford University, third person from the left in the picture), who is a well-known American political scientist and author. In addition to the executive training, the GSPP faculty had the honor of attending Prof. Fukuyama's public lecture in which he presented his new book *Political Order and Political Decay: From the French Revolution to the Present*.

During this visit, the GSPP faculty worked with governmental officials and business leaders in Southeast Asia to explore how decision-makers in

various countries addressed obstacles or managed the political, cultural or social impediments to a policy or its implementation. The visit successfully fostered GSPP's partnership with the LKY School and is instructional for GSPP's own establishment of executive programme in the future.



INFORMATION SESSIONS

NU GSPP held an Information Session for prospective students on 12 February 2015 in Nazarbayev University. There were about 70 participants from ministries, national companies, non-profit and international organizations. The participants received information regarding the MPP Programme, curriculum, admission's process, requirements, etc.

On 12 March NU GSPP staff conducted an Information session in Almaty in Kazakh Ablai Khan University of International Relations and World Languages. The participants received information about both the MPP and MPA programmes, application process, as well as scholarship opportunities. The following day an Information session was held for the HR Directors of the Structural division of Almaty city's Akimat.

It should be noted that in 2015 the Government will provide around 30-40 state grants for GSPP students covering tuition fee, accommodation (for non-residents of Astana) and a monthly allowance equal to 100 thousand tenge. Within the MPP Programme students also have an excellent opportunity to study for 3-4 weeks in the Lee Kuan Yew School of Public Policy in Singapore. The MPP Programme has been designed jointly with the strategic partner, the LKY School, and students are taught by visiting professors from LKY School as well. The instruction is in English and students should



provide IELTS/TOEFL certificate to be eligible for the MPP Programme. Candidates with degrees from English-speaking Universities are exempt from submitting IELTS/TOEFL certificates.

The list of required documents can be found at the GSPP website <http://gssp.nu.edu.kz>



NEW BOOKS AND PUBLICATIONS

GSPP's faculty member, Dr. Saltanat Janenova has co-authored a publication "Kazakhstan: Review of the Central Administration" prepared by the OECD in cooperation with the Ministry for National Economy of the Republic of Kazakhstan. The publication was presented to the public on 18 December 2014.

The purpose of this Review is to support the government of Kazakhstan in improving the quality of its public governance through assessment of the functioning, structure and organisation of the Centre of Government and several line ministries. The Review offers concrete advice to policy makers to improve the quality of public management and governance, enhance the effectiveness of central and local public bodies, including through rebalancing of Centre of Government and ministerial functions and roles and enabling greater ministerial autonomy. This Review provides a foundation for future engagement between Kazakhstan and the OECD, as part of the upcoming



2015-16 OECD Kazakhstan Country Programme, which will aim to support the implementation of some of the recommendations contained in this Review.

This publication is available at <http://www.oecd.org/.../kazakhstan-review-of-the-central-admi...>





Asian Studies Review, 2014
Vol. 38, No. 4, 620-638, <http://dx.doi.org/10.1080/10357823.2014.964173>

Market Creation by Leninist Means: The Regulation of Financial Services in the People's Republic of China

NEIL COLLINS*

Nazarbayev University, Kazakhstan

JOERN-CARSTEN GOTTWALD

Ruhr University Bochum, Germany

GSPP Dean Neil Collins published an article entitled “Market Creation by Leninist Means: The Regulation of Financial Services in the People’s Republic of China” in *Asia Studies Review* in late 2014. The paper was written with Prof Joern-Carsten Gottwald of the Ruhr University Bochum in Germany. *Asia Studies Review* is a journal listed in the Social Science Citation Index. Dean Collins’ work shows GSPP’s continue efforts in research cooperation, and in publishing in international journals. More details are available at:

<http://www.tandfonline.com/doi/full/10.1080/10357823.2014.964173#abstract>

GSPP Prof. Riccardo Pelizzo published an article entitled “Tourism, development and inequality: the case of Tanzania” in *Poverty and Policy* in early 2015. By looking at the wages of workers in the tourism sector, the article explains why the development of the tourism industry failed to make meaningful contribution to the reduction of inequality in the country. The paper was written with Dr. Abel Kinyondo of the University of Dar Es Salaam in Tanzania.

More details are available at: <http://onlinelibrary.wiley.com/doi/10.1002/pop4.92/abstract>

Prof. Riccardo Pelizzo and several GSPP faculty members have launched an African Politics and Policy Newsletter. With the contributions of several international colleagues and collaborators, the GSPP team just released the second issue which can be found here:

http://www.africanpoliticsandpolicy.com/wp-content/uploads/2015/03/APP_Newsletter_Second_issue1.pdf

IN THE NEWS

GSPP faculty and staff have issued a few publications.

PLACE OF WATER IN KAZAKHSTAN 2050 STRATEGY



By LEONG CHING and KARLYGASH KARAMANOVA
in Astana Times on 25 December

Kazakhstan is a country rich in oil and natural beauty. But to reach its aspirations under the Kazakhstan 2050 Strategy, it may be missing one vital resource – water.



LEONG CHING

This is not an obvious limitation, especially in parts of the Almaty or East Kazakhstan oblasts, where water flows abundantly in rivers. But

when he outlined the Kazakhstan 2050 Strategy two years ago, President Nursultan Nazarbayev identified water shortages as a key global challenge, with a special salience for landlocked Kazakhstan.

A lack of high-quality drinking water is severe in some regions, especially rural areas. By the end of 2013, according to Kazakhstan's Statistical Yearbook for 2009-2013, 93 percent of the households in Kazakhstan's cities were living in premises with running water; however, in rural areas, the figure stood at only 25 percent. Many households in remote areas still have their water delivered in water tanks and kept in special reservoirs.

By 2050, Kazakhstan hopes to have solved once and for all the problem of water supply.

Globally, this is a familiar problem. Today, one billion people lack access to safe drinking water. By 2025, two-thirds of the world's population will face water stress, and the situation will deteriorate by 2050. Even worse, less than one percent of the world's water is usable.

But these dire statistics need not apply to Kazakhstan. In this, a small island, as different from Kazakhstan as it is possible to imagine, may offer a useful model.

Singapore is just over 700 square kilometres, whereas Kazakhstan is 2.7 million. Singapore has no natural resources, definitely no oil, and is an island one degree north of the equator.

And yet, as Minister of Foreign Affairs of Kazakhstan Erlan Idrissov has said, Kazakhstan has used Singapore directly as a model of how to achieve success – its state asset management body, Samruk Kazyna, is based on Singapore's Temasek state investment company.

"Singapore's expertise is also being used to help improve public services, including education, and to modernise and diversify our economy, particularly

in the field of chemical production and information technology,” he wrote in an opinion this year.

Another unglamorous but essential public utility could be added to this list: the provision of water in cities.

Singapore is one of the world’s driest countries: 20th from last in terms of fresh water availability. It used to rely on a larger neighbour, Malaysia, for its water. Despite its poor endowment in water, Singapore has a stable water supply and management system today.

Under the Asian Development Bank’s IDWA (Index of Drinking Water Adequacy), Singapore scores full

marks in four out of five indices: access, capacity, use and quality. There is universal provision of water to households and the cleanliness of its supply meets World Health Organisation standards. Water in Singapore is safe to drink straight from the tap.

How did Singapore provide water for both economic growth and for drinking? How did it wean itself off heavy dependence on its neighbour for its supply of water?

Here are three ideas that could be useful for Kazakhstan.

EVERY DROP IS PRECIOUS

One of the secrets to Singapore’s success is an unglamorous engineering task – fixing the pipes.

KARLYGASH KARAMANOVA



In most developed countries now, non-revenue water – leakage from source to end user – is about 20 percent. In some countries, such as Mexico, it is as high as 40 percent. In

Kazakhstan, it is 22 percent. In Singapore, it is 4 percent. In other words, if Kazakhstan reduces its leakage to Singapore’s level, it will immediately increase its water supply by nearly 20 percent.

At the moment, Kazakhstan’s water supply network is in poor condition – some of its sections have exceeded the standard operating term of 25 years. In 2009, only 36 percent of the water supply network was in working condition and 64 percent

needed complete replacement or major renovation, according to the Ak Bulak programme approved by the government in May 2011. The government is already putting efforts toward rebuilding its water infrastructure. State programmes for water supply, like the Drinking Water Programme from 2002 – 2010 and the current Ak Bulak programme, acknowledge the need for better policies for accurately metering water use and ensuring supplies for end users.

Such efforts need to be strengthened, not just because Kazakhstan’s population is increasing, but because goals under the Kazakhstan 2050 Strategy aimed at economic growth will require efficient water use and the recognition that each drop is precious.

PRICE AND COMPASSION

The pricing of water is a politically salient activity. In Singapore, everyone who uses water is charged from the first drop. The Singapore government has targeted support that provides utilities subsidies for the poor. Even the very poor have constant water connections and the same level of service as any other Singaporean.

Today, state programmes in Kazakhstan emphasise the efficient use of water via tariff differentiation,

cost-efficient operation of enterprises and covering investments for the implementation of medium- and long-term programmes. But both drinking and irrigation water is still subsidised.

Kazakhstan will have to find its own formulation for pricing water. But it must recognise that water has an economic cost and its price must reflect its value.

NUDGING BEHAVIOUR

Nudging, in behavioural economics and social psychology, is a light-touch approach to behaviour modification – using the power of social norms or all-too-human emotions.

Some successful examples of nudging have been the use of data on electricity bills to lower consumption.

In terms of regulating demand, Singapore has public education programmes. But it also has several nudges among its water management

programmes, including smaller flush cisterns, automatic push pipes and the publication of average consumption data in bills to nudge high water users.

Such nudges decrease (or eliminate) efforts needed to save water, or, in the case of bills, harness the power of social norms to change behaviour.

Appreciating every drop, price recognition and nudging are all measures that Kazakhstan can implement easily and at relatively low cost, especially in its cities.

Kazakhstan has big dreams, economically and politically, as befitting a big country. It has both the wealth and the political will to make regulatory and policy changes that will make the revolutionary transformations required.

We argue that these changes ought to take place in water first. It will lay the foundation for the incredible developmental growth that will likely follow.

LEONG CHING is a senior research fellow at the Lee Kuan Yew School of Public Policy at the National University of Singapore. Karlygash Karamanova is a teaching assistant at the Graduate School of Public Policy at Nazarbayev University.

OECD LAUNCHES REVIEW OF CENTRAL ADMINISTRATION OF KAZAKHSTAN

By SALTANAT JANENOVA in Astana Times on 26 December

In his annual state-of-the-nation address in 2014, President Nursultan Nazarbayev declared that Kazakhstan should seek to introduce living standards of the Organisation for Economic Co-operation and Development (OECD) member countries.

Currently the OECD includes 34 top developed countries which account for 60 percent of the world's GDP. Good governance has been selected among top priority areas within the framework of the OECD Kazakhstan Country Programme for 2015-2016.

According to a new Review of Central Administration which was produced by the OECD and launched on Dec. 18 in Astana, Kazakhstan has made remarkable progress since its independence and is now the most dynamic economic and political actor in Central Asia.

Over the past decade, the country made significant improvements in its allocation of resources, business climate, human development and quality of public administration. In view of this, Kazakhstan has the ambition of joining the ranks of the 30 most developed countries in the world by 2050.

Yet Kazakhstan must overcome significant challenges to achieve this objective, including growing regional disparities in wealth distribution; a persistently high poverty rate, particularly in rural areas; limited human capital; corruption; and the need to strengthen the rule of law, democratisation and openness, including citizen participation in policy processes.

According to the new OECD review, which

OECD Launches Review of Central Administration of Kazakhstan
By Saliyana Janenova

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Over the past decade, the country made significant improvements in its allocation of resources, business climate, human development and quality of public administration. In view of this, Kazakhstan has the ambition of joining the ranks of the 10 most developed countries in the world by 2050.

Re-assessing the role and capacities of Kazakhstan's ministries, granting the greater autonomy and involvement in the policy-making process to support their ability to deliver results and respond to citizen and business needs and to enable the development of a professional public service in Kazakhstan.

Strengthening transparency and citizen participation in policy-making, monitoring and evaluation to support inclusive and participative decision-making processes. The mechanisms for the protection of citizens' rights and dispute resolution could also be strengthened.

Improving horizontal co-ordination at the central level, including through fostering working level collaboration across central agencies and ministries to strengthen Kazakhstan's ability to address cross-cutting policy issues.

Enhancing strategic human resource management and performance budgeting, including reducing staff turnover to support the public service's capacity to attract and retain the best and the brightest.

Improving Kazakhstan's public service performance and accountability system and reducing administrative reporting requirements to improve management performance across the administration and to strengthen ministerial ability to focus on citizen and business needs.

Reviewing the functions and roles of central agencies to remove remaining fragmentation and to strengthen the government's ability to act as a collective body.

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The OECD will continue actively working with Kazakhstan within the framework of its 2015-2016 Kazakhstan Country Programme in order to help it improve the quality of its public governance and make further progress towards a modern and efficient public sector.

The author holds a PhD in social policy and is instructor at the Nazarbayev University Graduate School of Public Policy and co-author of the OECD Kazakhstan Review of Central Administration.

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Vice-Minister of National Economy of Kazakhstan Madina Abylkassymova stated at the launch of the review that OECD's recommendations would be beneficial for implementation as the country was aiming to strengthen its national competitiveness and foster inclusive growth.

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examined the structure, functions and capabilities of Kazakhstan's central agencies and several line ministries, the following steps could help the country face the challenges ahead:

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NAZARBAYEV UNIVERSITY ACADEMICS WIN GRANT TO LEAD PUBLIC POLICY WORKSHOPS IN KAZAKHSTAN

By SALTANAT JANENOVA and AIMAN TEMIROVA in *Astana Times* on 9 march



ASTANA – Academics from the Nazarbayev University Graduate School of Public Policy were involved in leading a three-day workshop in Astana in February in partnership with the Universities of Exeter and Edinburgh from the United Kingdom. Funding for The Learning in Governance and Innovations in Public Services workshop was secured through a grant from the Newton–Al-Farabi Partnership Programme, a new bilateral U.K.-Kazakhstan programme coordinated by Kazakhstan’s Science Fund and the British Council.

The forum was aimed at early-career researchers in political science, public policy, management and international relations both from the U.K. and Kazakhstan. It was led by a team of international

public policy scholars: Dr. Claire Dunlop and Prof. Claudio Radaelli from the University of Exeter, Dr. Tony Kinder from the University of Edinburgh and Prof. Neil Collins and Dr. Saltanat Janenova from Nazarbayev University. More than 56 researchers and practitioners, including 15 from the U.K. and 46 from Kazakhstan, participated in the symposium.

The workshop focused on two major streams: learning in governance and innovations in public services. The first stream explored regulatory governance and policymaking as a challenge of learning. Focusing on how, when and from whom policymakers learn is crucial for the effectiveness and legitimacy of all systems of governance. These questions help to highlight the shortfalls of

organisations that are often subject to regulatory reforms.

The second stream analysed the application of technologies and innovations in various public service areas, with a particular focus on social and health care, education and integrated services. Good practices from the international experience such as smart housing, e-government and e-learning technologies were explored through the participants' debates and reflections on how to improve services for vulnerable groups of the population.

The Newton–Al-Farabi Partnership Programme, jointly financed by the governments of the U.K. and Kazakhstan, aims to develop existing contacts and build strong, sustainable, systemic relationships in research and innovation. It works with government bodies, research organisations, universities and businesses to support Kazakhstan in achieving its development goals.

Simon Williams, Director of the British Council Kazakhstan, said, "The Newton–Al-Farabi Partnership Programme allows us to use the U.K.'s strength in research and innovation to promote the economic development and social welfare of Kazakhstan. I would like to offer my congratulations to the winners of the grant and I wish them all the

best for a successful workshop. I hope that this workshop is the start of a long and productive collaboration between the two partner institutions."

Yerkin Tazabekova, acting chair of the Science Fund, added, "Participation in large-scale research projects on strategically-important themes which encourage Kazakhstan researchers to integrate with the international scientific community was one of the main priorities set out by President Nursultan Nazarbayev in his annual address to the people of Kazakhstan."

The Nazarbayev University Graduate School of Public Policy, jointly with the U.K. partners, has produced a key findings document for their institutions' websites and professional blog sites as an example of international collaboration through partnership. The longer-term benefit of the workshop will be the institutional links that Nazarbayev University is developing with the Universities of Exeter and Edinburgh and the workshop participants.

Saltanat Janenova is the coordinator of the workshop and an instructor at the Nazarbayev University Graduate School of Public Policy. Aiman Temirova is a teaching assistant at the Nazarbayev University Graduate School of Public Policy.



By SALTANAT JANENOVA in Astana Times on 23 February

OECD SUPPORTS STRENGTHENING AGRICULTURAL COOPERATIVES IN KAZAKHSTAN

The OECD Eurasia Competitiveness Programme, launched in 2008, helps accelerate economic reforms and improve the business climate to achieve sustainable economic growth and employment in two regions: Central Asia and Eastern Europe and the South Caucasus. The Kazakhstan Regional Competitiveness Project aims to promote regional competitiveness and inclusive growth in Kazakhstan's regions. The project works with sub-national administrations and regional stakeholders to diversify sources of investment and increase private sector competitiveness through the design and implementation of reforms to improve the business climate.

As part of the Kazakhstan Regional Competitiveness Project, the OECD prepared a Policy Handbook for Strengthening Agricultural Cooperatives in Kazakhstan, which provides guidance for the government of Kazakhstan on the necessary reforms to strengthen agricultural cooperatives and thereby help small-scale producers overcome market failures and integrate into local supply chains. This policy handbook was presented and peer reviewed at the 2014 OECD Eurasia Competitiveness Round Table in November in Paris, a policy network that brings together high-level representatives and technical experts from Eurasian countries, OECD member countries and partner organisations. The Round Table meets annually and serves as a platform for peer review and knowledge sharing on the implementation of competitiveness reforms. Kazakhstan's delegation to Paris was led by Yerbol Orynbayev, assistant to the President of Kazakhstan, along with Alikhan Baimenov, chairman of the Steering Committee of the Regional Hub of Civil Service of Central Asia; and Arman Yevniyev, executive secretary of the Ministry of Agriculture.

In Astana, this handbook was presented on Dec. 10, 2014, to the Ministry of Agriculture, KazAgro, the Fund for Financial Support of

Agriculture, farmers' associations and other relevant stakeholders. During the round-table meeting, Minister of Agriculture Assylzhan Mamytbekov noted that all recommendations of the OECD coincide with the draft law on agricultural cooperation prepared by the Ministry of Agriculture, as well as a number of other changes in the legislation. The project was carried out with the financial support of the European Union and the government of Kazakhstan.

Kazakhstan has the second highest availability of arable land per capitain the world, with over 77 percent of its territory classified as agricultural land. Agriculture plays an important role in Kazakhstan's economy, society and political system. It accounted for 5 percent of gross domestic product (GDP) in 2013, and was the largest sector by far in terms of employment (24 percent). In spite of their important contribution to agricultural production, small farms in Kazakhstan face numerous structural size-related disadvantages that impede their ability to access supply chains, compete with large-scale agricultural enterprises and exploit their inherent productivity advantages. The main obstacles include deficiencies in basic rural infrastructure; limited access to agricultural education, research and development, and extension services; credit constraints; and a lack of mobility in the market for agricultural land.

Agricultural cooperatives can be an effective way to enhance the competitiveness of small-scale producers and improve the impact of policies targeting small-scale agriculture. Cooperatives are bottom-up organisations, created by farmers to overcome market failures and increase the welfare of members.

Agricultural cooperatives are underdeveloped in Kazakhstan, and many registered cooperatives are inactive or ineffective due to poorly designed policies to stimulate their establishment and growth. Cooperatives are often established solely to take

advantage of state subsidies and government support programmes, and do not provide real benefits to their members. Several challenges need to be addressed in the short term in order to facilitate the development of agricultural cooperatives in Kazakhstan.

First, there are weaknesses in the current policy environment. The current legal framework is unnecessarily complex, with five separate laws on cooperatives. In addition, tax policies can lead to double taxation of cooperative members, creating disincentives to the formation of new cooperatives.

Second, farmers have limited confidence in cooperatives and little awareness of their potential benefits. Kazakhstan's Soviet legacy means farmers automatically associate the term "cooperative" with a production cooperative, a remnant of the former collective farm system. They do not understand the concept of cooperatives in the context of a market economy. Their experience with collective agriculture during the Soviet period means they have little confidence in the potential benefits of cooperation.

Third, there is a lack of targeted financial support for agricultural cooperatives in Kazakhstan. Cooperatives require substantial investment during the early stages of development, as well as financing for short-term working capital and long-term investment needs. Currently the main focus of government policy for agricultural cooperatives is top-down financial support, which is primarily provided through subsidies and concessional loans to cooperatives. These policies have been largely ineffective in stimulating the formation of a functioning cooperative movement.

Long-term challenges will also need to be tackled to ensure the sustainability of agricultural cooperatives in Kazakhstan. For instance, there are significant skills shortages in rural Kazakhstan, particularly in the agricultural sector. This is partly driven by low agricultural wages, which makes it difficult for cooperatives to find skilled employees and

managers. There are no targeted educational programmes to train cooperative members in operational issues and support cooperative managers in areas relating to governance. Furthermore, input suppliers, processing facilities and retailers have little interest in selling inputs to or purchasing outputs from smallholders. In Kazakhstan, there are no policies or programmes in place to encourage these large players to work with cooperatives. Additionally, there is a lack of proactive behaviour towards small-scale farmers, such as forward contracting, renting transport equipment and supplying households and small-scale individual farms with technical and financial assistance.

In order to strengthen agricultural cooperatives in Kazakhstan in the short term, the OECD has recommended that the government of Kazakhstan take the following actions, based on international experience: reform the policy environment, create awareness and trust, and provide targeted financial support.

To reform the policy environment, the OECD recommends reforming the legal framework for cooperatives and simplifying registration procedures, as well as reforming the tax code and reducing the tax burden for cooperatives. To create awareness and trust, the recommendation is to educate small farmers in rural areas on the benefits of cooperatives and provide information services and technical assistance to those setting up cooperatives. Finally, targeted financial support can be provided by developing targeted financing instruments for cooperatives and encouraging greater private sector participation in cooperative financing.

The OECD Policy Handbook on Strengthening Agricultural Cooperatives will be published by the OECD press in early 2015.

The author is a policy consultant and an instructor at the Graduate School of Public Policy of Nazarbayev University.

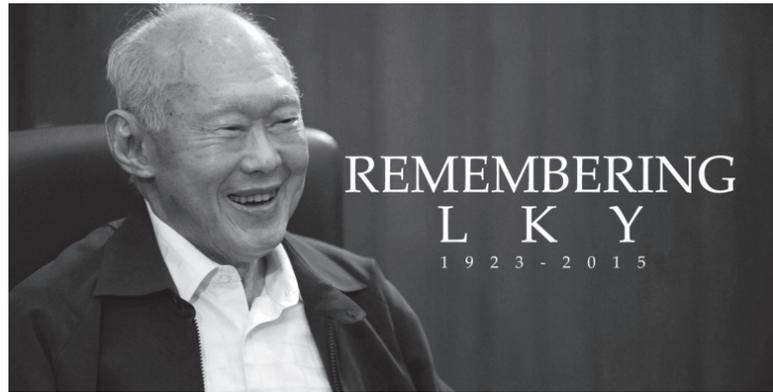
CONDOLENCES

OUR SINCERE CONDOLENCES ON THE DEATH OF LEE KUAN YEW

In March 2015 Singapore's Founding Father Lee Kuan Yew passed away. He was a great leader who was fundamental to Singapore's development and success.

Our partner, The Lee Kuan Yew School of Public Policy is the first institution to be named after him – and this was his personal wish. Mr Lee also strongly supported the School personally.

NU GSPP expresses sincere condolences on the death of Mr. Lee Kuan Yew to our partners and friends in Singapore.



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