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Kazakhstan: Will Conservative Modernization Succeed?

Democracy and the rule of law play an important role in the OSCE, at least in official documents. In practice, however, the Organization has long accepted that there will be no democratization or rule of law in a number of participating States – at least not in the short to medium term. Nonetheless, from time to time calls for democratic change are still made to take advantage of “windows of opportunity”. The rarity of such occurrences, one recent example being Kazakhstan’s bid for the OSCE Chairmanship, demonstrates how the balance of power has shifted between the democratic and authoritarian states in the OSCE.

While, by signing the Charter of Paris, the Central Asian states professed that democracy is the only legitimate system of government, at that time no one could have foreseen the domestic effects that democratization and privatization would bring with them. Furthermore, there were fundamental differences between the early 1990s and today in terms of both the domestic and foreign policy situation. As regards the latter, the states of Central Asia were at that time significantly more dependent on the West than they are at present, both economically and on an ideological and symbolic level. In economic terms, they required development assistance and foreign direct investment. Most of the states had compensated for the sudden disappearance of the Soviet model of modernization as an ideological resource by turning to the tripartite Western model of democracy, the market economy, and civil society. Finally, the new states also needed the symbolism of foreign recognition to strengthen their domestic position. All these factors provided the Western states with sources of power to influence the domestic affairs of the Central Asian countries – sources that have now largely run dry. Not only are many of the states financially independent, but they have created their own symbolic orders in which democracy no longer plays a major role. While the Western states certainly remain economically important for Central Asia, a range of alternative partners has emerged, including China and Iran, who offer not even the slightest incentives for democratization.

Against this background, one likely direction of change for many states in the medium or even longer term will not be democratization but rather conservative modernization. While this strategy does pursue fundamental economic and political reforms, it does not follow the path of democratization; the reforms rather serve to perpetuate authoritarian rule. What pitfalls and prospects for success can be observed in the case of Kazakhstan?

Conservative Modernization

Particularly in European schools of thought, democracy is considered one of the core components of modernity. Several decades ago, it was assumed that colonial and post-colonial states would converge on the European model of statehood, i.e. that their modernization would follow the European model, and that the result would be the creation of democratic states. This assumption became influential again in the 1990s with regard to the post-Soviet states. More recent discussions of non-European modernity tend to stress the variety of modernization processes without making claims about their results: Instead of the spread of European modernity, “multiple modernities” will co-exist.¹

Conservative modernization thus defies the – European – interlinkage of modernity and democracy. It is quite capable of aiming for comprehensive structural reforms, such as industrialization oriented towards world markets. Yet it has no intention of abandoning authoritarian rule. While Europe is considered to provide the template for the unity of modernity and democracy, it is to precisely the same continent that conservative modernization nonetheless looks for both its practical and its ideological origins. In Germany, in particular, modernization was initially restricted to the economic sphere. Calls for democracy were warded off. The German ideological construct of conservative modernization was later taken on by Japan and “migrated”, so to speak, to South Korea, Singapore, and ultimately Kazakhstan.²

In Europe and Asia, conservative modernization initially meant the introduction or acceleration of a capitalist economic model by way of industrialization. In Europe, industrialization was driven by the bourgeoisie, who, under conditions of increasing differentiation of the political and economic spheres, developed a strong interest in a predictable state. Patrimonial forms of government that had existed up to that point were increasingly subject to rationalization, and “modern” bureaucracies developed. A key stage in Germany and France was the age of absolutism, during which the power of the nobility was broken and replaced by that of the new, legally trained “state nobility”.³ The structural foundations for the rule of law were thus laid in Europe during the age of absolutism.

The modernization process in the developing states of Asia differed from the European model above all in that the key driver of industrialization was not the bourgeoisie but the state itself. Nonetheless, the result in Asia was also the emergence of a class of industrialists with an interest in rational governance. In Japan and South Korea, the professionalization of the state

1 Cf. Shmuel Noah Eisenstadt, *Multiple Modernities*, in: *Daedalus* 1/2000, pp. 1-29.

2 Cf. Mark R. Thompson, *Whatever happened to “Asian Values”?* In: *Journal of Democracy* 4/2001, pp. 154-165, here: p. 158.

3 Pierre Bourdieu, *Rethinking the State: Genesis and Structure of the Bureaucratic Field*, in: *Sociological Theory* 1/1997, pp. 1-18, especially pp. 9-18.

was able to build on a centuries-old bureaucratic tradition and a civil service to which attached a high degree of prestige.⁴

Viewed historically, therefore, there is no absolute contradiction between authoritarian governance, on the one hand, and economic modernization and the development of the *Rechtsstaat*, on the other. The latter pair may lead to democratization at a later date (e.g. Germany, Japan, South Korea), but need not (e.g. Singapore). The relationship between patrimonial rule and economic modernization is more problematic. Patrimonialism is typically characterized by a strong personalized monopoly of power at the apex of the state, the dominance of client/patron groups both in the state and in the economy, and corruption. The boundaries between the private and public, economic and political, and political and administrative spheres are fuzzy. Under such conditions, a free market economy cannot develop, only a kind of patrimonial capitalism dominated by the state. The compatibility of patrimonialism and economic modernization has frequently been denied in the literature. However, this overlooks two factors: First, it was patrimonial rulers who carried out – with the support of the bourgeoisie – the rationalization of the state in Europe. Second, the case of Kazakhstan indicates that patrimonial rule and attempts at fundamental economic modernization are not incompatible, even in the absence of a bourgeoisie. The following section gives an overview of structures of state authority that pose a problem for the modernization project in Kazakhstan. This is followed by an analysis of the reform project itself.

State Authority in Kazakhstan

The state in Kazakhstan is “typical” of the southern periphery of the former Soviet Union inasmuch as it can be considered a patrimonial-bureaucratic state.⁵ The patrimonial elements are evident in the president’s comprehensive monopoly of power. At the same time, the bureaucratic element is also strong and one may speak of an extensive “etatization” of society. The bureaucracy itself, however, is pervaded by patrimonialism, as is made clear by the existence of client/patron groups within it and the widespread practice of “informal appropriation” by agents of the state. Further underlining Kazakhstan’s status as a patrimonial-bureaucratic state, the levers of social power are concentrated within the state rather than outside it. This is evident at the formal

4 Cf. Peter B. Evans, *Embedded Autonomy. States and Industrial Transformation*, Princeton 1995, pp. 47-60.

5 For details of the patrimonial-bureaucratic state, see: Max Weber, *Economy and Society*, Berkeley 1978, pp. 226-241 and 1006-1069; Aleksandr Fisun Postsovetskie neopatrimonial’nye rezhimy: genesis, osobennosti, tipologiya [Post-Soviet Neopatrimonial Regimes: Genesis, Development, Typology], in: *Otechestvennye Zapiski* 6/2007, pp. 8-28; Stephan Hensell, *Die Willkür des Staates. Herrschaft und Verwaltung in Osteuropa* [The Arbitrariness of the State. Government and Administration in Eastern Europe], Wiesbaden 2009, pp. 122-124.

level in the concentration of economic capital in the state. Informally, it is shown by the powerful position of the oligarchs within the state.

Although conditions have changed in the post-Soviet period, the parallels between the Soviet era and contemporary Kazakhstan are easy to spot: the concentration of power in the state, client/patron groups, and the omnipotence of the “supreme leader”. Patrimonial-bureaucratic authority developed on the Kazakh steppe during the socialist state-building project. The preconditions for patrimonial authority, too, were only established in this period: Soviet industrialization created new monopolizable resources; the sedentarization of the nomads created a society of subjects that could be put to work for the socialist project, but also created expectations among the population with regard to the state. The collapse of the Soviet Union not only led to Kazakhstan’s independence, but also caused serious disruptions to the architecture of state power: Privatization and democratization led to the creation of economic centres of power outside state control for the first time and to a deep interpenetration of politics and economics, which have remained tightly entangled to this day. The implications of these dynamics have often been underestimated: This was a major decentralization of political power. The recipients of this transfer of power had little interest in democracy and the common good. The dominant logic of their actions was rather the principle of informal accumulation, something that began to develop already in Soviet times.

Nursultan Nazarbayev’s strategy for consolidating power lay in the re-acquisition of power through reauthoritarianization and patrimonialization. Both phenomena are generally viewed negatively. Nonetheless, their function is ambivalent: They secured Nazarbayev’s authority, the ability of the state to act, and thereby created the conditions that enabled subsequent modernization processes. At the same time, however, this shored up political structures that already stood in the way of reform in the Soviet period and now threaten the goal of economic modernization.

While post-Soviet Kazakhstan, with its capitalist forms of economic activity and comparatively free society, could not be mistaken for the same country in the Soviet period, nonetheless, patrimonial-bureaucratic authority has not led to the development of a free market economy, but to patrimonial capitalism. Nowhere is the market free of political influence, not even in democracies. Patrimonial-bureaucratic states, however, have a specific influence on economic matters. Patrimonial capitalism can emerge when two conditions are fulfilled: a high degree of centralized state control of the economy and the preponderance of informal forms of interaction between state and business over formal rules.⁶ Both factors are present in Kazakhstan: *Samruk-Kazyna* accounts for over 50 per cent of Kazakhstan’s GDP (2010) and pos-

6 Cf. Oliver Schlumberger, Structural reform, economic order, and development: Patrimonial capitalism, in: *Review of International Political Economy* 4/2008, pp. 622-649, particularly pp. 633-636.

sesses holdings in a number of banks.⁷ In addition, high-level politicians control large portions of the economy, which has granted them considerable power to shape the economic landscape via the rapid concentration of political and economic power.⁸ That is significant if one bears in mind that the way prices are negotiated and contracts concluded and enforced depend heavily on the resources available to the contracting parties. When formal institutions are weak, a “normal” businessperson can do little to resist the power of an oligarch and their clients. The second factor that facilitates the emergence of patrimonial capitalism is already tied up with this: Kazakhstan is a country where the relationship between the state and the economy is strongly influenced by informal norms. There are several areas where the dominance of practices that are formally prohibited in law can be observed. As already mentioned, civil servants frequently do not restrict their activities to the state sector, but rather, despite this being forbidden, keep one foot in the public sector and one in the private.⁹ Organs of the state, such as the financial police, which should in fact be combating informality, are suspected of abusing their powers of office for purposes of personal enrichment.¹⁰ Other state institutions are influenced by patrimonial logics: The courts are not independent, and patrimonial-bureaucratic rule makes it almost impossible for the monopolies commission to perform its work effectively.¹¹

A further feature of Kazakhstan that has a major influence on the political and social order is the rentier economy. The bulk of public revenue in Kazakhstan is generated from the export of resources.¹² Rentier states are relatively free from the need for popular taxation, which they can effectively bypass to generate financial resources. The relationship between state and society is thus altogether different from that which prevails in tax states. The inflow of rents is certainly a vital component of Nazarbayev’s authority. The effective monopolization and subsequent redistribution of economic capital has a powerful stabilizing effect. Recent research into rentier states has made clear, however, that simplistic conclusions that see export rents as either a

7 Cf. International Monetary Fund, *Republic of Kazakhstan: 2011 Article IV Consultation – Staff Report; Supplement; and Public Information Notice*, IMF Country Report No. 11/150, Washington, D.C., 2011, p. 18, at: <http://www.imf.org/external/pubs/ft/scr/2011/cr11150.pdf>.

8 Cf. Heidi Kjærnet/Dosym Satpaev/Stina Torjesen, Big Business and High-level Politics in Kazakhstan: An Everlasting Symbiosis? In: *China and Eurasia Forum Quarterly* 1/2008, pp. 95-107.

9 Cf. e.g. Zautbeg Turisbekov et al., *Administrativnye bar'ery kak istochnik korrupcionnykh pravonarushenij v sfere gossluzhby* [Administrative barriers as a source of corruption in the state administration], Almaty 2007, at: <http://www.sange.kz>.

10 This fact has been officially acknowledged, as shown in the establishment by the president of an initiative to protect businesses from administrative abuse.

11 For further details of the judiciary in Kazakhstan, see e.g. OSCE Office for Democratic Institutions and Human Rights/OSCE Centre in Astana, *Results of Trial Monitoring in the Republic of Kazakhstan 2005-2006*, s.l. 2006, available at: <http://www.osce.org/astana/24153>.

12 Cf. International Monetary Fund, *Republic of Kazakhstan: 2011 Article IV Consultation*, cited above (Note 7).

curse or a blessing are not accurate.¹³ The curse can arise if the influx of rent leads to a rentier mentality among the elite, which then concentrates exclusively on the appropriation of rent, at the expense of modernization processes. Authoritarianism, repression, corruption, and patronage through welfare payments thus appear to be inescapable. The blessing can consist in the state's possession of the means to ensure political stability and provide it – theoretically at least – with opportunities to carry out structural economic and political reforms. Older studies of rentier economies concluded that the dominance of rents leads to authoritarianism, clientelism, and corruption, in other words – in the language of the World Bank – to bad governance. In the case of Kazakhstan, however, this direct causal connection should be considered as nothing more than a hypothesis. For one thing, the post-Soviet state is in many regards a replica of the Soviet state, and the phenomena were already present before the start of the oil boom. Furthermore, the effects of rents depend on the political institutions. These, however, can, in principle, be changed. In the research into rentier states, democratization is often invoked as a means of reducing the negative political and economic consequences of rentier economies. This is justified with reference to Norway, whose rentier economy has not suffered negative consequences. The comparison with Norway, however, is problematic, as it differs from Central Asia in many ways: historically, socially, and politically. Moreover, Central Asia is unlikely to undergo democratization in the short term.

It seems more realistic to expect the transformation of the rentier economy to take the form of conservative modernization, with, in the first instance, structural economic reforms reducing dependency on oil, and, second, the necessary political institutions being created. However, there is tension between the structural features, as described above, and the plans for modernization. In the following two sections, I argue that Kazakhstan is in fact pursuing a project of conservative modernization, yet needs to deal with the contradictions of patrimonial-bureaucratic authority.

Economic Reforms

Rentier economies are problematic in two regards: The first danger is the overall deterioration in the economic situation as a result of the one-sided reliance on the export of resources. The second is that the rentier economy generates few incentives for structural reform. The elite is far more concerned with avoiding losing its monopoly on access to economic rents. And there is a serious danger that the income from rents will not be invested in structural reforms for the post-oil period.

13 Cf. Andreas Heinrich, Introduction: Political Challenges of a Resource Boom, in: Andreas Heinrich/Heiko Pleines (eds), *Challenges of the Caspian Resource Boom. Domestic Elites and Policy-making*, Houndmills 2012, pp. 1-22.

Kazakhstan is often accused of undertaking cosmetic reforms to suggest a willingness to reform to both the population of Kazakhstan and to the international community. This view is partially justified when it comes to political reforms, where promises to strengthen democracy have been made, but the results have been the opposite. Can the same thing be said of economic modernization? Are reforms being faked so that the elite do not lose their exclusive control of resources? Initially, the sheer number of reform plans that have been adopted since 1990 and then discarded with no significant results suggests that this suspicion is well founded. These include the “Strategy for Rapid Development” from 1991, the “Programme for Innovative Development” from 2001, the “Strategy for Industrial and Innovative Development 2003-2015” from 2003, and the strategic target, set in 2006, of making Kazakhstan one of the world’s 50 most competitive states. All these strategies remained largely unrealized and were later superseded.

However, only limited conclusions regarding the ability and willingness to undertake reforms in the future can be drawn from this. The 1990s were characterized, above all, by the consolidation of state power, while the 2000s saw the technocratic preconditions established that provide the basis for the developmental-state model. The first attempts at industrialization were undertaken in the mid 2000s, but these were choked off by the 2008 financial crisis. During the 2010s, however, a move towards industrialization and economic diversification in order to reduce the significance of the rentier economy is perceptible. At the same time, these reforms serve to maintain patrimonial power, i.e. to support the accumulation of political and economic power at the apex of the state.

The 1990s in Kazakhstan were characterized by the influence of the Bretton Woods institutions and a politico-economic ideology according to which restraint on the part of the state and the right structural reforms at the mesoeconomic level would lead to the development of a free market economy. This approach was made explicit in Kazakhstan’s 2030 development strategy,¹⁴ which still postulated decentralization and the primacy of the market. Towards the end of the 1990s, these neoliberal views were increasingly discredited. With the start of the oil boom and the repayment of the country’s debts to the IMF, Kazakhstan was able to enjoy a degree of economic and ideological independence from the West. In 2000, Kazakhstan took up the developmental state model, borrowed from the Asian tiger economies.¹⁵ According to this model, the role of the motor of economic development is assumed less by the society than by the state. In the decade that followed, eco-

14 Cf. *The Strategy for development of the Republic of Kazakhstan until the year 2030*, at: http://www.akorda.kz/en/category/gos_programmi_razvitiya.

15 Cf. Ukaz Prezidenta Respubliki Kazakhstan ot 04.12.2001 N 735, *O dal'nejshikh merakh po realizatsii strategii razvitiya Kazakhstana do 2030 goda*, [Decree of the President of the Republic of Kazakhstan of 4 December 2001 No. 735, On Further Measures to Implement the Development Strategy of Kazakhstan until 2030], available at: <http://www.pavlodar.com/zakon/?dok=01434&all=all>.

conomic resources were monopolized within the state and certain structures associated with the developmental state model were created. In economic terms, the key was the creation of the state holding company, *Samruk-Kazyna*, which is directly controlled by the president and, with holdings in over 400 enterprises, accounts for more than 50 per cent of Kazakh GDP.

The current modernization plan is contained in the “State Program of accelerated industrial and innovative development”,¹⁶ which was drawn up in 2010. This strategy pursues the goal of industrializing the country in a kind of “big push” and developing innovative products to generate competitiveness in world markets, thereby reducing dependency on the export of resources. The most important instrument for planning and monitoring is the “Map of Industrialization for 2010-2014”, which includes a breakdown of all subsidiary plans. These include major infrastructure projects, the development of industrial complexes, some in the form of international joint ventures, and the creation of special economic areas and technology parks.

The key actors are the Ministry for Industry and New Technologies, on the government side, and *Samruk-Kazyna*, as the key implementing agency. In contrast to previous modernization plans, supreme oversight in the strategy for 2014 is the direct responsibility of the presidential administration, to which the ministry is required to give regular progress reports. These reports are published, and a website has been set up to provide a real-time overview of current and concluded projects from the 2014 roadmap.¹⁷

In order to evaluate the strategy, it is necessary at present to rely on data provided by the government. As of 1 June 2013, the roadmap included 779 individual projects, all of which are to be concluded by 2015. According to the roadmap, billions of US dollars have already flowed into industrialization. Within the scope of 537 projects started, 57,000 permanent jobs have been created. The question thus arises: To what extent has the programme already achieved a structural transformation of the national economy? According to the state Economic Research Institute, new products accounted for eight per cent of total industrial production in 2012. For purposes of economic diversification, Kazakhstan’s manufacturing sector is to produce 265 new products. According to government figures, 142 of these products are already being manufactured.¹⁸

A number of critics have questioned the successes claimed by the state, saying that these industrialization plans are also nothing but hot air. The critics’ key argument is that, in the last ten years, oil exports have not fallen as a proportion of GDP compared to the manufacturing sector, but have in fact

16 Cf. *2010-2014 State Program of accelerated industrial and innovative development of the Republic of Kazakhstan and cancellation of certain decrees of the President of the Republic of Kazakhstan*, Decree of the President of the Republic of Kazakhstan dated March 19, 2010 No. 958, at: <http://invest.gov.kz/upload/docs/en/f732a5d9895a1bf78512de1ea3457668.pdf>.

17 The website is here: <http://ip.economy.kz>.

18 The figures provided by the Ministry of Industry and New Technology are available at: <http://www.mint.gov.kz/index.php?id=444>.

risen. Kazakhstan's high GDP, the successes in combating poverty, and the rising standards of living of the population are – at least for the time being – not consequences of industrialization but rather down to the rentier economy.¹⁹ The view of the critics is, however, too narrow. Assuming that the official figures regarding the implementation of the plan so far are not entirely false, the achievements are considerable and demonstrate the state's ability to act effectively. Nevertheless, the current figures do not provide evidence of successful industrialization. After all, it took the Asian tigers 30 years to industrialize, and Europe needed over a century. While these economies also experienced sudden "big pushes" that overturned existing economic structures in a short period of time, these occurred under entirely different conditions than prevail in Kazakhstan. In order to give a prognosis, therefore, it is necessary to pay more attention to structural obstacles.

On the one hand, practical economic problems have an effect on long-term development. How innovative are the "new products" really, and can they compete on world markets? Does the country have a long-term supply of the well-trained specialists and managers necessary for the success of the strategy of innovation? Particularly outside the major urban centres, Kazakhstan's educational institutes do not always have the reputation of ensuring a level of training that would support competitiveness.

A problem that is at least equally large concerns Kazakhstan's political structures. The essence of conservative modernization is, after all, carrying out partial modernizations. This leaves the configuration of power in the society largely unchanged. As a consequence, the modernization strategy needs to negotiate with the structures and practices of Kazakhstan's patrimonial-bureaucratic state. This could also be the strategy's downfall, if the latter are not reformed in the medium term. Initial empirical indications of a conflict between the political structure and the economic reforms are provided by reports of "Potemkin villages", i.e. factories that were only built to create an appearance, but either never entered production or opened and then quickly ceased production. Examples include a chocolate factory that, despite claims to the contrary, does not produce any chocolate itself, but rather imports chocolate from China for relabeling.

Major projects can fail wherever in the world they are undertaken, and this can have various causes. In the case of Kazakhstan, however, chaos and bad planning are not sufficient explanations; the background is more complex: The patrimonial-bureaucratic state, by co-opting a broad section of the elite, has stabilized Nazarbayev's rule, thereby enhancing the state's ability to act effectively. The concentration of societal power in the state is shown by the fact that Kazakhstan's oligarchs find themselves within state structures

19 Cf. Nigmat Ramazanov, *Innovatsionyi proval* [Innovative Failure], in: *Delovaya Nedelya*, 8 May 2013, at: http://www.dn.kz/index.php?option=com_content&view=article&id=1179:2013-05-08-16-26-51&catid=4:2011-10-23-11-44-29&Itemid=5; Grigory Garanin, *Industrialnye Peripetii* [Industrial Vicissitudes], in: *Vremya*, 6 June 2013, at: <http://www.time.kz/articles/zloba/2013/06/06/industrialnie-peripetii>.

and not outside them, as is the case in Ukraine, for example. However, the problem with this is that there is no group of industrialists that is at least partially autonomous of the state, as this means that there is no one apart from the state to drive industrialization, as was the case in the Asian tiger economies. Although the government has announced that the bulk of industrialization projects will take the form of public-private partnerships, to the extent that “national companies” are involved, and given the nature of patrimonial capitalism, it cannot be ruled out that they are ultimately backed by state actors. This does not necessarily mean that all such endeavours are doomed to failure. In any case, it has certainly been demonstrated that members of the “state class” under patrimonial capitalism pay far less attention to the profitability of their investments than investors that are independent of the state. This is particularly true when informal institutions such as corruption dominate the life of society. Directly skimming off state subsidies can prove more attractive than investing them in factories that offer only a prospect of profitability ten years down the line.

Whether the current level of investment in the billion range will pay off in the long run depends, therefore, also on the extent to which the fields of politics and economic activity become differentiated and a class of industrialists emerges that is at least partly autonomous and has an interest in the profitability of their investments and in a reliable state. The patrimonial-bureaucratic state in Kazakhstan has one advantage over the kind of oligarchic patrimonialism that exists in Ukraine: The latter’s non-state oligarchs have no need to seek legitimacy. When oligarchs are positioned within the state, as in the case of Kazakhstan, they are more dependent on the state’s appearing legitimate in the eyes of the population. It can also be argued that a powerful pressure for modernization emanates from President Nazarbayev himself. The special difficulty with this, however, is that his modernization project runs against the interests of a part of his own state. The success of the strategy thus depends on the extent to which further modernization of the state proves possible, which is the subject of the following section.

Political Reforms

Political reforms are a further aspect of Kazakhstan’s conservative modernization, and they are by no means cosmetic or irrelevant. Rather they can be considered as an attempt to rationalize the state. In this case, rationalization means the suppression of patrimonial elements, particularly in the civil service, but also in the political sphere, at the level below the president.²⁰ In concrete terms, the rationalization of the state means selecting civil servants on the basis of technical qualifications; separating politics and administration, state and economy; and an effective prohibition on corruption. Historically,

20 For details of Max Weber’s theory of rationalization cf. Weber, cited above (Note 5).

the process of rationalization usually took place in Europe and Asia during periods of authoritarian rule. In most cases, the rulers were motivated by the desire to maintain or enhance their power. By supporting their rule with a new, rational state elite, they were able to further stabilize their position. In patrimonial states, the members of the administrative cadre are constantly looking for opportunities to increase their power, which can become dangerous for the president. In rationalized administrations, this problem is less critical. The process of reform in Kazakhstan also reveals this aspect of political power wrangling.

However, in Kazakhstan, state rationalization is also explicitly linked to the adapted developmental-state model.²¹ The success of the Asian tigers is said to rest decisively on a rational administration that is able to conceive of and implement effective political programmes. In contrast to Kazakhstan, the bureaucracies of Japan and South Korea had traditions going back centuries and were held in high regard. The reformers of the state administrations in those countries were thus able to build on a solid foundation that was less patrimonial than was the case in the post-Soviet space. The situation in Kazakhstan is different. A formal state administration was only established in the course of Tsarist and Soviet state formation. The patrimonial elements of the bureaucracy grew particularly in strength during the 1980s, and the post-independence period, in particular. The attractiveness of a career in the service of the state in the 1990s was less as a result of a desire for the meritocratic recognition of being a civil servant and the promise of a decent salary than out of the logic of nepotism and corruption. The prestige of the civil service, which had already been low in the Soviet Union, sank further in the eyes of the population.

Serious attempts at reform can be said to have begun in 1999, with the founding of the Agency for Civil Service Affairs, which played an important – though not exclusive – role in reform.²² The strategy that was applied had three core components, none of which has been fully implemented to this day: 1) the separation of politics and administration, 2) rationalization of the administration, and 3) the transfer of power from the political to the administrative level.²³

The first two components require the formal separation of administrative civil servants and political civil servants, a formalized recruitment process, and the introduction of appointment through examination for administrative civil servants. Although wages have risen steadily in recent years, they can apparently still not compete with the informal opportunities to earn that

21 Cf. *The strategic plan for development of the Republic of Kazakhstan until the year 2020*, at: http://www.akorda.kz/en/category/gos_programmi_razvitiya.

22 Cf. Saule Emrich-Bakenova, Trajectory of Civil Service Development in Kazakhstan: Nexus of Politics and Administration, in: *Governance. An International Journal of Policy, Administration, and Institutions* 4/2009, pp. 717-745.

23 Cf. Sebastian Schiek, *Widersprüchliche Staatsbildung. Kasachstans konservative Modernisierung* [Contradictory State Building. Kazakhstan's Conservative Modernization], Baden-Baden 2014, pp. 192-218.

civil servants have. Efforts to combat corruption have picked up pace since 2008. Since then, there have been regular convictions, including of high-level political civil servants.²⁴ Given the “endemic” nature of corruption at all levels of the state, however, these convictions are largely window dressing, though they did at least lead to a widespread fear of criminal prosecution among civil servants. One structural attempt at combating corruption was the establishment of “administrative service centres”. Alongside the improvement of service quality for the population, this initiative also aimed to remove direct contact between civil servants and citizens, i.e. the point of contact at which bribes can be paid. A clearer dividing line between politics and the bureaucracy is also the aim of a ban on staff rotation: Political civil servants who are posted elsewhere are no longer allowed to take their staff with them.

Each of these reforms has been accompanied by attempts at evasion, watering down, and resistance on the part of the civil servants. This allows us to conclude that a power struggle is taking place in which reformers seek to remove the patrimonial rights of civil servants, while those who are deprived of such rights seek to reacquire them. Although examinations for administrative civil servants have been introduced, and a complex technical procedure established to prevent corruption, nonetheless, according to Alikhan Baimenov, chairman of the Agency for Civil Service Affairs, the answers can now be bought. The service centres are another case in point. On the one hand, they can be considered a success. Yet now passports are once more only issued by the relevant ministry and no longer by the employees of the centres – contradicting the original intention. Attempts to restrict nepotistic recruitment have not been successful. Despite the institution of a formalized procedure, lucrative administrative staff positions, in particular, are still handed out according to nepotistic principles. When Baimenov, who had founded the Agency for Civil Service Affairs, was reappointed to its head in 2011, he made a point of drawing attention to this problem.²⁵ Whether he will succeed in further improving and advancing the framework of rational administration, which certainly has its benefits, only time will tell.

The most recent reform step covers the third aspect of administrative reform: the transfer of power from the political to the administrative level. This began in 2008, when President Nazarbayev called for a new career model for administrative civil servants, whereby a select number of positions in the state service would no longer be filled by political civil servants but by professional administrators. A plan drawn up in the same year initially vanished

24 This has been reported by Radio Free Europe, see e.g. Radio Free Europe/Radio Liberty, *New Wave Of Arrests Reported In Kazakhstan*, 3 June 2009, at: http://www.rferl.org/content/New_Wave_Of_Arrests_Reported_In_Kazakhstan/1746134.html.

25 Cf. V RK prodayut rezultati testov dlya gossluzhashchikh [In the Republic of Kazakhstan, Exam Answers can be Bought by Civil Servants], in: *Respublika. Informatsionno analiticheskii portal*, 10 August 2011, available at: <http://respublika-kz.info/news/doslovno/16736>.

in the cracks between the various state agencies. The project only picked up steam again in 2010, when Nazarbayev issued a decree ordering the introduction of the new model by 2012, and it has since been rolled-out.²⁶ To what extent this represents a genuine transfer of power will only become clear in the coming years.

Like industrialization, administrative reform, i.e. the transition from patrimonial to legal-rational forms of administration, requires decades. In Kazakhstan in recent years, the foundation has been laid for a rational administration. Whether this foundation can be built upon in the years to come, and whether patrimonial modes of behaviour, which contradict the logic of rational administration, disappear, will depend on Nazarbayev's successors and their reform-oriented colleagues.

Conclusions

Kazakhstan's project of conservative modernization is often either overlooked or, with reference to the currently prevailing patrimonialism and rentier economy, not taken seriously. The patrimonial-bureaucratic regimes in Kazakhstan and most of the other Central Asian countries are not primarily the product of elites that are opposed to modernization, but can only be understood in their historical context. From this perspective, it becomes evident that Kazakhstan is still in a process of state formation. Patrimonialism has an ambivalent function in this. It not only represents a hurdle to modernization but also has a stabilizing effect.

Both the economic reforms and the reforms of the state appear to go beyond the cosmetic in terms of both intention and practice. The struggle between proponents and opponents of modernization in the reform of the civil service shows particularly clearly that the reforms are genuine. Long-term success depends on many factors. Foremost among these are the impetus for reform of future presidents, and, above all, the extent to which groups within and outside the state develop an enduring interest in reform and are able to win out against the dominant rentier-state faction within the state.

26 Cf. V Kazakhstane sformirovan novyi klass gossluzhashchikh [In Kazakhstan, a New Class of Civil Servants Has Been Created], *Nur.kz*, 25 June 2013, at: <http://news.nur.kz/269455.html>.