



Privatization and Kazakhstan's Emerging Higher Education System

Since the introduction of neoliberal reforms, government spending on higher education has decreased dramatically.

By [Nazgul Bayetova and Douglas Robertson](#)

August 11, 2019

The Republic of Kazakhstan is one of the Central Asian countries of the former Soviet Union. It is the ninth-largest country in the world in physical size with a population of over 17 million people and significant oil, iron ore, coal, copper and gas reserves. In the early 1990s, the Supreme Court of the Kazakh Social Soviet Republic declared the transition of a planned economy to a market economy. Kazakhstan's market system has impacted its emerging higher education system significantly as a result of less government spending and the creation of private universities.

No countries in the world have embraced neoliberalism as enthusiastically as the post-Soviet countries. The scope and speed of the adaptation of neoliberal policies in post-communist states were incomparable. In the former Soviet Union, the power elites created wealth for themselves in a centrally controlled, communist system. However, with the breakup of the Soviet Union, it appears that in a market economy the power elites in Russia and the new republics could both preserve their power and create substantially more wealth for themselves.

Privatization

In most modern capitalist states, successful privatization took place over several decades while post-Soviet countries implemented privatization policies in less than a decade. Kazakhstan was promptly recognized as a market economy by both the European Union and the U.S. Department of Commerce. However, key elements attributed to free markets such as competition and individualism without government involvement are under constant threat.

Post-Soviet states transferred thousands of state-owned enterprises into private hands. Higher education institutions were no exception. The privatization of higher education institutions in Kazakhstan began with the passage of the Law on Higher Education in 1993. In this environment, dozens of private institutions have emerged. Before independence, only 55 public universities operated in Kazakhstan. The total number of universities has increased to 124 because of the dramatic increase in private universities.^[1]

The creation and reorganization of private universities has been carried out by founders, official entities and individuals. The right to conduct academic activities at higher educational institutions begins when the institutions are issued licenses by the Kazakh government. The financial resources of private universities come from their founders, institutional funds and student fees. Tuition is higher at private universities than at public universities. Faculty members earn significantly more than at public universities.

Kazakhstan's economic policy agenda currently prioritizes the development of research capacity at universities to support the nation's ability to transition from a resource-based economy to a global knowledge economy. However, faculty members at private universities experience fewer opportunities to conduct quality research due to the shortage of well-equipped laboratories at private universities.

During the early 2000s, the Kazakh government began the privatization of public universities throughout the country. This second phase of privatization of state universities led to the creation of joint stock companies. In this scheme

the government shares the ownership of a university with other stakeholders. Joint stock companies have the legal status of privately owned universities and although still subject to government regulation, they enjoy greater autonomy in decision making and financial management and more flexibility in terms of governance. Any private company or individual can buy the shares of corporate universities. Joint stock companies have exceptionally strong links with businesses and industry. Business leaders sit on the university's advisory board. The advisory board influences course content and design and tends to tailor both to industry needs.

New Funding Models

Since the introduction of neoliberal reforms, government spending on higher education has decreased dramatically. Study at public universities in the U.S.S.R. was free, but after the transition to a market economy, universities started to charge tuition. To increase competition among public and private universities, the government introduced a new model of funding. State-funded educational grants and loans are provided directly to students, not universities. As a result, universities in Kazakhstan compete on a national level to recruit more students with government money along with those who pay from private funds. Competition for students is a battle for income. Currently, public universities are winning this battle. Although the number of public universities is almost two times lower than the number of private universities, 52 percent of the enrollment attends public universities. This could be due to the negative reputation of private universities in the 1990s, when some were exposed for selling diplomas and grades to their students. It should be noted that Kazakh private universities are still in the early stages of development and have a very high potential for contributing to higher education in the country in the future.

The government has favored universities with research capacity by introducing financial support to graduate students. Nazarbayev University, a state-funded research university established by Nursultan Nazarbayev, the

president of the republic from 1991 to 2019, developed extensive research capacity by developing significant partnerships with American research universities including Duke University, the University of Pennsylvania, the University of Wisconsin Madison, the University of Pittsburg and international agencies such as the World Bank, the International Monetary Fund and the Central Asian Development Bank. To encourage the highest standards, the government granted NU special autonomous status and legal protection from external interference which means it is independent of bureaucratic governance and any restriction on academic freedom. NU has been the recipient of greatest amount of governmental funding every year since 2006. The result of recent reforms has been the concentration of government funding among a limited number of universities and has hindered the decentralization and development of higher education throughout Kazakhstan. Universities are encouraged to pursue private funding and retain the rights to establish corporate partnerships with domestic and international companies without government involvement. The government has stimulated more accountability and responsibility by establishing a new system of university governance with every institution supervised by a Board of Trustees. All these measures align with the government's goal of university deregulation.

[Nazgul Bayetova](#) is a Ph.D. student in higher education and teaching assistant at Florida International University, Department of Educational Policy Studies, Miami.

[Douglas L. Robertson](#) is professor of higher education, Florida International University, Department of Educational Policy Studies, Miami.

[1] Aida Sagintayeva and Kairat Kurakbayev. (2015). Understanding the transition of public universities to institutional autonomy in Kazakhstan. *European Journal of Higher Education* 5(2), 197-210.

<https://www.insidehighered.com/blogs/world-view/privatization-and-kazakhstan%E2%80%99s-emerging-higher-education->

system?utm_source=Inside+Higher+Ed&utm_campaign=a111b0d5ea-DNU_2019_COPY_01&utm_medium=email&utm_term=0_1fcbc04421-a111b0d5ea-200040001&mc_cid=a111b0d5ea&mc_eid=20a6b0e480