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Abstract

The master thesis analyzes the feasibility of policy transfer from the Asian Tigers' economies to Kazakhstan. In 1997, in the strategy “Kazakhstan 2030" President Nursultan Nazarbayev announced that the country sees the Asian Tigers as a reference model and that Kazakhstan aims to become the Central Asian Snow Leopard by 2030. The thesis aims to compare initial conditions in Kazakhstan and Asian Tigers. The research question seeks to find out, whether Kazakhstan has preconditions similar to those of the Asian Tigers and to what extent policy transfer can lead to success. Based on the research question, the following hypothesis was developed: The development model of the Asian Tigers as transferred to Kazakhstan would rather lead to policy failure because of the differences in initial political and economic conditions in the transferring and the borrowing country. The method applied was qualitative content analysis, which included collecting data, defining the unit of analysis, developing categories and interpretation. After reviewing the historical factors, economic preconditions and policies and political contexts, it is concluded that the initial conditions of Kazakhstan are mostly different from those of the Asian Tigers. The results indicate, therefore, that the development model of the latter is unlikely to be successfully emulated in the context of Kazakhstan.

Die Masterarbeit analysiert, inwieweit der Transfer der Politik der asiatischen Tigerstaaten nach Kasachstan möglich ist. In der Strategie "Kasachstan 2030", die 1997 veröffentlicht wurde, kündigte Präsident Nursultan Nasarbayev an, dass die asiatischen Tiger als Referenzmodell gesehen werden und dass Kasachstan bis 2030 zum Zentralasiatischen Schneeleoparden werden will. Die Arbeit zielt darauf ab, die Ausgangsbedingungen in Kasachstan und den asiatischen Tigerstaaten zu vergleichen. Die Forschungsfrage ist, ob Kasachstan ähnliche Voraussetzungen wie die asiatischen Tigerstaaten hat und inwieweit Politiktransfer zum Erfolg führen kann. Auf der Grundlage der Forschungsfrage wurde folgende Hypothese entwickelt: Der Transfer des Entwicklungsmodells der asiatischen Tigerstaaten nach Kasachstan wird aufgrund der unterschiedlichen politischen und wirtschaftlichen Ausgangsbedingungen eher zu einem politischen Scheitern führen. Die angewandte Methode war eine qualitative Inhaltsanalyse, die Sammeln von Daten, Definition der Analyseeinheiten, Entwicklung von Kategorien und Interpretation umfasste. Nach der Analyse der historischen Faktoren, der wirtschaftlichen Voraussetzungen und der Wirtschaftspolitik und politischen Kontexte, wird der Schluss gezogen, dass die Ausgangsbedingungen Kasachstans sich größtenteils von denen der asiatischen Tigerstaaten unterscheiden. Die Ergebnisse deuten daher darauf hin, dass das Entwicklungsmodel der letzteren im Kontext Kasachstans kaum erfolgreich nachgeahmt werden kann.

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Introduction

Thematic introduction and problem definition. Following the collapse of the Soviet Union, Kazakhstan aimed to establish a sovereign independent state and implement broad social, political and economic transformations. This aim had dominated the years 1991-1997. In 1997, President of the Republic of Kazakhstan Nursultan Nazarbayev presented the strategy "Kazakhstan 2030", which was intended to provide a long-term vision within which annual and medium-term plans were placed.

> “Today we are on the threshold of great opportunities. Many of you know how some of the poorest countries in Asia have overcome poverty in 30 years and have become prosperous industrial states. The first were Korea, Taiwan and Singapore, now joined by Malaysia, Indonesia and Thailand. [...] Forty years ago, when Singapore gained independence, it was one of the poorest countries in the world with a per capita income of less than 200 dollars per year. Today Singaporeans have a per capita income of more than 20 000 dollars. […] As a result of such success, these countries are known throughout the world as the Asian Tigers. Are there any reasons why Kazakhstan, with all its capabilities, cannot achieve the same success? No, there are not. I am sure, that by the year 2030 Kazakhstan will become a Central-Asian Snow Leopard and would serve as a fine example to be followed by other developing countries.” (Nazarbayev 1997)

This ambitious vision is the strategic basis for the political, economic and social development of Kazakhstan for already 20 years. "Kazakhstan 2030" proposed the construction of the model of development, inspired by and taking into account the experience of the Asian Tigers – South Korea, Singapore, Taiwan and Hong Kong. In 2012, the next strategy "Kazakhstan 2050" was developed to secure the achievements of the “Kazakhstan 2030” strategy in the long term. In the context of the guidelines “Kazakhstan- 2030” and "Kazakhstan 2050”, concrete political and economic measures have emerged, based on transferring a set of policies, which boosted the performance of the Asian Tigers economies in the 1960s onwards.

Of course, the underlying assumption was that the development model that has been successful in countries of the Asian Tigers would be successful in Kazakhstan. However, direct borrowing or transfer of any, even the most successful experience, can lead to failure if there is no corresponding set of conditions and prerequisites. In fact, the decisive factor in choosing the development model for Kazakhstan was the subjective opinion of the country's leader formed during Nazarbayev's trips to South Korea, Malaysia and Singapore in the early 1990s, after which he displayed a serious and genuine intention to replicate the economic growth of the Asian Tigers in Kazakhstan. (Brown 1991: 18) No preliminary analysis and research was held in order to support this choice and to verify that the model of the Asian Tigers could work in political and economic conditions of Kazakhstan at a given historical moment. However, the presence or absence of specific conditions influences directly the feasibility and the result of the Asian Tigers' model transfer to Kazakhstan. Historical features, economic and political similarities or differences have to be taken into account in the process of policy transfer.

Aim of the study and research question. The aim of the master's thesis is to analyze the historical heritage, economic structure and political sphere, that is, the preconditions of the Asian Tigers and of Kazakhstan and to find out whether the developmental state model that was so successful in the case of the Asian Tigers could serve as a reference model for Kazakhstan.

Research question. The following research question will be answered in the thesis: How different and/or similar are the political and economic conditions of Kazakhstan and those of the Asian Tigers in the period of their fast economic growth and to what extent may such a policy transfer lead to policy failure or success in Kazakhstan?

The research refers to the concept of policy transfer developed by Dolowitz and Marsh. The authors see it problematic to establish, what is "success" or "failure" by policy transfer. (Dolowitz and Marsh 2000: 17) In my research, I will concentrate upon the extent to which policy transfer achieves the aims set by the government of Kazakhstan, or is perceived as a success by the key actors involved in the process. Economic conditions in the context of the research question refer to the state of the economy in a country or region, the structure of the economy, the level of industrialization, the existence of natural resources. The political conditions cover the political system and regime of governance, the political landscape (party system, ruling elites, and leaders), structures and institutions, corruption and related issues.

Based on the research question, the following hypothesis was developed and will be tested in the thesis: The development model of the Asian Tigers as transferred to Kazakhstan would rather lead to policy failure there because of the differences in initial political and economic conditions.

Methodology. The methodology applied is based on the qualitative content analysis. There are several types of content analyses including quantitative and qualitative methods all sharing the central feature of systematically categorizing textual data in order to make sense of it. (Miles/Huberman 1994) However, they differ in the ways they generate categories, apply them to the data and analyze the resulting data. For my research, I apply qualitative content analysis as defined by Philipp Mayring: “an approach of empirical, methodological controlled analysis of texts within their context of communication, following content analytic rules and step-by-step models, without rash quantification”. (Mayring, 2000: 2) The strength of qualitative content analysis relative to other interpretation methods is precisely the fact, that the analysis is divided into individual steps of interpretation, which are determined in advance.

The first step is sampling materials. Data collected in advance for qualitative content analysis consist of texts, academic sources and other materials which inform the research questions of my thesis, such as works of researchers and political and economic scientists, documents of international organizations, official documents of the Republic of Kazakhstan such as the President's annual messages, state development strategies and development programs, national reports and publications, and a wide range of texts such as mass media products, files, web pages and so on. A particular advantage of qualitative content analysis is that a text is always understood as relating to a particular context of communication and thus is interpreted within its context.

Defining the unit of analysis is the second and the most important step. Qualitative content analysis usually uses individual themes as the unit for analysis, which means that expressions of an idea are used as the coding unit, regardless of the size of a text. (Minichiello et al. 1990) An issue of relevance to my research might be then expressed in a single word, a phrase, a sentence, a paragraph, or an entire document.

The next step is developing categories – the aspects of interpretation, as near as possible to the material. For that scope, qualitative content analysis has developed procedures of inductive category development, the main idea of which is to formulate a criterion of definition, derived from a theoretical background and research questions, which determines the aspects of the textual material taken into account. (Mayring 2000: 52) Partially, the basis for categories can be found in the theory. In my research, these are the theory of the developmental state and the theory of policy transfer. However, the existing research literature on the topic is limited, so I found the inductive approach, when categories flow from the data, appropriate.

The category definition serves as selection criterion to determine the relevant material from the texts; it has to be an explicit definition, theoretical references can be useful. The level of abstraction defines, how specific or general the categories have to be formulated. Both rules (category definition and level of abstraction) are central for inductive category formation. The amount of categories depends on the degree of generalization. I defined the level of abstraction as medium, so that I would not formulate too many or too few categories. The category system must fit the research question, so in my research, I use the following list of categories: political conditions, economic conditions, Kazakhstan, Asian Tigers, economic growth, policy transfer, policy failure, policy success. As I started reading the material, it occurred to me that some information was related to the research too, so new category definitions were formulated, such as developmental state, government intervention, industrialization, export promotion, authoritarianism, and others.

The whole material is worked through with the same rules (category definition and level of abstraction). After that follows the interpretation of the results in relation to the research question of the thesis based on the coding scheme with the help of software, for example, which is easily accessible online. There is computer software developed especially within the last years, which offers helpful tools when handling the text (working through the material, underlining, writing marginal notes, defining category definitions and coding rules etc.) and thus makes the qualitative content analysis easier. For my research, I partially used software “QCAmap”, funded by the Alps-Adria-University Klagenfurt, the Kärntner Sparkassenfonds, and the Association for the Support of Qualitative Research ASQ. This application is offered free via open access at www.qcamap.org.

Terminology. In addition to the aims of research, it is necessary to make note about some terms that are used consistently in the thesis. The term "East Asia" is used as describing those countries that had achieved a rapid economic growth from 1965 to 1990, however, not strictly limited to the list of countries as determined by various classifications. For example, World Bank determines the region as “East Asia Pacific”, which includes 37 countries, but Taiwan is not in the list. (World Bank 2017a) The term "Asian Tigers" includes four industrialized developed Asian countries – Taiwan, Singapore, Hong Kong and South Korea. The term "Asian Miracle" refers to the growth of the four Asian Tiger economies.

Structure of the thesis. The thesis is structured as follows. The first chapter introduces a theoretical framework, which consists of two concepts – the developmental state and policy transfer, which I have identified as most relevant to the topic of my thesis. The theoretical framework should support a research study, by explaining and understanding phenomena under consideration. In the second chapter, I then discuss historical context, economic policy and political conditions of the Asian Tigers and Kazakhstan. Following this, I offer a comparison between Kazakhstan's and the Asian Tigers' conditions and policies and summarize the key findings. The final chapter draws conclusions.

Theoretical framework

In an attempt to conceptualize the development model of the Asian Tigers and to analyze whether similar strategies can be put into practice in Kazakhstan, the study refers to the theory of a developmental state and to the concept of policy transfer. These approaches are considered as the most important and relevant in addressing the research question.

2.1. The theory of a developmental state

The role of the state in promoting economic growth and development and the question about the extent of the state's intervention has become a subject of discussion among international development experts and policy analysts after the end of World War II, with the emergence of newly independent states in Africa and Asia. The Asian Tigers are the examples of successful economic transformation between the 1960s and 1980s. Over a period of 30 years, Hong Kong, Singapore, South Korea and Taiwan underwent rapid economic growth and radical socio-economic change, having transformed from poor agrarian societies to producers of high technology and high value-added goods by the 1990s. (Fritz/Menocal 2006: 3). The "Asian miracle" has led to a vast number of scientific publications. In an attempt to explain the success of the Asian Tigers, development practitioners and academics suggested that the role of the state is the critical variable.

At a pragmatic level, the state's role simply means a particular government's role in conceiving and implementing policy. At a conceptual level, however, the notion of a state's role directs our attention toward the precise circumstances, tools and strategies that distinguish and constitute different national approaches, and specifically those of the Asian Tigers, to successful economic development. It is worth briefly reviewing the theory of a developmental state in which the role of the state has been conceptualized, so the theory can help us to analyze the Asian Tigers' political and economic strategies.

Chalmers Johnson challenged the view that was expressed in earlier contributions and that explained the growth of the Tigers as the result of market-based policies that approximated laissez-faire. (Akyüz et al. 1998: 5; Haggard 2004: 54) In 1982, Johnson conducted an extensive study on the role of the Japanese state in the economy and introduced a concept of the "developmental state" in his book "MITI and the Japanese Miracle" (1982). Johnson argued that it was the active intervention of the state in the economic development that was responsible for the high, sustainable growth rates of Japan. This concept of the state as the main promoter of economic development was termed the developmental state by Johnson. (Johnson 1982: 17-19) As a pioneer in this field, Johnson was followed by many scholars. In the book "The developmental state" (1999) edited by Meredith Woo-Cummings, she investigated the theory of a developmental state, based on Johnson's work. Johnson sought to go beyond the contrast between the American and Soviet economies, and so did Woo-Cummings, describing the developmental state as being "neither socialist … nor free-market … but something different: the plan-rational capitalist developmental state … [which links] interventionism with rapid economic growth". (Woo-Cummings 1999: 1-2)

Among other important works that contributed to the analysis of the different aspects of the developmental state are the following: Alice Amsden's "Asia's Next Giant" on the developmental state of Korea (1991), Robert Wade's "Governing the Market" on aspects of Taiwan's economic growth (1990), Ziya Onis ' "The Logic of the Developmental State" (1991) and Manuel Castel s' "Four Asian Tigers with a Dragon Head: A Comparative Analysis of the State, Economy, and Society in the Asian Pacific Rim" (1992). These studies illuminated what can be generalized as the core features of an effective developmental state. In a sense, these works also have led to the World Bank's report "The East Asian miracle: economic growth and public policy" (Birdsal et al. 1993). Drawing on the work of Johnson and others, a developmental state is understood as possessing "the vision, leadership and capacity to bring about a positive transformation of society within a condensed period of time". (Fritz/Menocal 2006: 4)

Johnson described the role of the state in Japanese post-war development, however, not implying that the state was "solely responsible for Japan's economic achievements. (Johnson 1999: 34) Johnson named four main features, which were essential to the Japanese developmental state: 1) "elite state bureaucracy, which should identify and choose the industries to develop (determine industrial structure policy)"; 2) "a political system in which the bureaucracy is given sufficient scope to take initiative and operate effectively"; 3) "the perfection of market-conforming methods of state intervention in the economy"; 4) a "pilot agency" to guide development and implement policy. (Johnson 1999: 38-39) Bureaucracies within the developmental state were organized around such agencies. Examples are the Ministry of International Trade and Industry (MITI) in Japan, the Economic Planning Board in Korea, and the Council for Economic Planning and Development in Taiwan.

The Japanese model of developmental state has been successfully emulated by the Asian Tigers. South Korea, Taiwan, Singapore and Hong Kong acted along similar lines as the Japanese state during the period of fast growth; however, none of these countries is “a clone of Japanese experience”. (Johnson 1999: 40) According to Chang, there is no "single way to perform a developmental state" at all. (Chang 2010) It varies between different states depending on their economic policy, historical experience, and other factors, and therefore it cannot be exactly replicated. The Asian Tigers experience is both particular and generalizable. There is some consensus in the literature about the essential features that are inherent to these developmental states. The Asian Tigers variant of the developmental state is considered as a model of the state-led economic development.

Most of all, a prerequisite condition for a developmental state to intervene in economic policy is state autonomy. Peter Evans has called it an "embedded autonomy": "a strong core of state institutions with the capacity to promote economic growth without being "captured" by particularist interests is regarded as having been essential." (Evans 1995) This kind of state autonomy was crucial for the Asian Tigers, as the state actively fostered economic development, avoiding being captured by particular groups. The similar definition of the state autonomy is given by Pinglé: "the ability of the state to formulate and engage objectives that are not merely reflective of the interests or demands of some classes or social group". (Pinglé 1999) In other words, the developmental state is independent in taking the decisions during the policy-making. The developmental state creates a "synergistic relationship" between bureaucrats, trade unions and industrialists in order to stabilize the socioeconomic condition (Pereira 2008: 129). The separate relations between private and public sector with low of corruption level need to be maintained in the developmental state.

The developmental state controls economic development, intervening in the market and defining the structure of industrial policy; it promotes selective industries and offers protection to newborn industries. (Chang 2010) The developmental state of the Asian Tigers was associated with rapid processes of industrialization and/or the adoption of new technologies. Typically, there was a shift from subsistence agriculture to more commercial, export-oriented farming, or to textile processing, or to tourism, or a mixture of these. It should be noted, that to be judged developmental, a state does not need to be in control of everything and successful in all spheres, however the state legitimacy derives from state achievements and performance.

Developmental states are typically characterized by a leadership which is "strongly committed to developmental goals, and which places national development ahead of personal enrichment and/or short-term political gains". (Ghani et al., 2005) Political will of leadership, its commitment and concern for national goals is essential for the developmental state. By the Asian Tigers, development was regarded as a "national project" and political leadership was motivated by regional competition, nationalism and the desire to "catch up" with the West. From devotion to such a widely believed “national project" comes the legitimacy of the developmental state. (Fritz/Menocal 2006: 8) The Asian Tigers developmental states were highly efficient states in terms of economic policy-making, implementation, and policy monitoring. Economic policy, including industrial policy, in the Asian Tigers was mainly oriented toward maximizing national productivity. In this respect, rapid economic growth constituted the “development” in the developmental state model. (Wong 2004: 350)

One of the most important questions regarding the developmental state is whether such a state is compatible with the state that is democratically governed and that respects human rights. The developmental state is an interventionist state in nature. (Bolesta 2007: 105) Indeed, it seems difficult to achieve extensive developmental goals in an environment where authorities have very limited power in directing investment, influencing institutions, companies and communities so that they follow a certain overall development strategy. Of course, it does not necessarily imply that such a state must be an authoritarian one - there is no normative commitment to any particular type of political regime, though it is true that the developmental state has existed in authoritarian Korea and Taiwan as well as in “allegedly democratic Japan”. (Bolesta 2007: 107)

Lastly, the relevancy of using the developmental state concept should be discussed. The point that it can contribute something useful to contemporary thinking on development policy is contestable. The current challenges for the developmental state can be summed up in one word: globalization. After the end of the Cold War, many scholars have questioned the viability of the developmental state notion in the globalization era. Globalization that is dominated by free market requires no state intervention in regulating the market. According to Woo-Cummings, "The role of the state is only to perform a governance function, maintain fair competition between enterprises and assure that there is no monopoly in the market". (Woo-Cummings

1999:14) In contrast, Hayashi argues that the developmental state model is still an effective development strategy in the post-Cold War period and even in the era of globalization: the model was useful in East Asia, and could be useful beyond East Asia". (Hayashi 2010: 49)

Thus, placing the developmental experience of the Asian Tigers in this conceptual framework will help us to understand the role of the state in the Asian Tigers and whether such a role might be considered feasible or appropriate for Kazakhstan.

2.2. The concept of policy transfer

In answering the research question, I also use the concept of policy transfer as outlined by David P. Dolowitz and D. Marsh in the articles “Who Learns What from Whom? A Review of the Policy Transfer Literature” (1996a) and "Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-Making” (2000). The policy transfer concept will be used as a theoretical framework to describe and analyze the processes involved in the borrowing the Asian Tigers’ model by the Republic of Kazakhstan.

In recent years there has been a growing body of literature within political science and international studies that analyzes and discusses the processes involved in lesson-drawing, policy convergence, policy diffusion and policy transfer. (Bennett 1991, 1992; Dolowitz and Marsh 1996b; Dolowitz 1998; Rose 1991, 1993) If governments are searching for policy solutions to problems, then they are increasingly likely to look for solutions abroad. This is much easier than it was in the past because of globalization and the growth in all forms of communication. Policy transfer occurs more often, so not surprisingly students, researchers and policy makers are increasingly interested in the process. However, a few of these studies put the process within a broader conceptual framework. Moreover, the majority of studies on policy transfer either implicitly or explicitly take it for granted that the process has led, or will lead, to the successful implementation of a policy, program or institution.

In contrast, Dolowitz and Marsh argue that it is becoming increasingly apparent that policy transfer can, and often does, lead to policy failure. (Dolowitz and Marsh 2000: 6) The works of Dolowitz and Marsh present a particularly valuable contribution to the theory of policy transfer, as they have developed the conceptual framework of policy transfer (Dolowitz and Marsh 1996a), which was then further discussed in their latest work (Dolowitz and Marsh 2000). In their studies, the authors focus particularly on “the relationship between voluntary and coercive (forced) transfer and the links between policy transfer and policy ‘success’ or ‘failure’.” (Dolowitz and Marsh 2000: 6)

Concerning the terminology, Dolowitz and Marsh describe policy transfer as a process, which involves adoption of policies: “Process in which knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting”. (Dolowitz and Marsh 2000: 1) The authors consider that it is not enough to describe the transfer of ideas or policies between countries without analyzing and explaining the processes involved (Dolowitz and Marsh 2000: 7), so they have developed a conceptual framework, which is here and below referred to as Dolowitz and Marsh Model. The framework is organized around six questions: “Why do governments engage in policy transfer? Who are the key actors involved in the policy transfer process? What is transferred? From where are lessons drawn? What are the different degrees of transfer? And what restricts or facilitates the policy transfer process?” (Dolowitz and Marsh 2000: 9) To answer these questions in the context of Kazakhstan and to understand the process of policy transfer by Kazakhstan, it is necessary to analyze the development of the Asian Tigers. The conditions and practices that caused the economic miracle of these countries should be examined in order to find out, to what extent they can be considered role models for Kazakhstan's development.

One more question has arisen from the further research by Dolowitz and Marsh: “How is the process of policy transfer related to policy ‘success’ or policy ‘failure’?”(Dolowitz and Marsh 2000: 8) Dolowitz and Marsh analyze the relationship between policy transfer and policy failure by treating the transfer as both a dependent and an independent variable. What does this mean? Put simply, what causes the transfer, where a lesson is drawn from and who is involved in the transferring process all affect both whether a transfer takes place and whether it is successful. For example, if a government searches urgently for a solution to a problem, the transfer is more likely to occur, because the need for a “solution” is imperative. However, in such a case, it is less likely that the transfer will be successful, because limited time will inevitably lead to a limited search for models.

The first question which is of interest to our study is about who is involved in the policy transfer process. Dolowitz and Marsh identify nine main categories of political actors engaged in the policy transfer process: elected officials, political parties, bureaucrats/civil servants, pressure groups, policy entrepreneurs and experts, transnational corporations, think tanks, supra-national governmental and non-governmental institutions and consultants. (Dolowitz and Marsh 2000: 10)

The authors stress that it is becoming increasingly clear that policymakers, at both the national and international levels, are asking for the advice of consultants and policy experts in the development of new programs, policies and institutional structures. (Dolowitz and Marsh 2000: 10) It is important that such consultants must pay attention to the particular context of the country that is seeking for the advice, and not to base upon what they subjectively regard as the "best practice" elsewhere. What is also important in the process of policy transfer, is to involve interest groups that represent those people whom a policy would affect, and not only politicians and bureaucrats. Under this condition, there may be fewer implementation problems once the policy is transferred.

The second relevant question regards what is transferred. Dolowitz and Marsh identify nine different categories: policy goals, policy content, policy instruments, policy programs, institutions, ideologies, ideas, attitudes and negative lessons. (Dolowitz and Marsh 2000: 12) It is necessary to note, that the authors make a distinction between policy (itself sub-divided into policy goals, policy content and policy instruments) and programs, unlike in others typologies. (see Stone 2004) Policies are seen by Dolowitz and Marsh as "broader statements of intention and which generally denote the direction policy-makers wish to take", while programs are considered as the specific means of the course of action used to implement policies. (Stone 2004: 545) Pressman and Wildavsky put it like this: "The word 'program' ... can be conceived of as a system in which each element is dependent on the other... . Policies imply theories... . Policies become programs when, by authoritative action, the initial conditions are created." (Pressman/Wildavsky 1973: 22-23) In short, each policy can include multiple programs, while a program is a complete course of action in and of itself. This distinction is important for the analysis of policy transfer by Kazakhstan.

From where lessons are drawn is also important for our research, namely the levels of governance that borrowers look to for lessons. Dolowitz and Marsh argue that policy-makers can look to three levels of governance: the international, the national and the local. (Dolowitz and Marsh 2000: 12) It is very common for governments to transfer policies from one nation to another, and this is the case with Kazakhstan, too. However, it should be stressed that when drawing lessons from other nations, actors are not limited to looking at national governments but can, and do, look to sub-national levels and units of government. (ibid.: 12)

Concerning degrees of transfer, there are four different gradations, as classified by Dolowitz and Marsh: copying, which is direct and complete transfer; emulation, which involves transfer of the ideas behind the policy or program; mixtures of several different policies; and inspiration, where policy in another jurisdiction may inspire a policy change, but where the end result does not actually draw upon the original (Dolowitz and

Marsh 2000: 12). It is important to emphasize that the policy transfer in any particular case depends upon who is involved in the process and when during the policy-making process transfer occurs. For example, while emulation is decisive at the agenda-setting stage, copying or combining several different policies or programs may be more appropriate at the policy formulation or implementation stage of the policy-making process. (ibid.: 12)

Moreover, Dolowitz and Marsh accentuate that policy transfer may also lead to implementation failure:

> "There is a need to acknowledge that not all transfer is successful. In our view, it is important to examine why some transfer is unsuccessful; that is, to identify which factors are related to successful or unsuccessful transfer. Obviously, there is a problem with establishing what is “success” or “failure” and future research would need to acknowledge and address this problem. However, at this stage, we shall restrict ourselves to concentrating upon the extent to which policy transfer achieves the aims set by a government when they engaged in transfer, or is perceived as a success by the key actors involved in the policy area." (Dolowitz and Marsh 2000: 17)

When drawing lessons, policy-makers naturally expect that the transfer will lead to policy “success” rather than policy “failure”. The underlying assumption is that policies that have been successful in one country will be successful in another. However, that is clearly not always the case. The Dolowitz and Marsh research indicates at least three factors that are associated with policy failure. First, the borrowing country may have incomplete or inadequate information about the policy/institution borrowed and how it operates in the country from which it is transferred: a process the authors call uninformed transfer. (Dolowitz and Marsh 2000: 17) Second, even when transfer has already occurred, crucial elements of what made the policy successful in the originating country may not be transferred, leading to failure: Dolowitz and Marsh call this incomplete transfer. (ibid.: 17) Third, insufficient attention may be paid to the differences between the economic, social, political and ideological contexts in the transferring and the borrowing country: the authors call this inappropriate transfer. (ibid.: 17)

Thus, the research will use the questions that form the basis of the concept of policy transfer of Dolowitz and Marsh to explain what and how can be transferred to Kazakhstan from the Asian Tigers.

Chapter 2. Asian Tigers and Kazakhstan: comparative analysis of initial conditions

This chapter looks at some key factors that have to be taken into account in the process of policy transfer. Differences and/or similarities in historical, economic and political conditions should be considered before transferring policy from the Asian Tigers to Kazakhstan. Understanding factors that contributed to the Asian Tigers' success will help to evaluate possible constraints that might limit the policy transfer process into the context of Kazakhstan.

3.1. Historical factors

One of the most remarkable international economic developments in the post-World War II period has been the outstanding economic growth of eight East Asian economies: Japan, the four Asian Tigers – Hong Kong, the Republic of Korea, Singapore, and Taiwan; and the three newly industrializing economies (NIEs) of Southeast Asia – Indonesia, Malaysia, and Thailand. From 1965 to 1990, these economies grew faster than those of all other regions did. (Beeson 2006: 443) The East Asian countries are very different in economic policy, natural resources, population. The focus of the research is on the miraculous growth of the four Asian Tigers, which share some characteristics that caused them to be grouped together and set apart from other developing economies. The Asian Tigers developmental model has emerged and worked in a certain time and place; therefore, to understand the nature of the Asian Tigers' miraculous growth we need to place their entire developmental experience in its specific historical context.

The developing economies, which want to adopt the development policy of the Asian Tigers, must keep in mind that they cannot be expected to duplicate past historical and world-market conditions. The emergence of the developmental state that was at the center of rapid growth in the Asian Tigers was advantaged by a specific, possibly unique, set of geopolitical and economic circumstances at that historical moment. The internal and external environments, which favored that the Asian Tigers have managed to achieve their economic breakthrough, have changed crucially since the 1960s and the 1970s, when the miracle economies underwent their first growth spurt. (Hayashi 2010: 46) This is an important point when questioning the applicability of the Asian Tigers' experience to other developing countries, such as to Kazakhstan, in today's international climate.

3.1.1. Colonial legacy

3.1.1.1. Asian Tigers: brief history of colonial rule

One important factor that had a decisive influence in shaping the overall environment for the development of the Asian Tigers is the legacy of colonial rule. This is the common historical feature for the whole region of East Asia. Its development planning was driven by external powers, as first industrialization and infrastructure policies were initiated under the colonial rule. The period of British, Japanese and U.S. occupation has influenced the development of economic systems of the Asian Tigers, as the latter were heavily dependent on the production of primary products and on the economy of colonial rulers. (Hayashi 2010: 53) Let us consider the role of colonialism for the economic development of the Asian Tigers in detail.

Singapore is one example of the progress from a colony, which was under British imperial rule for almost 140 years, to one of the thriving economies in Asia. When Singapore gained its independence in 1965, it had been left with some important political, administrative and social foundations, which were the legacy of the British Empire and that have played a big role in shaping the nation we know as modern Singapore.

The founding of Singapore in 1819 was based on the vision of Sir Stamford Raffles (a British statesman and Lieutenant-Governor of British Java, best known for his founding of Singapore), that this strategically positioned island would become the most important commercial hub in the area. So later some institutions and structures were adapted from Britain's other colonies with the sole purpose to support Singapore's sustained commercial success. (Luscombe 2012: 3) Though these institutions have long since been dismantled and replaced, their underpinnings continue to have an impact on post-colonial society today and have formed the basis of many of Singapore's own social, administrative and political structures. (ibid.: 3)

Three key areas of Singapore's nationhood, in which the British legacy can still be felt, are the legal system, public administration and the social services sector. The structure of the Singaporean political system is very similar to the British system of governance. Two most important reforms that were introduced by the British colonial government became the basis for economic and social progress in Singapore – reforms in civil service and corruption control. (Aliyeva 2016: 15) From an economic perspective, free trade and commerce were the main infrastructures that Singapore was involved in under the British rule. The systems of transport and trade were built and numerous reforms were introduced to develop trade agreements. For example, the Economic Development Board was created to prepare development programs and coordinate economic policies. As a result, Singapore has become an international financial center. Overall, the British rule in Singapore positively affected the formation of political culture and economic system, including in particular the creation of bureaucratic power and control of corruption. (Luscombe 2012: 2)

The history of Taiwan was more complicated and included the Japanese colonial era from 1895 to 1945 and the period of Chinese civil wars thereafter. The infrastructure laid down in Taiwan in the colonial period was quite significant for its future progress as an independent state. Under the Japanese rule, there was a considerable development of port industry, road system, educational and medical facilities. Factories were built, starting the industrial revolution. (Copper 1996: 116) Construction and modernization of factories and hospitals provided more jobs for the Taiwanese, and Japanese capital, technology and personnel proved invaluable for them. The economy improved enormously and although Japan benefited from Taiwanese exports, the average standard of living for Taiwanese increased. Overall, during the Japanese rule Taiwan developed faster than it ever had before and this period has left positive marks, such as agricultural transformation, achievements in primary education, as well as the development of infrastructure. (Copper 1996: 117)

The Japanese rule helped to initiate intensive growth not only in Taiwan, but also in South Korea. Under colonial rule from 1910 to 1945, the Korean economy became highly dependent upon Japan for capital, technology, and management. The views of scholars who tried to analyze the extent to which the Japanese laid the foundations for the rapid growth and structural transformation in both colonies differ. Kohli (1994) argued that in the case of Korea, the Japanese colonial rule was decisive in forming a political economy that later evolved into the high-growth South Korean path to development. Kohli pointed out the reforms in both the civilian bureaucracy and the police, which laid the foundations for the post-1945 state of Korea. (Kohli 1994: 1285)

After 35 years of Japanese colonial rule, Korea was occupied by the U.S. military in 1945. Therefore, after the Korean War, the newly formed Republic of Korea was dependent on U.S. financial and political support. The South Korean government started to actively implement development strategies and programs, seeing the United States as an example of prosperous economy and stable political system.

The collection of essays edited by Myers and Peattie (1984) is also worthy of attention. In his introductory chapter, Peattie stressed that Japanese colonial officials tended to model their policies on the “superbly successful modernization effort which Japan itself had undertaken in the three decades after the Meiji leadership had overthrown the Tokugawa feudal order”. (Peattie 1984: 23) According to Peattie, when the Japanese took over, the conditions in both Taiwan and Korea were not greatly different from those in Japan in the late 1860s; “they were static peasant societies whose small ruling elites were corrupt and inefficient and largely resistant to change”. (Peattie 1984: 23) The industrial sectors of both colonies were also developed to provide essential inputs into the Japanese war economy.

Some revisionists of Korean and Taiwanese development have pointed out that Japanese policies in both colonies were intended first and foremost to serve Japanese interests. Others argue that Korea and Taiwan had benefited from Japanese "developmental colonialism", too. Kohli writes:

> “While pursuing the imperial interests of Japan, it evolved a full policy agenda, including the goal of Korea's economic transformation. The broad strategy of transformation was two-pronged: The state utilized its bureaucratic capacities to directly undertake numerous economic tasks, and, more important, the state involved propertied groups – both in the countryside and in the cities, and both Japanese and Koreans – in production-oriented alliances aimed at achieving sustained economic change.” (Kohli 2004: 40)

Long years of colonization in both Korea and Taiwan have brought the development of the industrial sector, port infrastructure and human facilities. Japanese colonialism has appeared developmental – if not in aims, then in achievements, by contributing to the superior performance of Taiwan and the Republic of Korea. The further external support from the U.S. was also a driving factor for economic establishment of these countries.

Hong Kong was for 156 years under colonial rule, after China had ceded the island to the British in 1841, during the First Opium War. During the period of colonization, Hong Kong has developed into a cosmopolitan city-state with a dynamic market economy. As a colony of Britain, Hong Kong served as the commercial gateway and distribution center for southern China, and later became an East-West trading and financial center. In the colony's first decade, the income from the opium trade was a key source of government funds. Opium has lost its significance over time, but the colonial government was dependent on its revenues until the Japanese occupation in 1941. (Tsang 2004: 57)

The co-option of Chinese elites into the British colonial system was not simple, but during the late 1860s and 1870s, the stability and co-operation emerged through the formal recognition given by the colonial government to Chinese elite organizations. This consensus laid the foundation for social stability and economic growth. The increase in trading activity acted as a spur to the growth and development of the British colony. Not only British traders were attracted to the colony, but also other European traders took advantage of the free port and ease of establishing businesses on the island. The largest businesses in Hong Kong were managed by British, American, and other expats; however, Chinese workers provided most of the labor force to build a new port city. (Tsang 2004: 58)

Hong Kong was the last significant and economically viable colony to leave the British Empire. Although the British rule failed to develop a functioning, full-scale democratic government in Hong Kong, its colonial legacy includes improved communications, road and waterworks projects, expansion of education, cadet scheme, civil lists, consolidation of laws, regularization of land ownership and government pensions. Later the China factor with the “one country-two systems” formula has played its role too – it has been the accelerator of positive processes, transforming Hong Kong into a postcolonial, cosmopolitan, modern community. (Chan 1996: 23)

3.1.1.2. Kazakhstan: Kazakhstan as a part of the Russian Empire and Soviet era

The legacy of colonial rule remains in Kazakhstan too. Kazakh society underwent changes in the political, legal and economic spheres in the process of its incorporation into the Russian Empire. Historically, Kazakhstan is characterized by a mixture of European and Asian influences, by the legacy of Soviet communism and its old Islamic heritage. There was a radical socioeconomic transformation in Kazakhstan during the period of Soviet rule, which continues to influence the development of the country nowadays.

In 1465, the Kazakh Khanate was founded. The Kazakhs were traditionally divided into three groups each ruled by a khan – zhuzes (Hordes): senior, middle, and junior. By 1731, when the three zhuzes were incorporated one by one into the Russian Empire, there was no strong Kazakh leadership. The khans of zhuzes were dependent on the Kalmyks, so they sought Russian assistance in order to form a temporary alliance against the Kalmyks. When joining the Russian protectorate, the Kazakh khans did not expect that this allegiance would lead to the colonization of their lands. The Russian Empire started to integrate the Kazakh steppe and eventually gained full control, which was exercised by the forcible conquest of the Kazakh lands in the late eighteenth and early nineteenth centuries.

The administration of the Russian Empire carried out a series of colonial reforms – the liquidation of the khanate power in Kazakhstan, the involvement of the Kazakh society in the process of state building and the development of the system of territorial and administrative management. In the nomadic Kazakh society, power did not belong only to the state apparatus and was not limited only to legal forms. Khans did not have the exclusive right to determine what was legal and what was not; the local communal structures had a "horizontal" power and customary law. In the process of its incorporation into the Russian Empire, the "vertical" administrative system was introduced: the organized executive power, army and police were established, equipped with administrative and judicial apparatus and a well-functioning bureaucracy. (Shaukenov 2013: 281)

The set of measures taken by the colonial authorities was both repressive and productive. What had been aggressively implemented over the whole 18th century by the Russian policy in the Kazakh steppes was the settled way of life instead of nomadism. Traditional nomadic lifestyle consisted of a regular search for new pasture to support the livestock. Agrarian and pastoral sectors heavily dominated the economy of Kazakh society. The Russian empire introduced a system of administration, which played an extremely important role in the establishment of the Russian presence in the Kazakh steppe. Beginning with 1715, border points, military garrisons, pickets and settlements were built. Through the process that included mapping, ethnography, statistics, building cities and fortifications, dividing Kazakh territories into regions optimal for the Russian authorities, an active migration policy and a gradual introduction of the vertical model of management, Kazakh nomads were forced to adapt the city lifestyle, so it became easier for the Russian empire to manage them. (Shaukenov 2013: 287) Cities gradually became the administrative and economic centers of the Kazakh Khanate, roads, factories and factories were built, and banks were opened. (Morozov, n.d., para. 26)

The system of taxation and the structure of the judiciary were established and the land reform was implemented. The policy of the new administration in the agrarian question aggravated the land issue. According to the reforms of 1867-1868, all land in Kazakhstan was declared the property of the state. Only those land plots that were granted to the khan's descendants by the tsar were recognized as personal property. The provisions of the reform served as the legal basis for the colonial seizure of Kazakh lands. (Kuanyshalin 2013)

Speaking of the economic consequences of colonization for Kazakhstan, the Kazakh Khanate was integrated into the system of the economy of the Russian Empire, which led to the destruction of the natural forms of the economy; as a result, the productive forces were seriously undermined. However, under Russian rule, agriculture in Kazakhstan was improved, trade increased and the first industries were established. Development of the industry and domestic trade was promoted in many respects by construction of the railway lines, which have connected Kazakhstan to Siberia, and other regions of the Russian Empire. (National Digital History portal 2013: para. 48) Since the 1960s, the Russian businessmen began to import capital to the Kazakh region and to create the industrial enterprises based on mineral deposits. The colonial regime introduced capitalism in Kazakhstan, and as the result, the society of nomadic Kazakhs became differentiated in terms of economic capital. (Shaukenov 2013: 289) A significant part of the economy gradually began to get involved in market relations. In the last quarter of the XIX century, industrial production in Kazakhstan began to develop quickly. In 1870s-1880s, the industry on processing of agricultural raw materials developed intensively. The processing enterprises were mostly located in North Western and East Kazakhstan. (National Digital History portal 2013: para. 37) Formation of local working class was connected with development of the industry, too. (ibid.: para. 43)

There was a brief period of autonomy in Kazakh lands following the col apse of the Russian Empire (Alash autonomy); however, in 1920 the area of present-day Kazakhstan became an autonomous republic within Russia and a Soviet republic in 1936. Some define the Soviet Union as a continuation of Russian colonial rule. (Olcott 2011: para. 2) The Soviets were strongly determined to bring about the socialist transformation by massive state economic interventionism in the existing socio-economic order of Central Asia. Kazakhstan was fully integrated into the Soviet system.

During the Soviet period, Russians managed the important mines and industrial enterprises. Before World War II, 2000 large-scale industrial enterprises were established, and regulations for nomads and semi-nomads were implemented and live stock raising and agriculture were improved. (Hays 2008a: para. 2)

Under Soviet rule, the Kazakh economy experienced rapid industrialization. Of the five Central Asian republics, Kazakhstan played the most important industrial role in the Soviet system because of the abundant oil and coal reserves in the northern part of the republic, closest to Russia. (Curtis 1997: 45) Industrialization in Kazakhstan dates back to the 1920s-1930s. Because of Kazakhstan's vast natural resources, mining continued to develop and became a main sector for the economy. Kazakhstan was heavily dependent upon Russia during the Soviet era. Kazakhstan served as a source of food and raw materials for Russia. Some 40 percent of Kazakhstan's agricultural output was exported to Russia, as well as almost all of its oil and 40 percent of its coal. Less than 20 percent of GDP involved the production of goods for final use. (Wyzan 1995: 82)

At the same time, there were forced collectivization, famines and epidemics. Moreover, millions of hectares of land were "confiscated" during the 1950s-1960s for the Soviet government’s aims of "industrialization" in Kazakhstan, development of "virgin lands", testing grounds, uranium mining, “Baikonyr” cosmodrome, etc. (Kuanyshalin 2013)

World War II caused further development of Kazakh industry. During the war period, factories were moved to Kazakhstan to save them from being destroyed. The country was crossed by new railway main lines, big new agricultural enterprises were built, and livestock breeding began to develop intensively. Kazakhstan played a critical role in World War II by supplying the front and rear areas of the USSR with military and strategic raw materials and food. Kazakhstan provided the armed forces of the whole USSR with food, coal, oil and strategic metals. (Hays 2008a: para. 8) The industrial production of Kazakhstan grew by 37% during the war years. (National Digital History portal 2013: para. 6) Coal extraction in Kazakhstan increased by 75%. In comparison to the pre-war period, the extraction of oil increased by 2.5 times; the production of light industry increased significantly, too. (ibid.: para. 8) In 1920, the production of industry in Kazakhstan was only 5,3% of the total production of the

Kazakh economy, but by 1945, that figure had reached nearly 66 %. (ibid.: para. 8) Industrialization continued after the war.

In the 1950s and 1960s, the Virgin Lands campaign started, with the aim to convert the grazing land in the steppe into agricultural land for growing wheat in order to boost the Soviet Union's grain supply. The program helped Kazakhstan produce 20 percent of the Soviet Union's grain and helped make Kazakhstan the third largest grain producer in the Soviet Union behind Russia and Ukraine. However, the Virgin Lands program resulted in destroying the land by erosion and losses of pastures for animal herding, the traditional occupation of many Kazakhs. There were serious reductions of the number of livestock and wild animals and lakes and rivers dried up. (Hays 2008a: para. 11)

Overall, under the Soviet regime, intensive development of the raw-materials base and the extraction of all kinds of mineral wealth in Kazakhstan began. Powerful mining enterprises were built across the country. The infrastructure formed and developed around these enterprises, and capacities were increased. However, the extracted products of mining, oil and gas, were exported from Kazakhstan to Russia and other parts of the Soviet Union, and the profit, which was needed for the development and improvement of Kazakh peoples' prosperity, was not returned to Kazakhstan. (Hays 2008a: para. 11) Nevertheless, during the Soviet regime Kazakhstan was transformed into a great industrial and agricultural region. Huge centers of energy, metallurgy, fuel, chemical and machine-building industry were built in the republic.

A full assessment of the colonial legacy of the Asian Tigers and of Kazakhstan is beyond the scope of this paper. Nonetheless, impact and achievements of colonial systems are to be taken into account as the colonial era had its long-term effects. Gaining political independence severed the ties established and forced former colonies to diversify their economy. The political leaders of the Asian Tigers set economic development as a national goal because they understood that it was critical to preserve the countries' political independence, and ultimately their own ruling position. The strong Asian Tiger states that emerged from decolonization were able to maintain internal social stability, withstand external threats, and plan and implement a relatively coherent and effective economic strategy to promote rapid economic growth. The political leaders established strongly growth-oriented, autocratic regimes, which to a large extent became the foundation for rapid economic growth. Therefore, the process of decolonization and the policies adopted by post-independence regimes (some of them intended to reverse rather than sustain colonial policies) have also determined the post-1950 outcomes.

Decolonization process has touched all spheres of state life in Kazakhstan, however, at large, the process passed under the aegis of two directions: the role of state language and the national history revival. After the collapse of the Soviet Union in 1991, all the post-Soviet states had to deconstruct the Soviet identity and build their own identity in the new context and to find their own path of development. Decolonization in Kazakhstan was seen as an objective result of national and liberation wars and movements of Kazakh people, which have begun since the 18th century and continued till the end of the 20th. After the collapse of the Soviet Union, the ruling elite of Kazakhstan aimed to destroy old production relations - administrative command economy - and to create a new market society and new institutions. The aim to establish a sovereign independent state and implement broad-scale social, political and economic transformations had dominated the first years of independence. On the way to political reforms and structural diversification, Kazakhstan faced difficulties of transition, which will be discussed in the next chapters.

3.1.2. International conditions

3.1.2.1. Asian Tigers: the Cold War context

One more important historical factor that influenced the economic development of the Asian Tigers was the “unique international situation” (Hayashi 2010: 46) at the onset of the Cold War. The confrontation between the United States and the Soviet Union was the defining feature of the international order in the aftermath of World War II. The priority of the United States was to acquire allies to consolidate the capitalist camp, and East Asia was the region of essential strategic importance in the fight against communism. (Beeson 2006: 443) For the Asian Tigers this meant that the state elites were involved in anti-communist alliances throughout the Cold War, and so American administrations were prepared to overlook the distinctive political practices and forms of economic organization, which emerged in the Asian Tiger states and which the U.S. did not necessarily approve. (ibid.: 443)

In other words, the policy of the Asian Tigers was tolerated by the United States. This tolerance was ensured by a deal, so to say – the exchange of economic support for political commitment during the Cold War. Being in opposition to communist ideologies, Singapore, South Korea and Taiwan received financial aid from the United States. External aid was one of the contributing factors that played a positive role in the Asian Tigers' success stories. The Asian Tigers have guaranteed access to foreign markets that could absorb massive exports from newly industrializing countries. The United States tolerance enabled the Asian Tigers to perform the developmental state policy, that is, to adopt various microeconomic policies, such as protecting domestic companies in infant industries from foreign competition and hostile takeovers. (Amsden 1991: 495-498) The period of worldwide economic expansion ended in the 1970s. However, the US continued to tolerate the export drive of East Asian countries in the prevailing situation of bipolarity.

Some scholars question the feasibility of the developmental model of the Asian Tigers for potential emulators of the Tigers' experience arguing that it could only have worked in the context of the Cold War and could not function in today's international political and economic climate. Pempel argues that it is highly unlikely that other countries today will benefit from the same favorable international conditions that let the Asian Tigers to succeed during the Cold War. (Pempel 1999: 137) Mark Beeson writes in his paper on the developmental state in East Asia, that Asian Tigers style state-led development "was feasible for much of the post-war period partly because it was tolerated by the United States, the hegemonic power of the era, and because the expanding world economy facilitated export-oriented industrialization". (Beeson 2006: 443)

3.1.2.2. Kazakhstan: the "post-WTO" context

When Kazakhstan established itself as an independent state in 1991, international conditions were radically changing. And today, the conditions are even less tolerant towards the implementation of the developmental state policy. Critics argue that it is highly unlikely that new developmental states could pursue the same policy as the East Asian countries and would implement export-led industrialization. For Kazakhstan, today it is extremely difficult to grow without participating in the global economy. The World Trade Organization, which Kazakhstan has joined in

2015, requires all member countries to implement early trade liberalization, so Kazakhstan has to open up its economy. Opening the economy is also strongly demanded by the International Monetary Fund (IMF) and the World Bank. WTO accession requires Kazakhstan's legislation to be brought into conformity with the WTO rules. WTO has triggered changes in local legislation concerning import and export duties, state subsidies and intellectual property. In line with the WTO obligations, Kazakhstan also committed to improving the existing investment climate through liberalization of access for foreign investments to the Kazakhstan market. (Karmys 2016: 46-48)

The deepening globalization in the world economy and the emergence of these institutions has led to the declining influence of governments over the national economy in general and hence has caused the decline of the developmental state, which is considered to engineer the Asian Tigers' miracle. (Hayashi 2010: 46) The policy autonomy, which the Asian Tigers had in their time, is not available for Kazakhstan today. Under the modern international conditions, developing countries confront more severe restrictions on their autonomy. They are "disciplined" through the regulations imposed by international institutions. The competitive pressures fostered by globalization make it necessary for all countries to converge on the neoliberal form of globalization, which is being promoted aggressively. (Chang/Grabel 2004: 277-278) To sum up, the external trading environment today offers new opportunities, but also challenges, for developing countries seeking to achieve a rapid social and economic transformation. For Kazakhstan, particularly, it will be much more difficult to adopt and exercise the development policy of the Asian Tigers now because of the implications of World Trade Organization membership.

3.2. Economic conditions

In this part of the paper, I will discuss economic conditions of the Asian Tigers and then of Kazakhstan. Hong Kong, South Korea, Singapore and Taiwan share a set of common economic characteristics or factors that might be considered to have contributed to their rapid growth.

3.2.1. Economic factors

Economic factors such as natural resources and geography affect economic development significantly. (Mascelluti 2015: 22) The Asian Tigers are small sized countries with small population, however, relatively high compared with their territories, resulting in the high density of population. These countries made the most of their initial conditions, as they lacked natural resources. It used to be presumed that if a country has abundant natural resources, then its economy would be more likely to develop. The Asian Tigers had turned this view on its head, as they lack significant natural resources. Although these countries have strategic locations and deep-water natural harbors, both Singapore and Hong Kong lack significant hinterlands of their own. The natural resource endowments of Korea and Taiwan are also modest.

Just before the start of Tigers' economic growth, these countries were dependent on food aid from the United States. The only resource that was common for all four countries was a disciplined labor force. Regarding the geography, the Asian Tigers find themselves in favorable positions: they are all situated in proximity to the sea, thus their transport and shipping costs are relatively small. (Mascelluti 2015: 22) Geographical location of the Asian Tigers has geopolitical significance because of its vicinity to consumer markets and trading partners. In fact, coastal and maritime access is the most important resource of the Asian Tigers. The unique characteristic of Singapore and Hong Kong is that they are city-states; they also have the largest container ports in the world. (Rodrigue, n.d.: 8) The Asian Tigers' ratio of coastline to land area was by far the highest of any region in the world, with Southeast Asia being the second highest. This indicator gives a rough measure of the share of the population with relatively easy access to the sea. In countries where this ratio is relatively high (such as island economies), a larger share of the population is likely to be engaged in activities grounded in international trade. (Radelet/Sachs/Lee 1997: 9) Thus, the Tiger countries were provided with favorable geographic conditions that allowed them to experience an extremely fast development based on trade. Indeed, the proximity to the sea permitted them to develop their export-oriented strategy more efficiently due to reduced transport costs.

Kazakhstan is the world's ninth largest country, (Mukashev 2015: 37) which has a small population of approximately 18.3 million people. (World Population Review 2018) Kazakhstan has a well-developed infrastructure including railways, pipelines, Caspian Sea ports, although civil aviation and roadways need to be upgraded; telecommunications are improving. However, the country is the largest land-locked country in the world and has no access to the sea. (Mukashev 2015: 37) Being a landlocked country makes Kazakhstan dependent on its neighbors for the efficiency of logistic networks. Landlocked countries have enormous cost and risk disadvantages that they must overcome to be able to compete on world markets. Shipping costs for all imported goods are much higher, as landlocked countries must pay for transport by road and rail. Thus, despite the huge territory, Kazakhstan is geographically isolated and lacks access to world markets.

Kazakhstan possesses enormous fossil fuel reserves and plentiful supplies of other minerals and metals. As of 2015, Kazakhstan had an estimated 30 billion barrels of proven, recoverable oil reserves. (OECD 2017a: 51) Extractive industries have been and continue to be the engine of Kazakhstan’s growth. Of the total natural resource rents, oil rents made up an average of 31.7% of Kazakhstan’s GDP between 2000 and 2013. (ibid.: 51) Crude oil and other petroleum liquids were responsible for approximately 71% of Kazakhstan’s total exports in 2014. (ibid.: 51) Despite the recent attempts to diversify the economy, the country still suffers from overreliance on oil and extractive industries, which gives reason to talk about the “Dutch Disease”. As revealed by evidence, those countries with abundant natural resources experienced relatively worst performance with respect to countries provided with a lower level of natural resources. (Radelet/Sachs/Lee 1997: 7) In Mexico, Venezuela, Nigeria, Zambia, and a host of other countries, the initial profit from natural resource exports was followed by long periods of stagnation or even decline. One possible explanation for this is that natural resource abundance produces a “Dutch disease” phenomenon, in which a strong resource base causes an appreciation of the real exchange rate, and thereby makes unprofitable an export-oriented or import-competing manufacturing sector. Thus, the natural resource abundant economies may have found themselves priced out of world markets in the production of labor-intensive goods -- such as apparel, footwear, toys, and electronics assembly. (Radelet/Sachs/Lee 1997: 8) The term “Dutch disease” refers to the decline of the manufacturing sector in the Netherlands after a large natural gas field was discovered in the 1950s. The windfall in revenues from natural resources caused a rise in the real exchange rates, which lowered the price competitiveness of tradable goods. (OECD 2017a: 51) Diversification is an imperative for Kazakhstan’s development as it could reduce the impact of oil price volatility and help to overcome the “Dutch Disease” effects.

3.2.2. Asian Tigers after World War II

In 1945, the Asian Tigers were all overpopulated and poor and could not feed their own populations. (Radcliffe, n.d., para. 1) Not surprisingly, they also had low capital resources for development. Therefore, they faced some of the same general problems as Japan. Having such initial conditions, it is important to note that none of these countries could follow what had been the standard Third World model for development, which is to basically increase agricultural production and to mine gold, silver, or whatever natural resources the country has for export.

The post-war Asian Tigers were highly vulnerable. Korea was a divided country competing in a Cold War environment with a more industrialized neighbor; Taiwan, also felt compelled to assert its economic independence; Singapore was a city-state thrust into a competitive environment and attempting to reach nationhood; and Hong Kong was a market outpost for China. This political imperative, combined with the work discipline of societies in Korea, Singapore, and Taiwan, seems to have turned weak initial conditions into advantages to an extent seldom seen elsewhere. (Leipziger/Thomas 1993: 7)

The Asian Tigers started out in the 1960s as backward economies. Just before their extraordinary growth, they were all exhausted by the consequences of the war. After 1900, colonial governments had been seeking to stimulate agricultural growth, both for home and foreign markets. The Asian Tigers were principally agricultural, with more than 40 per cent of GDP coming from the agricultural sector. For example, in Korea almost 60 per cent of GDP came from agriculture and forestry. (Booth 2007: 4) The distribution of agriculture, industry, and services in total GDP in the Asian Tigers, as estimated in 2017, varies, however, in general the largest part in their economies is taken by services (92% in Hong Kong), while the agricultural sector contributes least of all (0 % in Singapore). (Index Mundi 2017)

The Japanese occupation of Korea that ended on August 15, 1945 was replaced in part by a U.S. military government. The immediate postwar period was characterized by extreme economic disorganization caused by the sudden separation of the Korean economy from the Japanese economic bloc, and by the partition of the country along the 38th parallel as a result of the Korean War. The Korean War (1950-1953) started as a civil war, but in effect, it was carried out as an international war. Metals, electric power, and chemical industries were located mainly in North Korea at the time of liberation, while light industries and machinery production tended to be located in the South. (Frank Jr./Kim/Westphal 1975: 7) In 1953, industrialized North Korea was richer than largely agricultural South Korea. In 1960, South Korea was still one of the poorest countries in Asia. The per capita income of South Korea in 1962 was $87. (Hays 2008b: para. 8) At that time, South Korea was still emerging from the Korean War. There were some textile factories but there were no manufacturing, no banks, no real businessmen and no people who spoke foreign languages other than Japanese. Thus, the sudden retreat of the Japanese and the separation of Korea brought about a stagnation and suspension of many production activities in the South. The U.S. played a significant role in South Korea's recovery and economic growth. (ibid.: para. 8)

Taiwan was left relatively unharmed by the consequences of World War II. Japanese colonial attempts at development had established agricultural exports in rice, sugar and pineapples, basic food processing plants and a handful of textile factories. (Vogel 1991: 13) As it was mentioned, Taiwan inherited a good infrastructure system from the period of Japanese colonial rule. The Japanese built roads, ports, and railroads to facilitate their own acquisition of rice and other farm produce from the island. However, this same infrastructure has served national industrial growth from the 1950s. Notable is the fact that already in the 1950s, when industrialization just began, there was a much more equal income distribution in Taiwan than in many other developing countries. Inequality and especially rural poverty decreased remarkably due to the land reforms, which was successfully implemented with American support and was aimed at effective and equal land utilization among farmers; due to the reform, the agricultural sector improved, too. (Aliyeva 2016: 27) From the mid-1960s onward, rapid growth of employment in export-driven and labor-intensive manufacturing industries led to low inequality of wage income, which further reduced income inequality.

Singapore faced enormous problems after World War II, including labor and social unrest, a decaying infrastructure, inadequate housing and community facilities, a slow economic growth rate, low wages, and high unemployment. The struggle for survival in the postwar period deeply affected the economic decision making of Singapore's first generation of leaders. Being a city-state, Singapore had to import food and water, necessitating a quick push towards export-oriented light industries to balance trade. (Huff 1987: 309) Singapore replaced the local lack of technical and managerial knowledge by attracting international firms. Their capital and resources were used to kick-start the light industry that would provide the basis of Singapore's economy for the next few decades. (Vogel 1991: 87) Trade, import refinement and finance all required skilled labor, and Singapore's unique geographic position and recent market liberalization allowed this to serve as the high-level industry that cemented the position of Singapore as a fully developed nation, just as high tech industries did and do for South Korea and Taiwan. Hong Kong is similar in many ways to Singapore. There also was a pressing need to balance trade deficits due to poor agricultural potential, which led to a rapid development of light industry. Like Singapore, Hong Kong ended up as a financial center and major industrial producer. (Alvin 1986: 242)

3.2.3. Kazakhstan: post-Soviet transformation and transition to the market economy

As was already mentioned earlier, in the pre-Soviet era Kazakhs led a nomadic life. Under Russian rule, agriculture was developed, trade increased and the first industries were established. Like most of the Central Asian republics, Kazakhstan primarily did not produce finished products, but rather semi-finished consumer goods for the entire Soviet Union. At the same time, consumer goods were being transferred to Kazakhstan from other Soviet republics. (Kan 2014: 23) That is to say, Kazakhstan maintained close interdependent relationships with other Soviet republics, being highly integrated into the Russian economy. As it was mentioned, during World War II, many factories were moved from Russia to Kazakhstan to save them from being destroyed; Kazakhstan was chosen because of its vast natural resources. Specific sectors of industry such as chemicals, metals, and military equipment were developed. Therefore, Kazakhstan became more industrialized by the Soviets than the other Central Asian nations. The emphasis of the Kazakh national economy was on mining and processing raw materials. During the Soviet era, Moscow had emphasized the development of extractive and heavy industries in

Kazakhstan while processing and light industries were concentrated in Russia, Ukraine, Belarus, and the Baltic Republics. (Cohen 2008: 19)

The dissolution of the USSR in 1991 had a severe negative economic and social impact on Kazakhstan, as well as on other former Soviet states. The post-Soviet era in Kazakhstan was associated with a range of problems such as a runaway inflation, collapse of industry, disappearance of markets, inadequate distribution and storage, and lack of capital for modernization. Kazakhstan's GDP fell by 13%. (Wyzan 1995: 85) The agricultural sector experienced a severe decline. Kazakhstan suffered from disrupted supply chains and higher prices for imports. The depth and the length of the post-independence recession have been severe in Kazakhstan. The country had a comparatively low level of industrialization and structural imbalances of its national economy. This has made essential the conversion to an industrial structure that would be capable of meeting more diversified needs. Thus, the economic history of Kazakhstan since independence was associated with initial conditions such as macroeconomic instability, limited transport capacity for oil exports because of being a landlocked country, lack of effective programs for reforming agrarian and social sectors (health care, education, science, etc.) and serious inefficiencies in the state enterprise sector. (Kan 2014: 24)

To go away from the Soviet-type centrally planned economic system as its initial conditions, Kazakhstan started the transition to a market-based economy after gaining independence in 1991. The economic transition of Kazakhstan coincided with independence and the set-up of new institutions and legal framework. The structure of economic institutions that Kazakhstan inherited after 70 years of central planning was totally unsuited to the implementation of market-oriented policies. (Wyzan 1995: 81)

The transition process included radical reforms — the so-called "shock therapy" approach. (Kan 2014: 18) The reform programme of Kazakhstan included price liberalization, privatization, labor market reforms, financial liberalization, and legal reforms. Stabilization policy included reforms in fiscal and monetary policies. Reforms in trade policy were aimed at the liberalization of foreign trade. (Larsson 2010:17) Initially the reforms succeeded in liberalizing and privatizing the economy, but not in stabilizing it. The first years of independence were characterized by a steep decline in output and hyperinflation. The process of reform in Kazakhstan was initially rather promising but slowed in the mid-1990s. Early in the transition period, a framework of foreign direct investment (FDI) was established to aid the reform process. (Gürgen

1999) With the constant goals of accelerating development and sustaining economic and social stability, Kazakhstan pursued two distinct industrialization directions — open economy with high levels of foreign direct investment and high domestic savings rates in the 1990s and early 2000s and state-guided capitalism after 2003. Kazakhstan has heavily invested in its integration in the global economy, including through the adoption of international standards in key productive, financial and administrative sectors.

From the beginning of the transition process, the World Bank and the International Monetary Fund provided financial aid to Kazakhstan, as well as to the other former Soviet republics in order to support economic reforms aimed at creating diversified and sustainable economies. These institutions targeted this aid toward designing, implementing and stimulating macroeconomic reforms, which they viewed as a necessary first step for Kazakhstan by the transition to market economy. (Cohen 2008: 18) The IMF assigned an immediate implementation of strong macroeconomic stabilization policy in Kazakhstan, mainly through substantial reductions in the fiscal deficit and restraining credit expansion. The IMF also pointed out the benefits of moving rapidly toward world market prices and accelerating the privatization of key sectors of the economy. They likewise urged the Kazakhstan authorities to proceed more rapidly in reducing the network of state controls. (International Monetary Fund 1992: 33) As of mid-1995, external trade had been substantially liberalized, and Kazakhstan had implemented the measures negotiated under the IMF standby arrangements. (Akhanov/Buranbayeva 1996: 140)

After rapidly transforming to a market economy, Kazakhstan experienced deep recessions in the first half of the 1990s. The country then recovered slightly in 1995-97, before being hit again by the 1998 Russian crisis. (Bendini 2013:4) Kazakhstan has experienced an impressive GDP growth based on a surge in export of natural resources since 2000. The country achieved a significant poverty reduction and remarkable improvements in social development indicators between 2000 and 2010. (Islamic Development Bank 2011: 7) The economic recession affected the country in 2009; due to a fall in oil and commodity prices, the entire country faced a serious, albeit short, economic slowdown. However, Kazakhstan recovered rapidly. The rise in commodity prices that followed the (partial) recovery in 2010 and 2011 returned the country's growth to stronger levels – 5 % in 2012 – although they remained lower than before the crisis. (Bendini 2013: 7)

The national economy underwent a major structural change during the transition period in the 1990s. Concerning the GDP composition, in 1991 agriculture represented 29% of Kazakhstan's GDP, while industry represented 28% and services (such as government activities, communications, transportation, finance, and all other private economic activities that do not produce material goods) – 43% of the Kazakh economy. (Larsson 2010: 16) By 2016, Kazakhstan's GDP composition by sector was as follows: agriculture – 4.8%, industry – 33.5%, services – 61.6%. (World Bank 2017b)

3.3. Economic policies

This section provides the review of the economic policies and industrialization process of the Asian Tigers that were pursued on the early stages and during their rapid growth. Since Kazakhstan has been following the experience of the Asian Tigers in the implementation of industrial policies, this chapter considers in details the processes and approaches used by these countries. Following that, Kazakhstan's strategy of economic development is described; finally, the role of government in both cases is discussed.

3.3.1. Asian Tigers: from import substitution industrialization to export-oriented industrialization

The world economic crisis of the 1930s influenced agricultural exports negatively (both in terms of quantity and price) in most parts of Southeast Asia, and compelled many colonial officials to consider economic diversification as a means of isolating their populations against the fluctuations of the world market. "Among the solutions offered none was seized upon with more enthusiasm than industrialization". (Shepherd 1941: 4) Structural change away from agriculture and towards industry and the modern services sector began in the countries of the Asian Tigers between 1950 and 1960.

From the beginning, economic growth of South Korea has been associated with significant structural changes and was heavily based on export of labor-intensive manufactures. (World Bank 2006) Between 1911 and 1938, there was an almost ten-fold increase in value added from the mining and manufacturing sectors, while there was a decline in agriculture's value added. (Booth 2007: 5) This also applies to employment: the share in agriculture declined, while there was an increase of the number of employees in the industrial sector and services. (ibid.: 5)

The first step of development was the recovery after World War II with the help of U.S. 64% of investment was from the United States, and import substitution industrialization (ISI) was adopted with 30% of aid going towards agricultural equipment. (Shin 2003: 48) Workers' unions were suppressed by the government to keep labor cheap. (ibid.: 48) In the late 1950s, the Korean government still pursued a relatively protectionist import substitution strategy. (Lee 1997)

In the early 1960s, import substitution policy was replaced by export orientation. The second phase of Korean economic development began with the development of light industries and export-oriented growth. The Korean economy had recovered from the war and was no longer entirely dependent on the U.S. support to pay for imports. Korea could now begin to grow through using its cheap labor force and export of light industrial goods. Policies included trade reforms; export was being promoted through direct export subsidies, tax exemption and low-interest export loans, and also duty-free access to imports. (Noland/Pack 2003: 41)

In 1961, General Park Chung-He seized political power in South Korea and decided the country should become self-reliant by utilizing five-year plans. (Park 2000: 141) The first Five-Year Economic Development Plan was adopted in 1962, establishing clear macro-economic growth targets in investment, industrial structure and trade balance, and establishing trade policy, industrial policy, and macro-economic policy in pursuit of these goals. The expected annual growth was 7.1% for the period from 1962 to 1966. The Plan defined priorities in the following order:

> "(1) an increase in energy supply, including electric power and coal;
> (2) An increase in agricultural production and in farmers' incomes;
> (3) Expansion of key industries and social overhead capital;
> (4) National land conservation and development through utilization of idle resources, particularly Manpower;
> (5) An improvement in the balance of payments through the expansion
> Exports;
> (6) Promotion of technology". (Frank Jr./Kim/Westphal 1975: 18)

Export-oriented industrialization had a major role in the reduction of poverty, having created high demand for labor and rapid expansion of employment. (World

Bank 2004: 32) Growth in the early 1960s was impressive, as high as 10% in some years (Shin 2003: 55); however, the government did not consider export-oriented industrialization as a mean to sustain growth. The aim for the next phase of development in the 1970s was to change the export composition, reduce dependence on low-wage sectors and progress to the next stage of development, while tariffs and subsidies were applied to protect growing heavy industries from the international market. (Noland/Pack 2003: 23)

Beginning in 1971, heavy and chemical industries were intensified; massive investment programs to promote the development of these industries were introduced in the second Five-Year Plan already, adopted in 1967, backed by legislation and key policy instruments, whereas textile and light industry were in decline. (Noland/Pack 2003: 41) The second five-year plan sought to shift the South Korean state into heavy industry by making South Korea more competitive in the world market, which was incorporated into all future five-year plans. This phase of development has lasted the longest of any thus far, with export-driven growth from heavy industry carrying Korea forwards until the early nineties. During this period factor input in capital and education resulted in a massive degree of growth in industrial output, setting up Korea well for the next phase of development. (Col ins 1990: 105)

In the 1990s, the South Korean economy experienced significant changes. The fourth and current phase of its development is the push into high tech industry, namely an increase in high-technology exports. International demand for Korean goods, growth in domestic consumption and higher standards of living make up what we know as the “successful state” status of Korea.

Taiwan began with a policy of import substitution-oriented industrialization in 1949-1950. Because of bad experiences with inflation in mainland China, a more aggressive growth policy was not adopted until the U.S. threatened to reduce aid in the 1950s. (Vogel 1991: 22) Only then, the industrialization in Taiwan began.

Just like in Korea, in Taiwan economic growth has been heavily based on the growth of manufacturing, and from the 1960s onward on export-orientation – the 1958 reforms replaced intervention with export promotion. At the outset, the country specialized in labor-intensive production and later shifted towards capital-intensive and high-tech production. "Taiwan has had active industrial policy systems in place to license exports, control direct foreign investment both to and from Taiwan, establish export cartels, and to provide fiscal incentives for investment in priority sectors and concessional credit for favored industries." (Smith 2003: 21)

Because of the rising competition from China in the late 1970s, Taiwan decided to "jump before they were pushed": “the export-oriented economic structure… must be upgraded to become more technology- and skill-intensive”. (Chang 1995-6: 551) Like in Korea, this has led to the development of a substantive skilled-labor population and increased their incomes. This in turn stimulated both domestic consumption and the service industry.

In general, Taiwan followed a similar development path as Korea, though light industry played a key role in the economy all the way into the 1980s and economic growth in Taiwan has been associated with less income inequality than in Korea. In Korea, capital-intensive industries and large conglomerates were more important than light industries, whereas in Taiwan small- and mid-sized enterprises were favored and were not nationalized like most heavy industries.

After the early stages of the Asian Tigers’ economic development, growth in the industrial sector was crucial for sustained long-run growth and poverty reduction. Besides economic transformation, the Asian Tigers’ development included building a strong civil service, reforms in education, medical, pension and judiciary and law enforcement systems, diversification of industrial and innovative projects and infrastructure development. In each country, the benefits of economic growth have been widely shared and typical fast-growth-related inequality has been avoided. Land reforms took place in each country early in the post-World War II period; reforms involved land redistribution from the landlords to peasants and had a great significance, bringing about remarkable equity of income and wealth; this has enhanced political and economic stability and reinforced social adherence to the goal of pursuing fast growth. Labor-intensive export-oriented growth, heavy investment in primary and education secondary contributed to more equal income distribution, too. (Castel-Branco 1996: 4)

The Asian Tigers experience points to low inflation and generally higher interest rates than elsewhere. (Leipziger/Thomas 1993: 12-13) The four Asian Tigers sustained an extraordinary growth rate of real GDP per capita particularly in the decades between 1960 and 1990. More specifically, the average growth rates in those years were 6%, 6%, 7% and 6% in Hong Kong, Singapore, South Korea and Taiwan respectively. The resulting average growth rates from 1960 to 2011 are 5%, 5%, 6%, and 6%. (Mascelluti 2015: 19)

The financial and political crises that hit parts of the East Asian region in the late

1990s revealed the way the Asian Tigers' economies had integrated with the wider international system and raised important questions about the state's role in this process. The worst hit was South Korea who had relied on external loans as the crisis affected its currency. Fortunately, all the four Tiger nations recovered from this calamity quickly and managed to return to their former growth pace. However, during the aftermath of the Asian financial crisis of 1997-1998, the ability of the Asian Tigers to sustain growth rates in the future was put under question. In particular, observers and policymakers started to reevaluate the approach to development that had been broadly accepted as workable until being exposed to a crisis. Thus, it seemed that the most severe and lasting casualty of the 1997 crisis was the developmental state model itself. (Wong 2004: 345) Moreover, the Asian Tigers have become susceptible to the pressures of economic globalization that posed a challenge to the developmental state model. (ibid.: 353)

3.3.2. Kazakhstan

3.3.2.1. Diversification and the "Kazakhstan 2030" strategy

Since 1992, Kazakhstan has launched the diversification of its economy emulating the development strategies of the Asian Tigers. Kazakhstan's diversification strategy prioritized industries within four main areas, which include a) energy, b) metallurgy and machinery, c) agriculture and food processing and d) integrated chemicals. (Felipe/Rhee 2013) On May 16, 1992, the document "Strategiya stanovleniya i razvitiya Kazakhstana kak suverennogo gosudarstva" ("The Strategy for the Establishment and Development of Kazakhstan as a Sovereign State") was published, stressing the need for "progressive … restructuring of the economy ... selecting the right priorities and implementing them based on the mechanism for economic stimulation of selected industries." (Nazarbayev 1992) This was the first of a large and complex system of strategic, planning and program documents at the national, sectoral and local levels, devoted to specific spheres of economic activity or topics of development.

The strategy set the course for: "1) the development of new markets for exports; 2) prioritized development of manufacturing and science-intensive industries;

and 3) promotion of import substitution to employ modern domestic and international technology and equipment". (Khakimzhanov/Seitenova 2013) However, between 1991 and 1997, the country's policies mostly focused on nation-building, market-oriented reforms, privatization of state-owned enterprises, price liberalization (these were the IMF loan conditions discussed earlier), and securing foreign participation in developing the country's oil reserves. (Cohen 2008)

In October 1997, Nursultan Nazarbayev presented the "Kazakhstan 2030" strategy in his annual address to the nation. The 2030 strategy was drafted starting in late 1995 by the experts of the Supreme Economic Council of the Republic of Kazakhstan, headed by President Nazarbayev, and in collaboration with a number of international organizations and donors. (Utegenova 2011: 134) The strategy outlined the ultimate goal of the nation and set out the priority objectives for its achievement. The strategy begins by analyzing the internal and external strengths and weaknesses that Kazakhstan faced in the 1990s. This is followed by an outline of goals and objectives. In terms of content, the strategy focuses largely on economic and social affairs, giving them priority over political transformation. Among the priorities set were "economic growth based on an open market economy with high levels of foreign investment and domestic savings", "oil and gas exports" (Nazarbayev 1997: 15) and "strong market economy [and . .] limited interference of the state in the economy". (ibid.: 24) The "Kazakhstan 2030 strategy" states: "Sure enough, we may and ought to study the experience of other countries and take advantage of auspicious tendencies in the world community". (Nazarbayev 1997: 3) Mentioning the East Asian countries as "marked by most effective and dynamic development", President Nazarbayev said in his message to the people of Kazakhstan:

> "To become the first ever Asian Snow Leopard, we must deem, as a priority, utilization of the best international experience in the field of macroeconomic indice – low inflation, low budget deficit, steady national currency, high rate of savings. Such formula proved effective for Japan, Korea, Indonesia and Taiwan. Hopefully, it would prove effective for Kazakhstan. […] Kazakhstani Snow Leopard would also possess western elegance multiplied by the advanced level of development, oriental wisdom and endurance." (Nazarbayev 1997: 26)

The strategy was associated with multiple strategic plans. The first one, "Strategic Development Plan for 1998-2000" had the objective to diversify the economy. The focus was set on the development – in order of priority – agriculture, timber-and timber-processing industries, light and food industries, tourism, housing construction and creation of infrastructure. The second strategic plan, "Strategic Plan 2010" was approved in December 2001 and was aimed to: "1) building a sustainable long-term base for a competitive economy; and 2) doubling the country's GDP by 2010". (Republic of Kazakhstan 2001: 4) The strategy 2030 highlighted that diversification of production would help Kazakhstan in ensuring sustainable growth:

> "We shall use instruments of state policy in such a way so as to enhance development of industries most appropriate for Kazakhstan. Not to become a country whose economy is oriented to raw materials only, we must develop light and food industries, infrastructure, oil-and-gas procession, chemistry and petrochemistry, certain subindustries of machine-building, finite science-consuming industries, services industry, tourism, all these – by priority rates". (Nazarbayev 1997: 28)

At this stage, four new institutions were established to support the objectives of the Plan: the Development Bank of Kazakhstan (now the holding company Samruk-Kazyna) in 2001, the Investment Fund of Kazakhstan (KIF) in 2003, the National Innovation Fund (NIF) in 2003, and the Export Insurance Corporation (now KazExportGranat) in 2003. Samruk-Kazyna was established in 2001 to promote the development of non-extractive industries in Kazakhstan. (Kalyuzhnova/Nygaard 2009) This institution was modeled after similar organizations in Singapore and Malaysia (Schmitz 2009: 14): "We have to establish a single coordinating body to control the activities and efforts of institutions involved in realization of strategic tasks".(Nazarbayev 1997: 39) Since 2009, this holding has increased in importance and has become the state's key tool for influencing the path of economic development. However, the close working relationship of Samruk-Kazyna and the President's Office has led to the politicization of economic reforms. (Howie 2018: 16)

The formal beginning of Kazakhstan's industrialization policies aimed at diversifying the country's economy can be traced in the policy statements of the 2000s. The "Strategic Plan of Development of the Republic of Kazakhstan till 2010" approved in December 2001 was a detailed document based on a view of the world in which states play a crucial role in economic development. (Republic of Kazakhstan 2001) In 2003, the government of Kazakhstan adopted the "Innovative Industrial Development Strategy 2003-2015" (abbrev. IIDS 2003-2015) with the aim "to diversify and modernize the economy by creating the right conditions for producing competitive products and for export growth" (Howie 2018: 13) The strategy included specific targets for agriculture, industry, transport, social welfare, health, education and the public sector". (Filipe/Hidalgo 2015: 161) Some outcomes of the IIDS 2003-2015 included establishment of development institutes, socio-entrepreneurial corporations and holding companies, technology parks, and industrial zones. (Filipe/Hidalgo 2015: 162)

When examining Kazakhstan's industrial policies since 2003, the country's approach to diversification is described by some scholars as “state-guided capitalism”. According to Baumol, Litan, and Schramm, state-guided capitalism occurs when governments, not private investors, determine which industries and even which individual firms should develop. (Baumol/Litan/Schramm 2007: 62-3) The government then uses various policy instruments to promote the chosen industries. This approach to economic development was reinforced in the Kazakhstan 2050 strategy in 2012 when the president “stipulated that the state, represented by national companies must stimulate the development of the economy of the future. This includes the task of defining priorities and new markets as well as promoting exports”. (Petrick/Oshakbaev/Wandel 2017: 106)

The domestic banking crisis of 2007, the Global Financial Crisis of late 2008 and 2009, and the development of the Customs Union of Belarus, Russia, and Kazakhstan in sum caused the change in industrial policy. In March 2010, the IIDS 2003-2015 was replaced by the “State Program on the Accelerated Industrial-Innovation Development of the Republic of Kazakhstan 2010-14” (abbrev. AIIDS 2010-2014). The program's aim was "to add both upstream and downstream linkages to country's traditional export-oriented industries (oil and gas, ferrous and nonferrous metals, uranium, and grains) as well as support initiatives in non-oil and gas sectors (e.g., pharmaceuticals, ceramics, aerospace, automobile assembly)". (Howie 2018: 14)

Between 1998 and 2005, the economy of Kazakhstan was doing so well that the country was called the “tiger of the steppe” — a label meant to group it with the Asian Tigers. (Hays 2008a: para. 13) The IMF praised Kazakhstan’s “economic progress,” saying it had “seen rapid growth and increases in living standards, thanks to the country’s oil wealth, structural reforms and prudent macroeconomic management. Kazakhstan is now well advanced in its transition to a market economy.” (ibid.: para. 13)In 2006, President Nazarbayev articulated his aim of transforming Kazakhstan into one of the “50 most competitive, dynamically developing countries in the world” within a decade. (Nazarbayev 2006: para. 1)

The emphasis in the various short- and medium-term programmes adopted in line with the 2030 strategy has varied depending on priorities and pressing issues, for example the goals for 1998-2000 largely concerned macroeconomic management as the Kazakhstan's government sought to deal with balance of payments problems connected to the Russian Crisis. Other shifts have been driven in line with the evolution of industrial policies described above. The main goals of 2030 strategy were clearly defined and the seven priorities were concrete. However, the strategy paid little attention to regional development since it was not a priority at the time. The major goal behind the strategy was the creation of a stable sociopolitical and economic foundation for international investments so that the county would not face economic problems and shortages during the transition period. Sociopolitical stability was equated to the stable development of the country. The "Kazakhstan 2030" strategy has laid out a strong basis for many policies and state-led programmes and remained the official guidepost for government policy until 2012.

3.3.2.2. "Kazakhstan 2050" strategy

Building on the success of the past 15 years, the 2030 strategy was replaced by a "Kazakhstan 2050" strategy, which was introduced by President Nursultan Nazarbayev during his annual state of the nation address in Astana on December 15, 2012. The economic background was far more auspicious than in 1997, as Kazakhstan had officially met the 2030 goals. The established state did not need to pursue a policy of survival anymore, pursuing a policy of planning, long-term development and economic growth instead. In the new strategy, Kazakhstan has set the goal of becoming one of the 30 most developed countries in the world by 2050. (Nazarbayev 2012: 11) Beside the goal of transitioning to new principles of economic policy, there were listed such objectives as further developing and strengthening statehood, comprehensive support for entrepreneurship, forming the new social model, creating modern and efficient education and healthcare systems, increasing the accountability and efficiency of the state apparatus and establishing adequate international and military policy. (ibid.: 11)

The objective to join the group of the 30 most developed countries is associated with multiple targets, some of which are quantified, related to economic performance (including targets for annual GDP growth and GDP per capita), to the structure of the economy, and to social sectors. In comparison to the previous strategy, the 2050 strategy puts a more pronounced emphasis on regional development. This includes, for example, support for the development of small towns, the adoption of new measures to resolve water shortages in rural regions and the creation of "infrastructure centers" to ensure that remote localities with low population density have access to economically necessary facilities and the promotion of small and medium agri-business companies to expand exports of agricultural goods. (OECD 2017b: 96)

In general, the main elements of strategy 2030 remain in force. Like in the strategy “Kazakhstan 2030”, in the new document Kazakhstan took a strategic hierarchical approach to development planning that translates long-term objectives into sectoral and local plans. The long-term strategic vision is at the top, while the second level is represented by ten-year development plans. The plan that was approved under the “Kazakhstan 2030” strategy and should have run until the year 2020 has been recently replaced by the new one. The Strategic Development Plan of the Republic of Kazakhstan until 2025 was adopted on 15th of February 2018.

The new Strategic Plan is based on a new model of economic growth, described as the “high-performance export-oriented competitive economy”, aimed at stimulating export-oriented production through increasing the productivity and complexity of the economy, developing human capital and attracting private funds in the face of growing competition, the leading role of the private sector and the need to develop the regions of the country. (Nazarbayev 2018: 18) Given the small capacity of the domestic consumption market, export orientation will allow expanding the boundaries of the market for the growing volume of goods and services and integrating into global value chains. As emphasized in the new document, “following the implementation of the Strategic Plan until 2020, the first five-year program of industrial and innovative development was completed, which accelerated the diversification of the economy, and the implementation of the second five-year plan is ongoing”. (ibid.: 3)

A plan for the next phase of industrialization was developed, including the development of new industries with an emphasis on expanding the export-oriented non-extractive sector: “Industrialization shall become the flagship of the introduction of new technologies”. (Nazarbayev 2018: 99) State stimulation of exports was designated as one of the main approaches of the new economic policy; tax policy should be also aimed at this. (ibid.: 99) The state budget should be focused on national projects, which are productive in the long term, such as economic diversification and infrastructure development. The focus was also put on the import of industrial capacity and the exchange of technology. The management resource should be improved and external human resources, that is, foreign specialists should be attracted.

As part of the export policy, measures will be implemented to overcome the difficulties faced by exporters and providing them with support. It is planned to remove tariff and non-tariff barriers in foreign markets. Services with significant export potential will be promoted. These services include tourism, including medical and educational tourism, financial and business services, transport and space services. The role of national holdings such as Samruk-Kazyna, Baiterek and KazAgro will remain active in the modernization of the national economy, but will not contradict the development of the private sector of the economy. Assets and functions of these organizations will be aimed at diversification, digital and technological modernization of the economy and active attraction of investments. Thus, export promotion and diversification of the economy remain a priority.

Overall, to achieve the goals set in the “Kazakhstan 2050” strategy, Kazakhstan should specify the needed measures. The aim to join the group of the 30 most developed countries is very ambitious; however, the strategy does not target measurable objectives in the foreseeable future and unlikely contain specific guideline for achieving the goal. Rather, it extends the implementation period as opposed to focusing on accelerating changes.

3.3.3. The role of government in economy

The government role in the economy and industrial policy of the Asian Tigers was essential. High domestic savings rates accelerated the development process and led to similar patterns of state intervention in Korea, Taiwan and Singapore, in which the states controlled interest rates, directed credit and used capital controls to guide the course of economic development.

State-led industrialization is considered the essence of the developmental state model, in which the state plays a central role in mobilizing and allocating economic resources and initiating industrialization. (Hayashi 2010: 47) The government identifies, which industries should be targeted and actually promote such industries.

In Korea, the development process was driven by the central state with a clear end-goal in mind and a range of effective legislative and policy tools for implementation. Government intervention was strong, and export targets were formulated in a very detailed way by product, market and exporting firm. In addition, efforts at selective industrial policies were intensified and direct government control in the banking sector increased in order to channel funds to privileged sectors, projects or firms. (Noland/Pack 2003: 53) Priority industries also received tax incentives as well as trade protection. This continuous push forward led Korea to the fully industrialized and technological economy.

As in Korea, government intervention in Taiwan has also been significant. Over the years, and especially before the 1990s, government policies included considerable use of tariffs and non-tariff barriers on imports (particularly, in agriculture), selective credit policies favoring preferred sectors, a government-led push for exports of manufactures, sectoral industrial policies to support specific industries, and the promotion of state-owned firms. (Noland/Pack 2003: 53) The government also established special industrial parks, in which several privileges, like duty-free import of materials, were provided for occupant firms. Policies have also included the establishment of institutions designed to identify, transfer, diffuse and absorb foreign industrial technologies and undertake innovation, in order to ease Taiwan’s transfer to high-tech production. (ibid.: 53)

In Singapore, the state intervention in economic policy-making was started with the establishment of the Strategic Plan of economic growth. The government provided a careful planning to ensure that Singapore can achieve economic growth effectively. The government policy included establishment of agencies as a central planning bureau, which formulates the economic planning and implementation, such as, for example, the Economic Development Board. Subsequently, the government of Singapore provided extensive subsidies and tax incentives in order to attract the potential investors expanding their business. The importance of planning agencies in establishing the infrastructure needed for heavy industry and the dominant role of the president in both politics and economic direction suggest that the state was the principal mover in the development of Singapore’s economy.

In all four economies, there was an exceptionally capable state bureaucratic apparatus as essential institutional prerequisite for successful economic policy formation and implementation. Knowledge and understanding of sectorally specific industrial operations are crucial to exercise a successful industrial policy. Relations between government and business in the Asian Tiger countries were close but the government’s ability to act independently of business pressures was preserved. Thus, such aspects of state structure as the organization of the economic bureaucracy and the institutional links between the state and private sector were important prerequisites for Asian Tigers’ success.

In Kazakhstan, many laws, rules, and regulations originate from the Soviet era, and many bureaucrats were trained and educated under the Soviet Union. Furthermore, many top government officials of the modern Kazakh government had been high-ranking party members in the Communist Party. (Olcott 2011: para. 3) Many former Communist Party members and activists still occupy important government posts. Their thinking remains mostly "Soviet", and they think that Kazakhstan's political ideology should include more of the old socialist ideals. (Olcott 2011: para. 3) The "Soviet" logic still prevails in their thinking and decisions, although they changed the rhetoric and names of the government agencies. (Luthans/Stajkovic/Ibrayeva 2000: 95)

In the strategy "Kazakhstan 2030", the role played by the state was described as follows: "Limited interference of the state with the economy combined with an active role thereof". (Nazarbayev 1997: 24) In the economy, the state must play a significant, but at the same time limited part in creating the legal basis of the market in which the private sector was offered a leading part. This, however, in no way implies that the state will be deprived of will and power, thus turning into a passive observer. The state must interfere adequately, if, for example, the markets are weak and underdeveloped, and if the market space is encumbered with fragments of the administrative system. (ibid.: 24) At the same time, the vision was that the state itself must be a "guarantor of free economy". (ibid.: 24)

However, over the past three years, Kazakhstan has been actively pursuing a policy of reducing the state's role in the economy. The strategy "Kazakhstan 2050" reappraised the role of the state and prescribed the redistribution of responsibility between the state and the market, "in order to maintain high rates of economic growth." (Nazarbayev 2012: 17) It is stressed in the document: "Today … the state exercises too great administrative zeal where it shouldn't and, on the contrary, it is fairly passive and inert where its role must be great indeed. However, it becomes ever more obvious that such state of affairs turns into an obstacle in our development". (ibid.: 17) The strategy 2050 also acknowledged a need of administrative reform, aimed at the building of a new system of interaction of the state apparatus with the business community. There must be an "interaction of the basic forms of property (private and public), each of which will perform its functions in the overall system of economic and social interrelationships". (ibid.: 24) Nevertheless, the state continues to play an important role, and it remains unclear exactly how the desirable balance between state and market should look like.

3.4. Political system

3.4.1. Asian Tigers

This section provides the discussion of political systems of the Asian Tigers and Kazakhstan to understand how political variables influence developmental outcomes.

Most developmental states in East Asia were initially authoritarian and then moved to democracy. The Cold War context and geopolitical considerations among Western allies sustained authoritarian rule in the region, as long as the East Asian developmental states adhered to anticommunist ideologies. Under these political conditions, state leaders dominated policy agendas and the policy process. When considering developmental states, political leadership is crucial because of the way it affects the quality and autonomy of the bureaucracy. The legitimacy of authoritarian power was the essential foundation for sustained growth and development. This does not mean that all authoritarian regimes are developmental; neither does it imply that states need to be authoritarian in order to be developmental. However, building developmental states in a democratic context could face some challenges. One of the obvious circumstances of the Asian Tigers' economic success story was that all of them were ruled by authoritarian or at least semi-authoritarian regimes during most of their fast economic growth. (Thompson 1996: 637)

South Korea was under control of different regimes from the end of the Korean War in 1953 until its democratization in 1987. However, the periods of comparatively democratic rule were short. The larger part of this period was shaped by the dictatorial regimes of Syngman Rhee, who ruled from 1950 until 1960 and General Park Chung-Hee who took power in a coup d'йtat in 1962. The rule of Park Chung-Hee marked the beginning of high-speed economic growth and is usually considered the key period of the developmental state in South Korea. (Minns 2001: 1026) All economic and social reforms were carried out under the strict control of the government, and the overall economic success was achieved due to the effective management of resources guided by the authoritarian government.

In Taiwan, the Kuomintang (KMT), which was disposed from mainland China in the Chinese civil war against the Communist Party in 1949, ruled in a single-party system. Until his death in 1975, the KMT and Taiwan were controlled by Generalissimo Chiang Kai-Shek. Thereafter, the most prominent political figure was his son Chiang Ching-Kuo who died in office in 1988. (Wade 1990: 70-71) As in

South Korea, the unions and the labor movement in general were repressed by the regime. (Thompson 1996: 632-633) Democratization took place in both Taiwan and South Korea at the end of the 1980s. While the regimes in South Korea and Taiwan were authoritarian, they refrained from the overexploitation of the population that has been characteristic for dictatorial regimes in other countries. As Ahrens argues, "the regimes in South Korea and Taiwan were seeking political legitimacy by achieving economic growth that was broadly shared among the population of their countries". (Ahrens 2002: 210)

Singapore today is a republic with a “parliamentary system of Government based on the Westminster Model. (Government of Singapore 2018: para. 1) However, the country has a long political practice of authoritarian rule. The political system of Singapore as a historical product included two phases of the People Active Party (PAP), which was the main political party from 1959 to 1984. (Aliyeva 2016: 17) The head of the PAP, first Prime Minister Lee Kuan Yew, had implemented policies designed to improve the welfare of the state and his strong governance made it possible to introduce radical reforms. Sandhu and Wheatley argue that the strict governance of authoritarian leaders could explain the Singaporean success. (Sandhu/Wheatley 1989: 53)

3.4.2. Kazakhstan

In the case of Kazakhstan, President Nursultan Nazarbayev has been in control of the government since independence in 1991. According to the Constitution, Kazakhstan is established as a democratic republic. (Parliament of the Republic of Kazakhstan 1996) However, rigged parliamentary and presidential elections, politically motivated lawsuits, the imprisonment of opposition figures, the oppression of independent media and flawed rule of law all attest to the regime’s adherence to democracy only on paper.

Nursultan Nazarbayev had previously been the Chairman of the Supreme Soviet of the Kazakh SSR. He was elected as the nation's first president in December 1991 following the country’s independence from the Soviet Union. Nazarbayev avoided the next vote scheduled in 1996 by organizing a referendum in 1995 to extend his term until the end of 2000. However, Nazarbayev ultimately called that election almost two years early in January 1999 and was subsequently returned to power. He was again re-elected in 2005. On 18 May 2007, the Parliament of Kazakhstan approved a constitutional amendment, which allowed Nazarbayev to run for an unlimited number of five-year terms. This amendment applied specifically and only to Nazarbayev: the original constitution's prescribed maximum of two five-year terms will still apply to future presidents of Kazakhstan. (Parliament of the Republic of Kazakhstan 2007)

In December 2010, the Parliament of Kazakhstan voted for a national referendum to cancel the next two presidential elections, thereby extending Nazarbayev’s presidency until at least 2020. However, the planned referendum was rejected by Kazakhstan’s constitutional court in January 2011. Nazarbayev called for early elections, and in April 2011, running against token opposition, Nazarbayev was elected to another term with more than 95 percent of the vote. (OSCE/ODIHR 2011: 29) A subsequent report by Organization for Security and Co-operation in Europe (OSCE) observers stressed that "restrictions on political activity in Kazakhstan and the absence of a viable opposition candidate for president had left voters without a meaningful choice in the election". (OSCE/ODIHR 2011: 1) In 2015 Nazarbayev was elected to another term as president, once again with over 95 percent of the vote. (OSCE/ODIHR 2015: 26) Thus, Nazarbayev is the first and so far the only president of the country with “Nur Otan” being the ruling political party of Kazakhstan, headed by him.

The President of Kazakhstan is the head of the state; he appoints the Prime Minister and the cabinet, appoints and dismisses the government, the administrative heads of the provinces and cities. The President is empowered to call a referendum; he may also dissolve the Parliament and veto legislation that has been passed by the Parliament. The President also is the commander in chief of the armed forces. The president’s closest supporters own and control large segments of the economy and enjoy the state protection of their businesses, consequently limiting competition. (Karatnycky 2002: 330) The judicial system and property rights are weak. Although the entrepreneurs and property owners have legal rights set forth by the Constitution, the judges may not enforce the law because they are loyal to the president, and they may be corrupt, biased, and bribed. (ibid.: 330) The Kazakh bureaucrats hinder the entrepreneurial spirit and burden businesses. The bureaucrats have wide discretion whether to approve or not approve licenses, permits, and registrations because Kazakhstan has many complex, contradictory laws, regulations, and licensing requirements. (Luthans/Stajkovic/Ibrayeva 2000: 100) The complicated, bureaucratic legal system forced people and entrepreneurs to use bribes and government connections. Corruption is a severe problem in Kazakhstan, being a legacy of the Soviet legal system (as the country had poor institutions, which did not undergo reforms after Kazakhstan had gained independence), also being aggravated by the “Dutch disease”. In 2017, the Transparency International ranked the Republic of Kazakhstan the 122nd most corrupt out of 180 countries; that is well below the Tiger states. (Transparency International 2017)

The economies of Kazakhstan and of the Asian Tigers may differ, but in terms of developmental orientation, Nazarbayev can well be put in one row with strong leaders of the Asian Tigers, who wielded state authority to build their economies into the most dynamic in the world. For years, Nazarbayev has cited Singapore as one of the best socio-political models. Nazarbayev admired Lee Kuan Yew for his strong leadership in building Singapore into a prosperous and internationally respected country. This admiration was documented in Nazarbayev’s 2007 book “The Kazakhstan Way”, in which he paid tribute to Lee as one of his two role models as a leader, the other being Charles de Gaulle, especially his commitment to state interests. (Nazarbayev 2007) In one of the interviews, Nazarbayev cited de Gaul e: "I deeply respect General Charles de Gaulle. He said: "Sometimes I am accused of having autocratic habits. I will not deny, I knew that people would accuse me, but I was doing what I thought was necessary to the state"." (Kazinform 2016: para. 4)

Lee Kuan Yew turned Singapore from a small port into a wealthy global hub. However, during his 31 years in power, Lee Kuan Yew was notorious for harassing opposition and installing censorship, justifying this by proclaiming the necessity to maintain peace and order in a multi-ethnic society. (Niyazbekov 2016)

President Nazarbayev has repeatedly supported the position of Lee Kuan Yew, who stated that political stability within a state is the major goal, and that democratic reforms in Asian countries should be conducted comparatively gradually. For instance, as Nazarbayev said: “One cannot just declare a country to be a democracy; democracy is a thing which is deserved as the result of a very difficult process of development, it is the ultimate goal at the end of the long quest, not the beginning”. (Sultanov 2003: 258-259)

Like Lee, Nazarbayev is visionary, ambitious and pragmatic; however, there are certainly important differences in the leadership styles and priorities of Lee and Nazarbayev. For instance, Lee very early built strong institutions that include an excellent civil service, the police, judiciary and parliament, an effective anti-corruption agency, a world-class education system and profitable state-owned enterprises, among others. One of the most important legacies of Lee is that he built a system that identified, trained and groomed the next generation of leaders who now lead Singapore. In contrast, Nazarbayev, who last year turned 77 and who remains the first and so far only president of Kazakhstan, has consolidated power in his hands. There is evidence that leaders who stay in power too long tend to become increasingly erratic and ineffective. Indefinite leadership is increasingly seen as an obstacle both to the political democratization process and to social and economic development. (van de Walle, 2001; Grindle, 2004)

3.5. Summary

This section summarizes the initial conditions faced by the Asian Tigers and by Kazakhstan that seemed to determine their subsequent development paths. On balance, it appears that some favorable initial conditions of the Asian Tigers and the policies based on these conditions have contributed to their outstanding economic performance. Looking at the initial conditions of Kazakhstan, we will analyze if it could have a similar development experience.

Initial conditions significantly influence industrial development and whether it occurs at all. They also influence whether industrialization accelerates economic growth and reduces poverty. Fundamental conditions for sustainable economic growth and industrial development include the historical past, economic and political conditions. In addition, the role of government is essential.

3.5.1. Historical factors

International historical conditions of the period when the Asian Tigers grew favored their success. The Asian Tigers' developmental state was indeed the product of a certain international situation. Even though the distinctive forms of economic organization that emerged in the Asian Tigers might not have corresponded with the creation of the sort of liberal international order, that Beeson considered American policymakers wanted to create (Beeson 2006: 444); these forms of economic organization were tolerated, because of the imperatives of postwar economic reconstruction and the need to contain the spread of communism during the Cold

War. In the post-war period, all four countries received substantial financial aid from the United States. In addition, the specific political circumstances of the Cold War and the privileged relationship with the United States in the post-war period enabled the Asian Tigers to export to western markets.

International conditions have changed since the end of the Cold War and U.S. policy has shifted from one of tolerance to one that advocates applying greater pressure and uses economic mechanisms rather than policy weapons. The “post-WTO” global context is different from the one in which the Asian Tigers succeeded. The “development space” for diversification and upgrading policies in developing countries” is being limited. (Wade 2003: 622) While Kazakhstan might be able to adopt a policy of the Asian Tigers, it cannot be expected to duplicate past world-market conditions. Today there is enormous international pressure on countries to go in the direction of trade and investment liberalization. Thus, it would be less easy for Kazakhstan to adopt the strategies similar to those followed by the Asian Tigers in the past, as it does not have an advantage in the form of a favorable international situation.

Another historical factor is the colonial legacy of the Asian Tigers. While colonial rule in the Asian Tigers was certainly oppressive and ruthless, it is also credited for boosting agricultural production, starting industrialization, building a cohesive bureaucracy and constructing centralized, coercive institutions. (Kohli 1994, 2004)Furthermore, colonial rule left the Asian Tigers’ countries with a significantly improved infrastructure and a major accumulation of physical and human capital. Kazakhstan inherited a colonial legacy, too. Kazakhstan gained independence in 1991 after about 200 years of domination by the Russian Empire and 55 years of Soviet rule. However, the nature and effects of colonial rule in the countries of the Asian Tigers and in Kazakhstan were distinctively different. In case of the Asian Tigers, the economies of these countries started to develop during the colonial era, in other words, the conditions and foundations for growth in the 1960s were shaped. The countries took British, Japanese and American colonial legacies as models for future development, and the colonial experience became the foundation for impressive achievements in development, as the future Asian Tigers inherited the basic industrial infrastructure necessary for the subsequent economic miracle, strong institutional frameworks and bureaucracy and experienced large land reforms. In Kazakhstan, post-colonial elites were trying to remove what was inherited from the Russian Empire and from the Soviet era and to find their own path. There were indeed not much positive effects of a colonial rule in Kazakhstan, as there were in the Asian Tigers. Kazakhstan was left as a poorly prepared and inefficiently organized state. In fact, all post-Communist countries had to cope with such problems. Soviet legacy, in form of the centralized economic model, multiethnicity, the Soviet mentality, consequences of the USSR collapse such as disrupted supply chains, hyperinflation, difficulties of transition and others – have determined and to a certain extent continue to determine the trajectory, speed and content of state and nation building projects in post-Soviet countries, and Kazakhstan is not an exception.

To sum up, first, there is a big difference between the historical context, which was present at the time when the Asian Tigers have started the way to their economic miracle, and the international situation at the time when Kazakhstan has started to develop as an independent state. That is to say, Kazakhstan should keep its strategies and programmes responsive to modern development realities and concerns. Second, comparing the historical legacy of the countries under concern, Kazakhstan as well as all of the Asian Tigers were under colonial rule that in both cases laid the foundation for future industrial development. Namely, there is a similarity in the historical past of the Asian Tigers and of Kazakhstan.

3.5.2. Economic conditions and policies

The Asian Tigers' economies benefitted from what Gerschenkron called the "advantages of economic backwardness." (Wong 2004: 350) Backwardness was the precondition of the Tigers' economic growth. By being economic laggards in the immediate postwar period, the Tigers benefitted from the advantages of catch-up development. The "will to develop" and "catch up" provided the Asian Tigers with compelling motives for intensive economic mobilization; this kind of vulnerability and urgency is absent in the context of Kazakhstan: to a certain extent, when Kazakhstan gained independence, it was in a relatively better condition than the other former Soviet republics in Central Asia, benefitting from rich natural resources. It is important to note that the Asian Tigers also learned from abroad. They imported knowledge, technology, and economic know-how; macroeconomic policy management was learned from abroad. Technology was imported first from the advanced industrial West, then later from within the East Asian region. However, the Asian Tigers did not simply copy foreign policies and institutions. Rather, their path of economic development was characterized by a blend of unique historical factors discussed above and lessons from the experiences of advanced economies (such as Japanese), which were applied taking into account domestic conditions.

In terms of economic preconditions, the Asian Tigers were different in many ways compared to Kazakhstan. The key differences are in geography, population and natural resource endowments. Kazakhstan is a landlocked country, thus its economy is highly dependent not only on the extraction and export of mineral resources, but also on the neighboring countries, on the efficiency of logistic networks and shipping costs. This has made the economy vulnerable to price fluctuations. During the years of economic transition, that dependence increased, so the government is making efforts to diversify the economy and achieve more sustainable growth. Another hazard of the economic reliance on oil export is that the political elites, especially under the authoritarian regime, use the easily accessible revenues either for financing unnecessary projects that are supposed to enhance the national prestige or as a source of personal wealth. In this respect, the conditions in Kazakhstan differ dramatically from the Asian Tigers. Natural resources of Kazakhstan constitute an advantage; however, the experience of the Asian Tigers shows that the imperative to industrialize is more important.

The emerging Asian Tigers inherited a good infrastructure system, however having started with a low level of industrialization, so did Kazakhstan. There is a similarity in economic structure with the share of output of agriculture being initially high in both cases. Even though agriculture contributed the lion's share to the Asian Tigers' economy in the beginning, the structure changed significantly, having implications for growth and the future course of economic reform; Kazakhstan experienced similar structural change with the reduced share of agriculture and increased share of industry in the economy. In the beginning, the development of the Asian Tigers was supported by substantial financial aid from the U.S. During Kazakhstan's transition to a market economy, the country was also dependent on international financial community, as the reform process was aided by significant foreign aid, provided by the World Bank and IMF. (World Bank 1993)

Summarizing, there are similarities as well as differences in the economic preconditions of the Asian Tigers and of Kazakhstan. The structure of the economy in both cases changed as the economy transformed from being predominantly agricultural to industrial. Like the Asian Tigers, Kazakhstan received financial aid from abroad that was a big help for further development. However, there are differences between Kazakhstan and the Asian Tigers in economic factors such as geography, population and natural resource endowments. In addition, after World War II, the Asian Tigers were backward, so they were motivated to catch up, while post-Soviet Kazakhstan was not the laggard.

Turning to economic policies, the development path of the Asian Tigers was clearly delineated. When describing the model of developmental state of the Asian Tigers, a more or less generalized formula of how their economies developed can be derived. In all cases barring to an extent Hong Kong (as it was not self-governed until 1997), a strong central state created a long-term plan for development, starting with import substitution industrialization, then turning to export-oriented industrialization all the way to the establishment of advanced technological or financial industries. All of the Asian Tigers countries have, at some point in time, carried out selective industrial policies, that is, promoting selected industries in an attempt to change a country's industrial structure, usually encouraging the growth of capital-intensive industries (Leipziger/Thomas 1993: 14) in order to change the sectoral structure of production towards industries believed to offer greater prospects for faster productivity growth. Industrial development has been an important basis for economic growth. The Asian Tigers have successfully used government intervention. The state was able to implement its plans through a range of policy tools and with the capability to adapt the strategy to the challenges emerging. Rather than dwell in any particular phase of development, the Tigers pushed forward, aggressively reinvesting in the infrastructure needed to establish the next phase of development.

As was evidenced above, Kazakhstan has relied on policy transfer from the Asian Tigers to promote economic development. However, there is substantial doubt over the credibility and effectiveness of Kazakhstan's initiatives. Like the Asian Tigers, Kazakhstan launched a diversification strategy in an attempt to restructure the economy. Kazakhstan has pursued two distinct industrialization directions — open economy with high levels of foreign direct investment and high domestic savings rates in the 1990s and early 2000s, and after 2003, state-guided capitalism, just like it was done in South Korea, for example. State-guided capitalism means that governments determine which industries should be promoted, rendering "guidance to key industries, especially the labor-intensive light industries that would drive rapid export growth". (Shin 2003: 55). The Asian Tigers started with the development of light industries; later heavy and chemical industries were intensified, and the final stage was characterized by the development of high-tech and skill-intensive industries. The strategies of Kazakhstan prioritized development of manufacturing, non-extractive and science-intensive industries, but natural resource endowment implicated the choice of industries. Kazakhstan's economy was and is mostly concentrated in sectors linked to mineral and petroleum products including steel, zinc processing, copper smelting, aluminium processing, petrochemicals and oil refining. Light industry, though present, is secondary in importance. Further, the promotion of exports was considered the key to the success of the Asian Tigers. These countries adopted various macroeconomic policies to promote exports, such as protectionist trade policy and the provision of tax and financial incentives. The “Kazakhstan 2050” strategy also has laid a heavy emphasis on export-oriented production and the promotion of exports. The establishment of institutions, responsible for planning, implementing and monitoring development policies, was also an element of policy transfer.

However, while Kazakhstan's policymaking performance is definitely ambitious, economic performance is not superior. Apart from differences in initial conditions, the economic transformation and growth experience of Kazakhstan reflected divergence between the Asian Tigers that started economic reforms early and pursued bold adjustment programs and Kazakhstan that was a late reformer and less consistent in its adjustment reforms. Furthermore, Kazakhstan lacks a capable state bureaucratic apparatus, which was crucial for the Asian Tigers. The government of Kazakhstan announces its support for specific projects, but these policies are not thoroughly designed, implemented, and assessed. (Ahrens/Stark 2014: 95)

In the model of developmental state of the Asian Tigers, the state’s role in economic development was essential for economic performance and outcomes. Governments of the Asian Tigers had a primary role in promoting sustainable economic growth. Moreover, the "miraculous" growth of these four countries was largely attributed to excellent governance. Governments promoted export-manufacturing-oriented policy. In addition, government was ensuring stability, well-functioning institutions with the hierarchical organization of the bureaucracy and appropriate legislation. Other essential government actions are related to skills formation, technology support, innovation financing, infrastructure development, and provision of a variety of public goods. All these had a positive effect on the growth and performance of the Asian Tigers.

In contrast with the experiences of the Asian Tigers, the role of the state in Kazakhstan’s economy is not clearly determined. The strategy “Kazakhstan

2030"emphasized limited direct government intervention. In 2008, however, a steady increase of state involvement in the productive economy was highlighted by the creation of the Samruk-Kazyna state holding company. However, over the past years, Kazakhstan has been actively pursuing a policy of reducing the state's role in the economy. The strategy "Kazakhstan 2050" reappraised the role of the state and prescribed the redistribution of responsibility between the state and the market. Nevertheless, the state continues to play an important role, and it remains unclear exactly how the desirable balance between state and market looks like. In short, the significance of the role played by the state in the success story of the Asian Tigers is neglected in the case of Kazakhstan.

To sum up, the economic policies of the Asian Tigers and of Kazakhstan are rather different, even though Kazakhstan intends to transfer policies of the Asian Tigers. The latter followed the clearly defined pattern of development, starting with import substitution industrialization and then turning to export-oriented industrialization, with the emphasis shifting from light to heavy and then hi-tech industries. Kazakhstan's strategies include export promotion, too; however, prioritizing the oil sector, as oil is the country's most important natural resource. Moreover, government intervention played an essential role in the economic performance of the Asian Tigers, while Kazakhstan is not laying an emphasis on this; this is another divergent point in the economic policies of the Asian Tigers and of Kazakhstan.

3.5.3. Political system

Finally, speaking of political regimes, the developmental states of the Asian Tigers were ruled by authoritarian leaders during periods of their growth. In this respect, political conditions of Kazakhstan are similar, as its current ruling regime is considered as "clearly authoritarian" by some scholars. (Spechler 2008: 30)

The predominance of authoritarian regimes of the Asian Tigers led to the debate on the correlation between the type of political regime and growth, which, however, did not come to any common agreement on this question. Nevertheless, it has been argued that the state was required to be "strong" and that the ability to make decisions and credible long-term commitments concerning economic and particularly industrial policy was an important success factor for the emerging Asian

Tigers economies. (Haggard 2004: 60) The state's autonomy was largely possible because these countries were either authoritarian, such as Taiwan and South Korea, or dominated for long periods by a single uncontested ruling party. The advent of democracy and political pluralism constricts many programs and policies that were feasible under authoritarian regimes. For example, compared with most developing countries under democratic regimes today, the miracle economies had fewer labor market regulations and more flexibility. In addition, in a democracy the process of policy consultation, adoption, and execution involves many procedural formalities and is therefore more time-consuming, than in an authoritarian regime. Given these and other changes, the developing countries have much less flexibility in policy formulation than before. (Halperin/Siegle/Weinstein 2009: 5)

In the light of the Asian Tigers' experience, the authoritarianism in Kazakhstan is probably not an obstacle (at least not necessarily) to a successful economic development. In fact, authoritarianism can be an advantage for the emulation of the Asian Tigers' developmental strategies since the required long-term orientation is difficult to achieve in a more democratic setting. Watanabe states that the system of in the Asian Tigers' "authoritarian developmentalism" was designed to formulate and implement state-led development (Watanabe 1995: 9). Suehiro calls it "developmental dictatorship", arguing that despite some repressive aspects, such regimes lasted for a long period with substantial popular support. (Suehiro 2000: 110)

Authoritarianism can sometimes inadvertently solve the main political problem of economic development using market forces – namely, how to mobilize the overwhelming majority of the population to work and sacrifice for developmental projects. An authoritarian government can achieve this mobilization artificially and temporarily, but it is also likely to misuse such mobilization, thereby making it harder to achieve it in the future. In the developmental state, the bureaucratic rulers possess a particular kind of legitimacy that allows them to be much more experimental. This legitimacy comes from devotion to a widely believed-in revolutionary project. Such revolutionary legitimacy in a developmental state is unlikely to be democratic. As it seems, Kazakhstan's regime would have the necessary power to pursue policies modeled after the Asian Tigers economies. However, it is a different question whether it also has the capabilities to implement such strategies, namely, if a competent bureaucracy currently exists or is likely to emerge.

To sum up, the political system of Kazakhstan is similar to that of the Asian Tigers at the time when they experienced their economic growth, to wit, there is an authoritarian leader in power and one dominating party. Moreover, it seems that the authoritarian style of former leaders of these countries is attractive to the president of Kazakhstan. In the Asian Tigers, the long-term national project was introduced with the aim of sustained development and economic stability in order to legitimize the autocracy. Legitimized leadership pursued economic development, which shows that dictatorship can bring the economic and social welfare. Thus, in term of political conditions, the authoritarian governance may be the main similarity in the initial conditions of Kazakhstan and of the Asian Tigers.

3.5.4. Analysis of policy transfer

Having compared the initial conditions of the developmental states of the Asian Tigers and those of Kazakhstan, we turn to the analysis of policy transfer by Kazakhstan, beginning with the discussion of the key actors involved in the policy transfer process. Above all, both strategies “Kazakhstan 2030” and “Kazakhstan 2050” have the personal imprint of President Nazarbayev. He underlined this fact himself in his statements:

> “I appeal to you, the people of Kazakhstan, to share my vision of the future of our society and the mission of our state.” (Nazarbayev 1997: 1)
>
> “I wish to share my considerations as to the future which looms far ahead in the next century, in the new millennium, in the pretty remote perspective.“ (ibid.: 1)
>
> “What is Kazakhstan of 2030 the way I visualize it?” (ibid.: 12)

Nazarbayev proposed the project of the political course, which was entirely based on his personal vision, while also taking into consideration advice of foreign consultants. In 1993, Nursultan Nazarbayev for the first time met Lee Kuan Yew to seek his advice for the newly independent republic. Nazarbayev labeled Lee as one of the eminent political leaders worth emulating.

In the strategy “Kazakhstan 2030”, Nazarbayev defined the most important tasks and the challenges for the next years. He stressed that the government must be “highly professional, intelligent, courageous and patriotically minded”. (Nazarbayev 1997: 12) The President highlighted the need to “to set up a system in which each and every ministry and department would organize its work in such a way that each day, month and year could bring us ever nearer to the objectives we've set”. (Nazarbayev 1997: 3)This means that the executive branch – ministers, officials, authorities, bureaucrats and public servants, must be aware of the strategic goals and priorities. The “world practice”(Nazarbayev 1997: 33) should be used to create a new generation of public servants and to train new managerial staff. The functions of state management must be clearly defined and distributed for the solution of specific tasks:

> “Work of each ministry, institution, akimat as well as regional development itself, should be in conformity with the state strategy stipulating clearly defined goals and tasks. … Strategic planning, financial programming and project management should become the essence of improvement within state management in the nearest future. Inter-institutional and interregional coordination is needed as much as air, as the manifestation of political will towards effective achievement of priorities. We have to establish a single coordinating body to control the activities and efforts of institutions involved in realization of strategic tasks. The state’s system of coordination is to be efficient and transparent“. (Nazarbayev 1997)

The President also stressed the need of a system of strategic planning, strategic control, accountability and responsibility and a system of monitoring. Responsible government bodies, institutions, agencies and committees must be established. Moreover, the legislature, i.e. the Parliament must also adopt the laws and decisions that correlate with the strategy. The policy-making process must be oriented to meet the long-term priorities while taking into consideration needs of the society in general and various groups of the population, in particular: “This should be done in an atmosphere of cooperation between the state, particular groups of the population and the private sector”. (Nazarbayev 1997: 4)

The new political course introduced in the strategy “Kazakhstan 2050” was Nazarbayev’s personal vision of the development prospects of the country. He defined further tasks, according to which a National Action Plan is to be developed. Nazarbayev instructed the administration of the President to carefully analyze the world's best practices and use it in local conditions, introducing the necessary changes in the legislation. The administration must take special control over the course of preparation and subsequent implementation of the Action Plan. The strategy again stressed the need to improve the management in the public sector. To do this, it was suggested to involve the best foreign specialists and invite them to work in Kazakhstan. Management personnel with extensive international experience and knowledge should help modernize the management of domestic production and train domestic personnel. (Nazarbayev 2012) Long-term strategic projects are to be implemented by the means of national companies, funds and agencies. The President set the task to strengthen the responsibility of state bodies and instructed the government to develop plans and programs.

Thus, a broad range of actors is involved in the process of policy transfer: “From this year onwards activities of the President, the Government, the Parliament and the local authorities will be subjected to our common strategy realization. […] Each Minister of the Kazakhstani Government will have a strategic working plan and quarterly report on his Department's activities and on implementation of specific tasks.”(Nazarbayev 1997: 49)

The further relevant aspect regards what exactly is transferred by Kazakhstan from the Asian Tigers. Some policy elements, instruments and institutions transferred, mainly in the economic sphere, were already discussed. However, the nature of policies transferred was predominantly the one that is seen by Dolowitz and Marsh as "broader statements of intention and which generally denote the direction policy-makers wish to take”. (Dolowitz and Marsh 2000: 12) Nazarbayev’s intention to make Kazakhstan one of the Asian Tigers was repeated in the statements of Kazakh officials. The Governor of the Astana International Financial Center (AIFC), Kairat Kelimbetov, noted in a speech that the AIFC sets its medium-term goal to take up a position among the financial Asian hubs: "According to our AIFC Strategy for 15-20 years, we want to enter the top 15 Asian financial hubs". (Kazinform 2017) During the session "Secrets of the Asian Economic Miracle" at the Eurasian Media Forum, he said that, for this to happen, Kazakhstan intends to use the advanced experiences from all over the world: "The driving force is the best practices from around the world, and not only the Singapore model. We are taking on the best models" (ibid.). That is, Kazakhstan seems to not use the development model of a certain country of the Asian Tigers, but rather follow a generalized model of all their experiences. Thus, in case of Kazakhstan, “model” and “experience” not necessarily include a concrete set of policies, but rather ideas and direction. For the sake of justice it is worth noting that policies adopted from the Asian Tigers included building a strong civil service, reforms in education, medical, pension and judiciary and law enforcement systems, diversification of industrial and innovative projects and infrastructure development.

However, Nazarbayev was mainly searching for a successful path of development with the focus on the future achievements, which would inspire the nation. As in the case of the Asian Tigers, their miraculous growth is constantly presented and mentioned, while stressing that Kazakhstan is doubtless able to become the next Asian Tiger. A role model is the model that has worked and has proved successful; thereby the policy transfer is legitimized.

Concerning degrees of transfer, Dolowitz and Marsh offered four different gradations – copying, emulation, mixtures of several different policies and inspiration. The Asian Tigers' policy transfer to Kazakhstan presents a mixture of emulation and inspiration. After gaining independence, Kazakhstan needed to choose the development model. President Nazarbayev made state visits to the countries of the Asian tigers. Nazarbayev then stated: "The Asian tigers have become an inspiring example for many countries in the region." (Nazarbayev 1997: 11) Thus, inspired by the success of these countries, Nazarbayev decided to apply their experience in the conditions of Kazakhstan. In this way, the image of the Central Asian Snow Leopard in the strategy "Kazakhstan 2030" was formulated. The aim to become the Central Asian equivalent of the Asian Tigers assumes emulation of their policies as Kazakhstan orients towards the end result similar to that of the Tigers, while not entirely drawing upon the original policies. Into the core of Kazakhstan's approach to national development was laid the Asian model of state-led political decisions, about which Hayashi writes: "state-led industrialization is not associated with specific policies". (Hayashi 2010: 52) Also, Kazakhstan is predominantly an Asian country and shares Asian values, so it was decided to stick to the experience gained by the Tigers. This is opposed to Western countries where political decisions tend to emerge out of a more competitive and conflictual process that pits different ideologies, groups and interests against one another and leads to bargaining and compromises.

To sum up, the strategy of Kazakhstan's development put in the concept of policy transfer can be described as personal rather than national project of the president Nazarbayev, who was inspired by the success of the Asian Tigers.

3.5.5 Research results

The aim of the research was to analyze the historical, economic and political preconditions of the Asian Tigers and of Kazakhstan and to find out whether the developmental state model of the Asian Tigers could serve as a reference model for Kazakhstan. The research identified some key differences in the initial conditions. First, there is a fundamental difference between the historical context, in which the Asian Tigers developed and in which Kazakhstan is located today. The historical factor played a significant role in economic and political establishment of the Asian Tigers, while Kazakhstan develops in an absolutely different international situation.

Second, there are differences in geography and natural resources. Kazakhstan has no access to the sea, in contrast to the Asian Tigers, which are bounded by the seas and thus have an advantage in trade by using the port infrastructure. Indeed, the physical location of Kazakhstan can be an obstacle for its economic development. Third, the Asian Tigers have no natural resources, while Kazakhstan is a resource rich country; this factor inevitably influences the strategic planning of economic development. Finally, talking about the political regimes in the Asian Tiger countries, we cannot overlook the fact that successful economic development in the Asian Tigers occurred under authoritarian rule. All four countries were governed by authoritarian governments at least at some point during their high growth period. Kazakhstan is governed by an authoritarian leader, too; thus, the political system is the key similarity between Kazakhstan and the Asian Tigers.

Having discussed initial conditions of Kazakhstan and those of the Asian Tigers in the period of their fast economic growth and having analyzed the process of policy transfer by Kazakhstan, we can now answer the main research question – to what extent may such a policy transfer lead to policy failure or success in Kazakhstan? The research has shown that due to insufficient attention that was paid by Kazakhstan's authorities and policymakers to the differences between the historical, economic and political contexts in Kazakhstan and the Asian Tigers, when choosing the four countries as role models, the transfer is not appropriate and will rather lead to implementation failure than to success. The last step of the research is to see if the research hypothesis is confirmed or disproved. The statement was formulated as follows: The development model of the Asian Tigers as transferred to Kazakhstan would rather lead to policy failure there because of the differences in initial political and economic conditions. Although the first part of the hypothesis was confirmed, the second part was disproved, as the cause of the failure are to a larger extent differences in economic conditions, while political conditions in Kazakhstan are quite similar to those of the Asian Tigers. Therefore, the hypothesis cannot be completely proved in this way.

Conclusion

When Kazakhstan gained independence in 1991, it was looking for countries that could serve as role models for the country's future development. The eye of Kazakhstan's leader turned to the Asian Tigers countries, where the economic miracle had taken place in the second half of the 20th century. Beginning in the early 1960s, South Korea, Taiwan and the city-states of Singapore and Hong Kong formed a new wave of countries that challenged the established Western economies and Japan. The strategies "Kazakhstan 2030" and "Kazakhstan 2050" were developed, inspired by the success of the Asian Tigers. Kazakhstan set the goal to become the Central Asian Snow Leopard, which is to be reached by transferring a set of policies from the Asian Tigers' economies. However, no research has been conducted by policymakers in Kazakhstan with regard to the reasons behind this choice of development model. A special set of initial conditions affected the choice of policies and the overall economic performance of the Asian Tigers. The analysis of presence or absence of such conditions in Kazakhstan has not been the subject of specific focus of the country's officials. The research question of the thesis was to find out to what extent this transfer is feasible under the conditions of Kazakhstan. Taking into account historical, economic and political factors as an initial background, the thesis considers the similarities and differences between Kazakhstan and the Asian Tigers in order to test the following hypothesis: The development model of the Asian Tigers as transferred to Kazakhstan would rather lead to policy failure because of the differences in initial political and economic conditions.

Based on the theoretical framework of the developmental state, the developmental state model of the Asian Tigers was analyzed in the paper, including the review of historical, economic and political conditions. The same set of conditions in Kazakhstan was discussed, whereupon a comparative analysis was carried out.

In some way, the developmental state of the Asian Tigers represents a suitable reference model for Kazakhstan, but at the same time, there are significant differences in initial conditions. The Asian Tigers and Kazakhstan share a similar historical past in form of colonial legacy. However, the nature and effects of colonial rule in countries of the Asian Tigers and in Kazakhstan were distinctively different. In case of the Asian Tigers, their economies started to develop during the colonial era. The countries took British, Japanese and American colonial legacies as models for future development, and the colonial experience became the foundation for impressive achievements in development. The first industrialization policies and infrastructure were introduced under colonial rule; during the period of British, Japanese and U.S. occupation social reforms were implemented and administrative institutions were established in the Asian Tiger countries. In Kazakhstan, post-colonial elites were trying to remove what was inherited from the Russian Empire and from the Soviet era and to find their own path. Kazakhstan was left as a poorly prepared and inefficiently organized state. In fact, all post-Communist countries had to cope with that phenomenon.

In addition, the Asian Tigers had backwardness as the precondition of their economic growth. By being economic laggards in the immediate postwar period, the Tigers benefited from the advantages of catch-up development. The "will to develop" and “catch up” under the post-World War II conditions provided the Asian Tigers with compelling motives for intensive economic mobilization; this kind of the vulnerability and urgency has not a pronounced character in the context of the post-Soviet Kazakhstan. Finally, while Kazakhstan might be able to adopt a policy of the Asian Tigers, it cannot be expected to duplicate past international political and world-market conditions.

Further, political conditions in Kazakhstan are similar to the authoritarian governments at the beginning of the fast growth of the Asian Tigers. In the light of the Asian Tigers’ experience, the authoritarianism in Kazakhstan is probably not an obstacle (at least not necessarily) to a successful economic development. However, clear and significant differences arose with regard to the economy.

The Asian Tigers and Kazakhstan were similarly positioned with regard to the initial level of industrialization, but there are differences in geography, population and natural resource endowments. Kazakhstan is a land-locked country, which economy is highly dependent on the extraction and export of mineral resources. Moreover, in terms of economic policies, the development path of the Asian Tigers was clearly delineated, starting with import substitution industrialization, turning to export-oriented industrialization all the way to the establishment of advanced technological or financial industries. The Asian Tigers have successfully used government intervention.

The economic policies to be transferred from the Asian Tigers to Kazakhstan include export-led industrialization and diversification of the economy; however, the presence of mineral resources (especially oil) in Kazakhstan affected both the pace and outcomes of reforms. As differences in natural endowments appear to shape the behavior of governments, it can be suggested that Kazakhstan has failed to address the overreliance of its economy on oil and gas that constrain the effectiveness of adopting policies from the Asian Tiger economies.

Besides, in the model of the developmental state of the Asian Tigers, the state's role in economic development was essential for economic performance and outcomes. In contrast with the experiences of the Asian Tigers, the role of the state in Kazakhstan's economy is underestimated. Furthermore, Kazakhstan lacks a capable state bureaucratic apparatus, which was crucial for the Asian Tigers. In the Asian Tigers, bureaucracies were agents of development. Governments centered their efforts on core economic ministries, which formulated and coordinated economic policy. The clear identification by government officials with the goals being pursued provided the quality of implementation in the Asian Tiger countries.

To conclude, the Asian Tigers' development model is hardly transferable onto the conditions of Kazakhstan. Policies transferred from one state to another may often face implementation challenges. It is important to understand that some of the initiatives that were successful in the Asian Tigers may not be appropriate for Kazakhstan. The historical, economic and political contexts within which a policy is located affect its effectiveness, in relation to the stated goals. Specifically, when policy makers take the best practice examples, they should adjust them taking into account Kazakhstan initial conditions. Furthermore, Kazakhstan needs to be fully aware of whether the transfer of the Asian Tigers' policies is based on pragmatic economic reasoning rather than being politically motivated. In other words, to be aware of whether economic conditions necessary for the transfer are present in Kazakhstan, before setting the ambitious political goal such as to join the group of the world's 30 most developed countries. Therefore, another conclusion, which could be instructive not only to Kazakhstan, but also to other developing economies, is that policies transferred should be adjusted to fit domestic priorities.

Thus, a fuller understanding of Kazakhstan's development path will have to rely on further research focused on alternative reference models for Kazakhstan's development initiatives. This would then contribute to a better understanding of the different roads to growth that would lead to better outcomes – not just for the economy of Kazakhstan, but for other developing countries too.

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