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## **EUA REPORT**

# Transition to University Autonomy in Kazakhstan

State of play of university governance  
and recommendations for the reform  
process

2018



# Transition to University Autonomy in Kazakhstan

## State of play of university governance and recommendations for the reform process

Report by the European University Association  
For the TRUNAK project  
Work package 1 Preparation  
Deliverables 1.1 and 1.2

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## Contents

|  |    |
|--|----|
| Introduction .....   | 4  |
| Background .....   | 4  |
| Kazakh universities.....                                       | 5  |
| Data collection .....  | 6  |
| Reform process in Kazakhstan .....                             | 7  |
| Section 1: Analysis per autonomy dimension.....                | 8  |
| 1. Organisational autonomy .....                               | 8  |
| Public universities .....                                      | 8  |
| Joint-stock company status.....                                | 9  |
| Private universities.....                                      | 10 |
| Assessment per category .....                                  | 11 |
| 2. Financial autonomy.....                                     | 14 |
| Public universities .....                                      | 14 |
| Joint-stock company status.....                                | 15 |
| Private universities.....                                      | 15 |
| Assessment per category .....                                  | 16 |
| 3. Academic autonomy .....                                     | 19 |
| Assessment per category .....                                  | 21 |
| 4. Staffing autonomy.....                                      | 24 |
| Assessment per category .....                                  | 25 |
| Income structures of universities .....                        | 26 |
| Section 2: Challenges and opportunities .....                  | 29 |
| 1. Organisational autonomy: Challenges / Areas for reform..... | 29 |
| Organisational autonomy: Opportunities to explore .....        | 30 |
| 2. Financial autonomy: Challenges / Areas for reform .....     | 31 |
| Financial autonomy: Opportunities to explore.....              | 32 |
| 3. Academic autonomy: Challenges / Areas for reform.....       | 33 |
| Academic autonomy: Opportunities to explore .....              | 34 |
| 4. Staffing autonomy: Challenges / Areas for reform.....       | 35 |
| Staffing autonomy: Opportunities to explore.....               | 36 |
| Section 3: Key messages and recommendations.....               | 37 |
| <i>Key findings</i> .....                                      | 37 |
| <i>Core principles</i> .....                                   | 38 |
| References .....   | 43 |

# Introduction

## Background

The focus of the TRUNAK project, supported by the European Union's Erasmus+ programme, is to contribute to the modernisation and restructuring of university governance by promoting and supporting greater university autonomy in Kazakhstan. In particular, it seeks to:

- Analyse the state of the play and need of university autonomy in Kazakhstan;
- Review the roles of key stakeholders of academic governance;
- Engage the stakeholders in a more in-depth debate on autonomy and provide institutional perspective on autonomy;
- Contribute to a constructive discussion together with the Ministries, about the model of governance to apply in Kazakh universities;
- Disseminate the results and achievements of the project and the experiences of other university sectors in Europe.

Higher education stakeholders broadly agree on the considerable benefits and importance of university autonomy. In several declarations, the European University Association (EUA) has reaffirmed the crucial role of institutional autonomy for higher education institutions and society at large. While autonomy is not a goal in itself, it is a vital precondition for the success of Europe's universities.

Autonomy does not mean the absence of regulations. While acknowledging that there are many different models, EUA has identified the basic principles and conditions which are important for universities if they are to fulfill optimally their missions and tasks. The Autonomy Scorecard methodology was developed by EUA with the input of its collective members, the National Rectors' Conferences of 29 higher education systems in Europe, between 2009 and 2011. It offers a tool to benchmark national higher education frameworks in relation to autonomy and enables the establishment of correlations between autonomy and other concepts, such as performance, funding, quality, access and retention. It was subsequently updated a new version was released in 2017 (see [www.university-autonomy.eu](http://www.university-autonomy.eu)).

The scorecard has been used in several European countries to support their higher education reform process. The scorecard methodology has thus been broadly acknowledged by the various higher education stakeholders in Europe as an adequate tool to use for reform process development.

This document is based on the work carried out in the policy analysis phase of the TRUNAK project (2018), in which the higher education system of Kazakhstan has been assessed based on an approach inspired from the scorecard methodology. This document presents the results of this analysis, and as such has informed the development of recommendations for ways in which the system can be reformed to bring about enhanced university autonomy<sup>1</sup>.

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<sup>1</sup> This report combines therefore two main deliverables of the project's work package 1 (Preparation), state of play analysis and recommendations.

## Kazakh universities

The Kazakh higher education system is expanding, with a growing student population (currently about half a million students) and positive demographic trends. Considering the large territory of Kazakhstan, questions arise regarding the organisation and availability of the higher education offer across the country. Students are almost equally divided between public and private HEIs. Roughly one-third of the student population benefits from state subsidies, while the rest pay fees that are, broadly speaking, equivalent to these grants.

According to Eurydice's "Overview of the Higher Education System of Kazakhstan"<sup>2</sup>, the country's 125 higher educational institutions may be categorised as follows: 9 national, 31 public, 13 non-civil, 1 international, 16 corporatised, 54 private and 1 "autonomous organisation of education" (Nazarbayev University).

Most categories of universities fall beneath the control of the Ministry of Education and Science or of the Ministry of Healthcare for medical universities (or of the Ministry of Agriculture). The "non-civil" state institutions are linked to bodies such as the Defense Ministry, the Ministry of Internal Affairs or the National Safety Agency.

"National" universities and public HEIs that have the status of "state enterprises" share for the essential part the same regulatory framework regarding institutional autonomy, with nevertheless some specificities for national universities, that have to do with the special status that they hold in the national higher education hierarchy (Nazarbayev University set aside).

National universities are defined as follows: *a higher education institution with a special status and a development programme for five years approved by the Government, developing independently education programmes in higher and postgraduate education in various disciplines (specialties), using the results of basic and applied researches for the creation and transfer of new knowledge.*<sup>3</sup>

From a comparative European perspective, the regulatory framework applicable to Kazakh universities is complex, dense and highly detailed, making it difficult to navigate and obtain a clear overview of the system. The law on education of July 2007 (subsequently amended) provides the main legal frame, together with a series of other laws, orders (from different ministries), decrees and codes. The relationship between the different statuses Kazakh higher education institutions have and the applying regulatory frameworks is confusing. Public and private institutions may be subject to the same, or similar, legal provisions for some aspects (notably with regard to accreditation), while for others there will be distinctions among sub-categories of public institutions (like national and state universities). There are also cross-cutting regulations such as those governing the "joint-stock company" status, which does not cover exclusively higher education, and which may in effect be applied both to public institutions (with the Ministry as exclusive "shareholder") and private institutions (with private shareholders). As is exposed in the next sections of this report, the different statuses do not necessarily have an impact on the dimensions of institutional autonomy.

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<sup>2</sup> Eurydice, Overview of the Higher Education System of Kazakhstan, February 2017, p.7

<sup>3</sup> Ibid, p.8

The data collection process revealed fragmented views and a lack of awareness / different understandings of where decision-making powers and responsibilities effectively lie in university governance (Ministry, Ministry-appointed Board, internal university bodies, etc).

### Data collection

The approach retained for this analysis directly builds on the experience that EUA gained with two data collection rounds in the framework of the EUA Autonomy Scorecard. It preserves the main features while adapting to a significantly shorter timeframe by simplifying the data validation and processing phases. The EUA team organised a training seminar for the TRUNAK consortium in March 2018 to present the main features of the methodology and discuss the data collection process. Next, EUA built a survey that covers all items addressed in the general Autonomy Scorecard, requiring in addition contextual financial information (typical income structure). The survey was translated into Russian by the Kazakh consortium members and distributed according to the following logic:

- Each main “type” of universities should be included in the data collection: “national research universities”; regular “state” universities, “joint-stock company” universities, private universities; finally, Nazarbayev University was addressed separately;
- Using the consortium as a basis, the surveys for “national research universities” and “state universities” should each aggregate the responses of at least two different institutions;
- Each survey was addressed both to universities and to the Ministry (Ministry for Education and Science or Ministry for Healthcare in the case of medical universities) with the view to compare responses between university practitioners and regulators

The data collection was coordinated in Kazakhstan by Karaganda State Medical University (KSMU - TRUNAK project coordinator) during Spring 2018. In a second phase (Summer 2018), EUA and KSMU worked together to aggregate, clarify and validate the data submitted. Quality control was ensured via the systematic comparison of Ministry and universities’ responses, as well as the use of secondary sources (listed in the “References” section of this report).

The data validation phase closed in November 2018 with the *Global International Conference "Transition to University Autonomy in Kazakhstan: Challenges and Perspectives"* organised by Karaganda State Medical University and the Erasmus+ National office in Kazakhstan with the support of the Ministry of Healthcare and the Ministry of Education and Science of the Republic of Kazakhstan. The conference provided an excellent forum for early dissemination of the findings of the analysis and allowed for further clarification and contextualisation. In addition to an international panel of experts, the conference brought together representatives of the Ministry of Education and Science, Ministry of Healthcare of the RK, Erasmus+ National office in Kazakhstan, members of the National Team of experts on higher education reform in Kazakhstan, leaders of educational organizations, scientists, teachers, students as well as specialists from human and financial services and academic work. The conference explored each of the four dimensions of autonomy in dedicated workshops. Importantly, conference participants issued a declaration highlighting the need for continued development of managerial and leadership skills of education managers to effectively implement the concept of autonomy in daily operations of Kazakh universities. The EUA team fully shares this assessment and has made it a key recommendation (see section 3).

## Reform process in Kazakhstan

During the data collection phase, the Republic of Kazakhstan passed a law amending the main legislative acts regulating higher education, with the view to promote the “expansion of academic and management autonomy of Higher Educational Institutions” (4 July 2018). This is part of the “Plan of the Nation – 100 concrete steps” put forward by Kazakhstan’s President Nazarbayev in 2015, which sets out a series of measures/objectives to achieve five main institutional reforms: Creation of a modern and professional civil service; ensuring the rule of law; industrialisation and economic growth; a unified nation for the future; transparency and accountability of the state. Higher education is addressed in the plan under several points, including the following: “Moving gradually towards the self-management of universities, taking into account the experience of the Nazarbayev University. Transformation of private universities into non-profit organizations in line with international practice.” The law passed in July 2018 seeks to translate this vision by granting more autonomy to universities, essentially by adapting the status of 40 public universities (“Republican state enterprise on the right of economic management” and joint-stock companies with the state as single shareholder) to non-commercial joint-stock companies (the so-called “state institutions” that are linked to other state bodies are not affected by the reform). The status change will apply as of February 2019 for a first wave of 27 universities. All medical universities were given the status of non-commercial joint-stock companies in December 2018. The reform is also expected to maintain special statuses (“national university”, “research university”, “national research university”) which will continue to give additional prerogatives (linked to academic autonomy and research funding) to the designated HEIs.

The analysis presented in this report focuses on the current state of play in the Kazakh higher education sector, as the changes brought about by the law have yet to be implemented. Whenever possible, such changes are discussed in the following sections. To the extent that the reform transforms state universities into joint-stock companies, the analysis of the regulatory framework for universities that currently have the status of non-commercial joint-stock companies proves highly relevant and provides a sense of the direction in which the system is heading. The recommendations detailed in this report seek to provide guidance and framing for the implementation of the reform and future progress with regard to university autonomy in Kazakhstan.



## Section 1: Analysis per autonomy dimension

This section considers each dimension of autonomy (organisational, financial, academic and staffing autonomy) in a sequence, describing the current framework for the different type of universities analysed. At the end of each sub-section, a table assesses the situation for each indicator. Colour coding is used to show the level of regulations / constraints that universities operate with for each indicator. Green means autonomy enabler; yellow refers to significant constraints; red represents important lack of autonomy.

### 1. Organisational autonomy

#### Public universities

Executive heads of **national universities** are directly appointed by the President of the Republic of Kazakhstan (RK), according to a decree applying to the different categories of universities but specifying different modalities between them. Leaders of **state universities** (state enterprise higher education institutions) are appointed by the Minister of Education and Science (or the Minister of Health in the case of medical state universities); Qualification requirements for the candidates are included in law in both cases (national and state universities). The candidates must hold a higher education degree, provide a list of publications and have at least 5 years experience in leadership positions. The rector is dismissed by the President of the Republic of Kazakhstan / Minister of Education and Science or Minister of Health according to a procedure set in law. While there is no such thing as an exact “mandate” or “term of office”, the rector must undergo every three years a so-called attestation process, whereby a Commission, chaired by the Minister, assesses his/her achievements and plans. Depending on the result of the attestation, the term of the rector may be continued or terminated.

There is therefore extensive influence of external authorities on the executive heads of national and universities, who are placed under the direct control of the President of the Republic / Minister.

The governance structure of national and state universities is organised according to the principle of collegial management, making the senate-type body (“academic council”) the main decision-making organ in the institution. In the recent years, universities have set up board-type bodies (“supervisory board”/ “board of trustees”) following a change in the law. The competences of the board have to do with financial management (notably the internal allocation of non-public funds). The board-type bodies have been introduced in 2012 and have been generalised after the rules issued in 2015. The institutional governance structure also includes other bodies with more specific scopes.

The competences and composition of governing bodies are regulated by law. The academic council includes the rector, pro-rectors, heads of structural divisions, representatives of the faculty, students and public organisations of the university. Universities may decide on other members and the overall size of the governing body. The law stipulates that the board-type body should have an odd number of members equal or superior to 5, who are all external to the university (with the exception of the rector). The selection procedure is carried out by a Ministry-led committee, which makes a proposal to the Minister for appointment. External members must have a higher education degree.

They are typically representatives of the Ministry, the local authorities, representatives of the business sector<sup>4</sup>. Members of Parliament may also become independent observers in the board.

Observers do not have voting rights in the deliberations of the supervisory board. The fact that universities have no influence on the selection of external members has been criticised for leading to situations where supervisory board members lack interest in contributing to the development of the institution.

National and state universities may develop their own internal academic structures, under the decision of the academic council. The law only stipulates that the structure should cover all activities of the institution.

Universities that are state enterprises have the right to establish both for-profit and not-for-profit legal entities but may proceed under the authorisation and strict control of the Ministry / local authorities.

Public national and state universities have limited capacity to decide autonomously on governance and organisational matters. The selection, assessment and dismissal of the executive leadership are subject to the highest political control. The governance structure remains excessively fragmented with a series of specific bodies gravitating around the senate-type organ, while the board-type body is perceived as external considering that it is essentially formed without involvement of the university.

#### Joint-stock company status

**Universities that have either the status of joint-stock company (JSC)** have comparatively greater organisational autonomy, at least formally. Nevertheless, regulation applying to these institutions is still often tighter than for public universities in other European countries.

The regulatory framework for JSC universities is a transversal regulation that applies to other companies operating in other sectors than higher education. Importantly, while the status allows for different individuals / legal entities to become “shareholders” of the institution, it also is possible for the university to have one exclusive shareholder, in this case the Ministry of Education and Science or the Ministry of Health (for medical universities). Therefore, both public and private institutions may exist under the JSC status. Where the Ministry is the sole shareholder, it effectively maintains a high degree of control on the governance of the university.

While the executive head of JSC universities is elected by the main strategic decisions-making body (“Board of Directors”), his/her nomination is subject to the formal validation of the Minister (either the Minister of Education and Science or the Minister of Health for medical universities). The Chairman is elected among the members of the Board of Directors, who themselves must fulfil selection criteria similar to those of leaders of state universities. The dismissal of the Chairman corresponds to the same logic: it is the responsibility of the Board of Directors but is subsequently validated by the Ministry. The Board of Directors is competent to determine the term of office of the Chairman.

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<sup>4</sup> Details on the composition of the board-type bodies are sourced from the OECD review of the higher education system of Kazakhstan, 2017, chapter 7.

The governance model of JSC universities follows that of state universities; the dual structure is organised around the Board of Directors and a senate-type body, while the management board is the executive body (equivalent to rectorate).

The Board of Directors is subject to intermediary regulation level, as there are some provisions about its minimum size (3 members). The Board of Directors is primarily composed of external members and includes the Chairman. Information received shows that there is significant representation of public authorities (as “shareholders”) in the Board of Directors, which nevertheless must include a share of “independent” members who may not be civil servants, representatives of shareholders, nor employees of the university. The Board of Directors is elected by shareholders (general shareholders meeting). The composition and size of the senate-type body are fixed in internal regulations of the institution, under the approval of the shareholders.

JSC universities may decide on their internal structures; they may also create legal entities, with restrictions regarding the amount of assets that can be transferred, and subject to the authorisation of the general shareholders meeting, which involves public authorities.

#### Private universities

Private universities may be organised under different types of legal entities, including the joint-stock company status described previously (without public authorities as shareholders), limited partnerships, or fully private. The governance and organisational model of **private universities** remains mostly aligned with that of public universities, as private establishments fall under the same legislation for many aspects. Governance is organised on the principle of collegial management, but rules regarding the size and composition of decision-making bodies are more limited, and universities may select their Board members autonomously. By law, the rector is accountable to the shareholders meeting, a body that is competent for his/her appointment and dismissal as well as for fixing the term of office. Private universities are also included in the scope of the legislation establishing required qualifications for the rector.

Private universities may autonomously decide on their internal academic structures and may create separate legal entities.

The reform process ongoing in 2018 is moving the public university sector towards the joint-stock company status, with the relevant Ministry as the sole shareholder. Under this model, the involvement of public authorities in university governance is not significantly reduced and most of the selection and appointment processes remain under external control. Nevertheless, this legal framework may be conducive of a progressive transition towards increased autonomy for the broader university sector, notably by widening the range of shareholders and by allowing for more strategic governance at the institutional level.

Assessment per category<sup>5</sup>

| Autonomy indicator             | Situation for public universities (national and state universities)   | Situation for joint-stock companies          | Situation for private universities                                       | Assessment   | Commonly found situation in European universities  |
|--------------------------------|---|--|--|--|--|
| Selection procedure for rector | Set in law / Appointment by President of RK or Minister               | Set in law / external validation by Minister | University decision (the law defines the body responsible for selection) | Public universities: Barrier to autonomy – reform needed<br>JSC: intermediary model<br>Private: autonomy enabler | The executive leader is always chosen by the institution itself, but this requires the validation of an external authority in about half of the surveyed systems. This is a formality in most, though not all, cases: in some systems, the external authority may carry considerable weight in the selection process.  |
| Selection criteria for rector  | Set in law / higher education degree & publications + work experience | Set in law / same as for state universities  | Set in law / same as for state universities                              | Selection criteria (and procedure) are very detailed   | Provisions regarding the qualification requirements for the rector are specified by law in roughly two-thirds of the systems. Where universities may decide on selection criteria for their executive head, conditions for eligibility feature in the university's own statutes or stem from common practice, rather than from legal prescriptions. The most common legal requirement is the need for the rector to hold an academic position. |

<sup>5</sup> Green: autonomy enabler; yellow: significant constraints; red: important lack of autonomy

|   |  |   |                                       |   |   |
|---|--|---|---------------------------------------|---|---|
| <b>Dismissal of the rector</b>              | Set in law / Dismissal by President of RK or Minister  | Responsibility of board-type body with external validation by Minister  | Responsibility of board-type body     | Barrier to autonomy – reform needed   | Dismissal is a key factor when assessing the rector’s accountability to the institution and to other stakeholders. The law does not contain provisions regarding the rector’s dismissal in a little over a third of the systems considered. In the remaining systems, the dismissal of the executive head is more or less strictly regulated: external involvement may be limited to confirming the dismissal. The law may also specify the procedure to be followed. |
| <b>Term of office of the rector</b>         | 3-years period set in law / evaluation by external authority   | Responsibility of board-type body   | Responsibility of board-type body     | Barrier to autonomy – reform on the attestation procedure needed  | The length of term is almost always specified in the law, as a fixed duration or a minimum/maximum range.   |
| <b>External members in governing bodies</b> | Set in law / in board / appointment procedure controlled by external authority / strong representation of public authorities | Set in law / in board / selection by shareholders (include external authority) / minimum share of ‘independent’ members | Autonomous decision of the university | Aside from private universities, the control of the external authorities on the selection and appointment of external members remains too high and a barrier to strategic profiling of the institution. | In most Northern European countries, universities are able to freely select their external members, although in some of these countries, an external authority formally appoints external members who were put forward by the university. In a majority of systems, the government continues to partly or completely control the appointment of external members.   |

|                                     |   |   |   |   |   |
|-------------------------------------|---|---|---|---|---|
|                                     |   |   |   |   | <p>In a majority of European universities, external members participate now in the most important decisions in the institutions' governing bodies. Selection and nomination processes have also been revised to the advantage of the university. The 'type' of external members involved in university governing bodies remains an issue in some systems. When they come from public authorities, their involvement may be seen as a way for the state to gain greater influence over internal decision-making processes, thus reducing institutional autonomy, or conversely as a practical way to clear potential subsequent hurdles.</p> |
| <b>Internal academic structures</b> | Limited guidelines in law   | Internal decision of the university               | Internal decision of the university               | Autonomy enabler / opportunities to address | Most universities are free to decide on their internal academic structures and can create legal entities. In a number of cases, institutions gain more autonomy if they carry out certain additional activities through such distinct legal entities.   |
| <b>Creation of legal entities</b>   | Both for-profit and non-for-profit legal entities (for state universities with heavy constraints) | Both for-profit and non-for-profit legal entities | Both for-profit and non-for-profit legal entities | Autonomy enabler / opportunities to address |   |

## 2. Financial autonomy

### Public universities

National and state universities receive public funding annually to cover their teaching-related activities only. The funds are pre-allocated per programme and there is thus no margin for university governance to decide on the internal distribution of funds. Research activities are funded via competitive mechanisms only (project-based funding) and there is therefore no recurrent funding to sustain the scientific activity in the universities.

The Supervisory Board is competent to decide on the allocation of “own funds” within the institution. In line with this tight control of public funds, national and public universities are not allowed to keep any potential surplus made on this budget. It is however possible when surplus is generated from other sources of funding (although it is subject to mandatory deductions).

Following this logic, which essentially focuses control on the use of public funds, national universities can contract loans, according to specific internal rules that require external validation (the costs associated to the loan must be included in the annual budget drawn by the institution and subject to Ministry approval).

Finally, financial management is also limited with regard to real estate. Buildings used by national and state universities are considered state property and therefore cannot be “privatised”. This is valid even in the case of a university building infrastructure on its own funds. Thus, national and state universities may also not sell property.

Kazakh legislation regulates the matter of student contributions in the same way for all the types of universities covered in this analysis. Only fee levels and proportions of state-sponsored students to self-paying students vary across institutional types. State grants are allocated to students, rather than to institutions as it was done in the past. Students then take this grant to the accredited institution of their choice (including private universities). Universities are given the right to enrol a given number of state-sponsored students and decide on self-paying students. When setting the fee for self-paying students, universities must ensure that the amount charged to the student is not inferior to the state grant received by state-supported students. Typically, the share of state-supported students grows with the cycle considered (most doctoral candidates would receive the state grant). The nature of the system allows for wide variations between institutions, in relation to their academic profile (study places are allocated per programme, reflecting priorities of the state in shaping the labour market).

The rules do not differ for foreign students, who may also be eligible for a state grant, although in practice they are mostly enrolled on a fee-paying basis. Foreign students are mostly enrolled in Kazakh universities in Bachelor programmes.

The mixed model, whereby part of the student population is supported by a state grant, and part must pay a fee to enrol in university programmes, is a model that is commonly found in parts of Eastern Europe. It is evolving as the systems face different kinds of pressure, such as limited funding and demographic decline (while Kazakhstan experiences demographic growth).

In such a model, combined with the strict control on public funds, the core issues are the extent to which the state grant covers the actual costs linked to the student, and the quasi-absence of strategic allocation of funds, notably towards investment necessary to guarantee both the financial sustainability and strategic development of the institution.

#### Joint-stock company status

Universities that have joint-stock company statuses are subject to the same terms as regards public funding; it is allocated on an annual basis according to the same formula and is tied to programmes, with no internal funding allocation room for manoeuvre. Surplus generated from public funding must be returned in part (via taxes). Surplus generated from other sources of funding is used according to the procedure decided by the general meeting of shareholders (which may be the Ministry).

However, JSC institutions are freer to borrow money; the approval of the loans is the competence of different bodies depending on its size (the largest loans requiring the authorisation of the general meeting of shareholders).

Unlike the previous model, universities under JSC status may own and sell property under conditions set in law. Beyond a certain volume of sale, the general meeting of shareholders must approve the transaction; by default, the competence belongs to the board-type body.

The regulation of tuition fee levels for self-supported students is identical to the previously described model.

#### Private universities

Private universities that are accredited can compete for state-sponsored study places. In this sense, they are included in the same system as public universities and may receive public funding corresponding to the volume of state-sponsored students they enrol. The public funding is allocated in the same way as for the other universities and there is thus no autonomy in internal distribution for this funding source, and there is no possibility to retain potential surplus. Income generated from other sources is managed independently. Private universities may take on loans, own and sell their property as a private operator. They can also set the level of fees for self-supported students (although the extent to which there is competition among institutions on this seems limited). Private universities enrol a large majority of self-supported students at Bachelor level, while the proportion of state-sponsored students increases significantly at Masters' and at the doctoral levels.



Assessment per category<sup>6</sup>

| Autonomy indicator                        | Situation for public universities (national and state universities) | Situation for joint-stock companies | Situation for private universities | Assessment   | Commonly found situation in European universities  |
|---|---|-------------------------------------|------------------------------------|--|--|
| Funding cycle                             | Annual cycle for teaching activities only                           |                                     |                                    | Barrier to autonomy – absence of recurrent funding for research  | Annual funding cycles are the norm in Europe but there is a trend towards multi-annual contracts to enhance financial planning capacity. In Europe the norm is that annual funding sustains both teaching and research activities.   |
| Public funding modalities                 | Line-item budgeting   |                                     |                                    | Barrier to autonomy – this model has almost entirely disappeared in Europe – no capacity for strategic allocation. | Line-item budgets are now extremely rare. Nevertheless, in many of the systems that use block grants, internal allocation possibilities continue to be limited by law. This ranges from a division into broad categories with no or limited possibility to shift funds between them to the earmarking of certain parts of the grant for specific purposes. |
| Ability to keep surplus on public funding | Not allowed (only on surplus generated from other sources)          |                                     |                                    | Barrier to autonomy  | Restrictions regarding financial management remain rather stable; a majority of systems allow universities to borrow money under some conditions, and most often let universities keep surpluses.  |

<sup>6</sup> Green: autonomy enabler; yellow: significant constraints; red: important lack of autonomy

|                                     |   |  |  |  |
|-------------------------------------|---|--|--|--|
| Ability to borrow money             | Allowed with authorisation of Ministry  | Allowed, comparatively lower restrictions  | Autonomy enabler, although strict external control should be relaxed                                 |  |
| Ability to own buildings            | Buildings are state property and cannot be sold   | Acquisition and sale of property allowed (competence of founder/shareholder, which in the case of JSC may be Ministry) | For state universities: barrier to autonomy / no strategic management of buildings possible          | Most systems make it possible for universities to own buildings. There also continues to exist intermediary models, where a (semi)-public agency owns university buildings. Only about a third of the systems where universities can own buildings actually allow them to sell real estate freely. Restrictions apply in all other cases, usually in the form of an external approval, or a notification to an external authority. |
| Tuition fees to BA students         | Mixed model / state-sponsored and self-supported students (threshold for setting fee level) |  | In principle autonomy of universities to set fees for self-supported students but little competition | The general rule remains that universities are seldom in a situation where they control tuition fees for the main Bachelor student population, with slightly more margin for manoeuvre at Master level. None of the systems surveyed introduced tuition fees at either level during the period considered.   |
| Tuition fees to MA students         | Mixed model / state-sponsored and self-supported students (threshold for setting fee level) |  |  |  |
| Tuition fees to PhD students        | Mixed model / state-sponsored and self-supported students (threshold for setting fee level) |  |  |  |
| Tuition fees to foreign BA students | In practice self-supported students, same rule on threshold                                 |  | In principle autonomy of universities to set fees for self-supported students but little competition | Universities are typically granted more autonomy in setting tuition fees for international students. This particular part of the student population is discussed differently, with less emphasis on the social and societal dimensions. It is therefore rather rare that universities are not able to charge   |
| Tuition fees to                     | In practice self-supported students, same rule on threshold                                 |  |  |  |

|                                      |  |  |   |
|--------------------------------------|--|--|---|
| foreign MA students                  |  |  |   |
| Tuition fees to foreign PhD students | In practice no foreign PhD students in national universities |  | fees for these students (only Norway and the German states considered in the analysis). They are more often free to decide on fee levels (in 14 systems both at Bachelor and Master levels, compared to four systems at Bachelor level and seven systems at Master level when looking at national/EU students). |
|                                      |  |  |   |

### 3. Academic autonomy

Students in Kazakhstan take a central examination that determines whether they obtain a state grant, which they can then take to the university of their choice (including accredited private universities). The decision about distribution of grants is made by the authorized bodies in the field of health (for medical universities) and education. The decision on the overall number of students is made by universities, in the sense that universities can decide on the number of fee-paying students (while the number of state-sponsored students is set by the Ministry). The capacity to decide on this matter is however obviously limited by the capacity of the institution, in terms of staff and facilities, and must consider the size of the state-sponsored student cohort.

Admission of state-sponsored students is out of the hands of the institutions and fully controlled by public authorities, according to the “Model Rules of admission to the organization of education, realizing professional training programs of higher education”. Admission of fee-paying students is also regulated insofar as a specific law stipulates the minimum score that must be obtained by the student in the “unified national test” to become eligible for enrolment. Universities may set up additional entrance exams/criteria for some programmes, for students seeking to obtain a second degree, and for self-supported students. Universities also have a comparatively greater say in admission of students at Master’s and doctoral levels, particularly in the case of private universities, although in practice there seems to be a tendency to align with state universities.

The Kazakh regulatory framework provides the same rules to open new academic programmes, regardless of the type of universities considered (national, state, joint-stock company or private university). In addition to state attestation/licensing (every five years, delivered by the Ministry of Education and Science or the Ministry of Health in the case of medical programmes), both institutional and programme accreditation are necessary for universities to enrol state-sponsored students, at all degree levels. Institutional accreditation is considered voluntary but not securing it effectively bars the university from the competition for these students (new programmes can therefore be opened without accreditation but eventually need to secure it to enrol state-sponsored students; in addition, opening new “specialties” will require a state license). The universities can select the quality assurance agency to carry out this process and may contract with foreign agencies registered with the Ministry. Closure of programmes may happen at the initiative of the institutions (within “specialties”) or of the Ministry, in the latter case for instance following a change in the classification of “specialties” or by withdrawing the state license. Universities have the duty to enrol the affected students in other related programmes.

The universities design only part of the content of their academic programmes (other than for regulated professions). The State Compulsory Educational Standard of the Republic of Kazakhstan prescribes about 30% of the content, while universities may develop the rest<sup>7</sup>.

Regarding the language of instruction, students are given the right to pursue their studies in the language used for their secondary education – in practice, Kazakh or Russian, the two official languages of Kazakhstan. National and state universities may develop programmes in other languages, for which they typically would not receive public funding.

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<sup>7</sup> The Ministry response refers to 35% at Bachelor’s level, 25% at Master’s level, and 10% at the doctoral level. The OECD Review of Higher education in Kazakhstan 2017 refers to 45% of the curriculum being prescribed at Bachelor’s level, 30% at Master’s level and 10% at the doctoral level.

Nevertheless, several English-taught programmes have now been included in the list of programmes for which universities can enrol state-sponsored students, in line with the national goal of “trilingual education”. It can be a challenge for Kazakh universities to secure adequate academic staff and organise studies in the students’ language of preference, depending on where the university is located in the country. The ongoing reform seems to broaden the extent to which languages taught in foreign languages will be accounted for in the calculation of the state grant.

The admission system implemented in Kazakhstan makes universities the “recipients” of state-sponsored students, whom they do not recruit or select. Public authorities exert a strict control on academic matters by prescribing part of the content of academic programmes and by imposing, de facto, both programme and institutional accreditation – a model that is gradually abandoned elsewhere in Europe. There are nevertheless signs of enhanced international openness with the possibility for universities to work with foreign quality assurance agencies, and the progressive consideration of English-taught programmes for public funding.

The reform intends to increase academic autonomy by giving universities a greater say on admission rules, programme content design as well as on innovative teaching delivery. The extent to which the current regulatory framework will be adapted, at the level of delegated implementation act, to reflect this higher autonomy is still unclear.

Assessment per category<sup>8</sup>

| Autonomy indicator                               | Situation for Kazakh universities   | Assessment   | Commonly found situation in European universities   |
|--|---|--|---|
| Capacity to decide on overall number of students | Split model: State decides on number of sponsored students, universities decide on self-supported student numbers   | Minority model in Europe, characteristic of central and eastern European systems; limited autonomy for universities to expand based on constrained capacity.               | Most countries impose some regulations on the overall number of students, and three basic models can be found. Roughly a quarter of systems operate on the basis of free admission for everyone holding the basic qualifications. However, pressures on this model continue to be tangible; in some systems the number of academic fields, where a numerus clausus applies, is increasing. At the opposite end of the spectrum, about a quarter of systems leave it to universities to decide on the number of study places, usually (but not systematically) also granting them control over admissions. In between those two models, half of the systems privilege mixed approaches, where there is a certain degree of negotiation or split in the decision-making competences between universities and the state. |
| Student selection                                | Split model: universities have little to no role in selection of state-sponsored students; partial capacity to select self-supported students (threshold mark in entrance exam applies). Universities have the possibility to set up additional criteria at Master's level and for some programmes.<br>(Nazarbayev University has control over student selection) | Similar model to Hungary and Lithuania (split model of state-sponsored and fee-based study places)<br>Limited control on student intake and selection: barrier to autonomy | The selection of students at Bachelor level is carried out independently by the university in a minority of the surveyed countries (about a third), but it is common practice at Master level (two-thirds of cases).  |

<sup>8</sup> Green: autonomy enabler; yellow: significant constraints; red: important lack of autonomy

|                                   |   |  |   |
|-----------------------------------|---|--|---|
| Introduction of degree programmes | Institutional and programme accreditation are needed to enrol state-sponsored students (with the exception of Nazarbayev University, which does not need state licensing / accreditation to secure public funding for its programmes) | Barrier to autonomy – reform needed; the model cumulates state licensing and programme accreditation. New programmes in accredited institutions should be taken into account in the public funding model without requiring additional accreditation. | The introduction of new degree programmes usually requires some form of approval from a public authority. In approximately a quarter of the surveyed countries, universities are able to open Bachelor’s or Master’s degree programmes without prior accreditation. It is only slightly more common at doctoral degree level. In most of the remaining systems, universities require prior accreditation for programmes to be introduced or publicly funded. The practice of institutional external quality assurance is nevertheless expanding (no longer requiring programme accreditation). Several systems maintain pre-determined academic profiles for their institutions, in the framework of which universities may introduce programmes without requiring accreditation (Estonia, Finland, and Iceland). |
| Termination of degree programmes  | In principle on the initiative of universities; the closure may also result from amendments to the national classification of specialties   | Accredited institutions should be fully competent to decide on termination of programmes.  | Universities in most countries have full authority to close programmes. Only in a small number of systems do they need to negotiate this with a public authority. There may nevertheless be requirements to provide students with adequate alternatives to continue their studies in the same academic field, whether in the institution or not.  |
| Language of instruction           | Universities must offer the programmes in official languages of KZ / can decide (trilingual education goal)   | Some improvements were registered with the inclusion of some English-taught programmes for state-sponsored study places.   | In more than two-thirds of the countries studied, universities can choose the language of instruction. In the remaining countries, there are varying restrictions which are seen as a competitive disadvantage when trying to attract international students and staff. Only 2 systems (LV, HR) do not provide public funds for programmes taught in other languages.   |
| Selection of QA mechanisms        | Institutional accreditation (state license) is considered voluntary but   | Barrier to autonomy – reform needed (institutional accreditation should  | It is rare for universities to be able to select quality assurance mechanisms freely and according to their needs. This is the case only in the three German states included in the Scorecard   |

|                                    |  |  |  |
|------------------------------------|--|--|--|
|                                    | necessary to enrol state-sponsored students. Programme accreditation is mandatory.                                   | progressively reduce the need for programme accreditation).  | update, as the law now allows universities to apply for institutional accreditation (referred to as 'system accreditation' in Germany). Institutions that successfully undergo system accreditation are able to accredit their own study programmes, although they may also retain programme accreditation. There are however developments in a series of systems towards institutional external quality assurance, moving away from accreditation on a programme basis.   |
| <b>Selection of QA providers</b>   | Universities may select the quality assurance agency, including foreign agencies registered with the Ministry.       | Autonomy enabler but improvement possible (refer to EQAR registration as a criterion of choice of QA agencies)   | Just over a quarter of systems make it possible for universities to select quality assurance providers. They may also select an agency from another country. In Germany, universities may select agencies that have been accredited by the German Accreditation Council. In all other systems, universities are not able to choose the quality assurance agency. However, in a number of them, institutions may seek complementary, external quality assessments in addition to the mandatory accreditation/evaluation carried out by the national agency. |
| <b>Design of programme content</b> | The State Compulsory Educational Standard of the Republic of Kazakhstan prescribes roughly 30% of programme content. | Barrier to autonomy and diversification of the academic offer: accredited institutions should be competent to design the full content of programmes, in connection to the National Qualifications Framework. | In a large majority of systems, universities are free to determine the content of degrees other than for the regulated professions, such as medicine. Exceptions include Latvia and Lithuania, where authorities continue to prescribe some content. Universities perceive this as a considerable hindrance to diversification, innovation and competitiveness.  |



#### 4. Staffing autonomy

Kazakh universities have some margin for manoeuvre in the process of hiring both senior academic and senior administrative staff. No external confirmation of the appointment is necessary; however, the recruitment process of senior academic staff is defined in law. Staff numbers are regulated by the Ministry via prescribed student/staff ratios (referring to the number of state-sponsored students) – this rule applies to all types of universities considered, including private institutions. The number of Vice-Rectors for each state university is also tied to the number of enrolled students, which hinders the development of strategic thematic portfolios of responsibilities at the leadership level.

A specific feature of employment of academic staff (shared with Armenia) is the use of limited contracts (3 years when based on open competition, 1 year by order of the rector).

Remuneration of staff in public education institutions is stipulated by the laws and regulations of the Republic of Kazakhstan. It includes the basic salary, bonuses and allowances for service conditions, surplus payment to the annual paid leave for rehabilitation, other compensations stipulated by legislation of RK. Remuneration of both academic and administrative staff of national universities is by default 1.7 times the level of staff at state universities, for similar positions.<sup>9</sup> Overall staff expenditure may not exceed 70% of income structure. There were nevertheless conflicting reports on the actual autonomy of universities to set individual salaries, potentially linked to the fact that universities seem to be able to decide relatively autonomously on top-up on salaries, financed from own funds. Salaries of university rectors and vice-rectors at least are fully regulated externally, as the labour contracts are signed directly with the Ministry.

In the case of private universities, and universities under JSC status, remuneration is essentially an internal matter (although in the case of JSC universities whose sole shareholder is the Ministry, the ultimate decision on remuneration belongs to the Ministry).

Dismissal of academic or administrative staff, regardless of the status of the university, is not subject to specific external regulations. It follows the rules of the national labour code and is otherwise regulated internally. The only exceptions concern the rector, vice-rectors and chief accountant of public universities, which dismissal is in the hands of the Ministry. Promotion of staff is also essentially an internal matter, although the university must ensure that the staff being promoted possesses the required qualifications as stated in regulations such as qualifications frameworks. Promotion can take place when a position is vacant, or in the case of institutional restructuring (as the student enrolment increase, following the logic of student/ staff ratio, ensues the creation of new units and corresponding posts).

When considering all four dimensions of autonomy, Kazakh universities seem to have more capacity in staffing matters. Institutions can in principle act more independently at least in relation to the hiring, dismissal and promotion processes. Nevertheless, a core enabler of autonomy in the staffing area is the availability of funding. Low levels of overall funding represent a practical barrier to real staffing autonomy, as universities cannot afford to use salaries as a tool for increasing institutional attractiveness.

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<sup>9</sup> This paragraph sources information from: Eurydice, Overview of the Higher Education System of Kazakhstan, February 2017, p.15 and from: OECD review of Higher Education in Kazakhstan 2017, chapter 7.

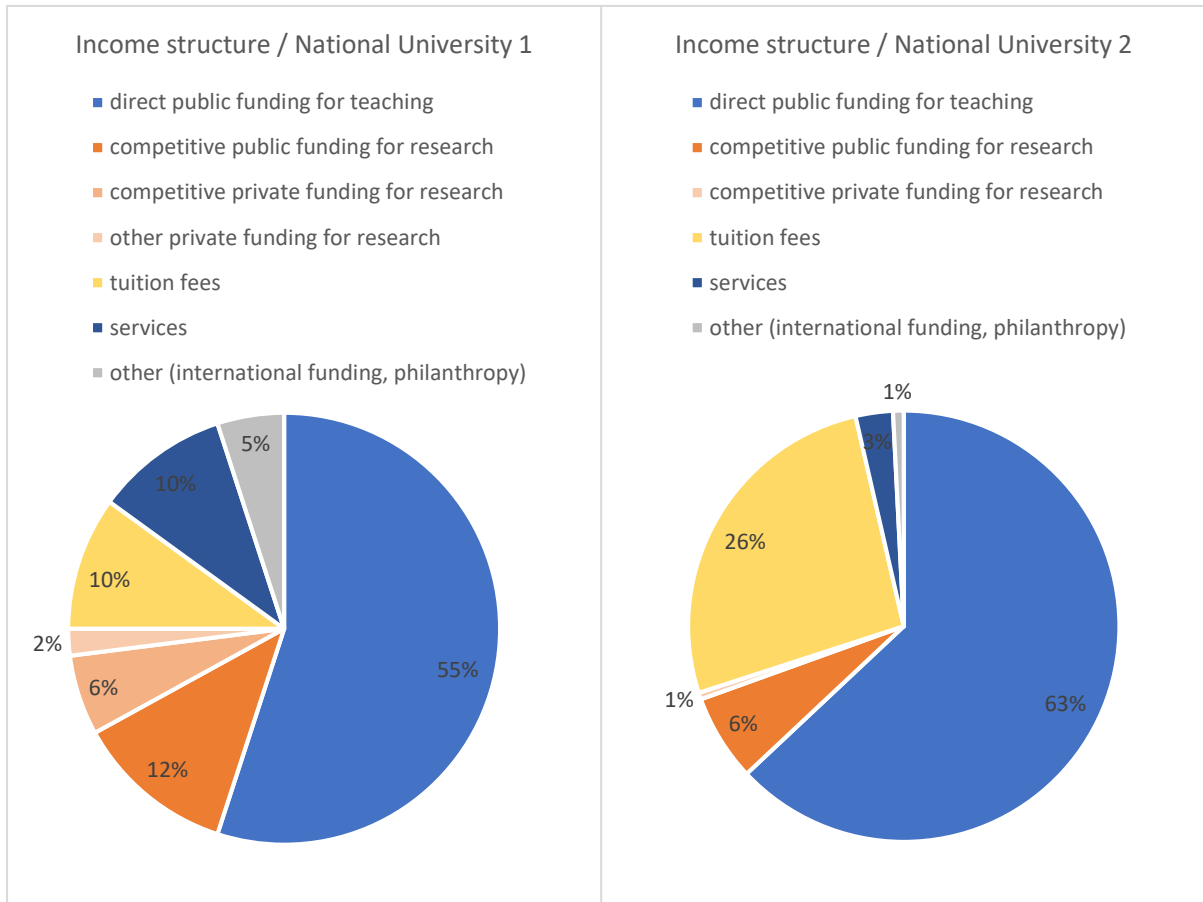
Assessment per category<sup>10</sup>

| Autonomy indicator               | Situation for Kazakh universities  | Assessment  | Commonly found situation in European universities  |
|----------------------------------|--|---|--|
| Academic staff recruitment       | Recruitment and appointment by university, but recruitment procedure set in law and student/staff ratio to respect   | Autonomy limited by recruitment procedure set in the law and student/staff ratio.   | Significant differences in recruitment procedures across Europe, ranging from a large degree of independence in the recruitment of staff to formalised procedures that necessitate the approval of an external authority, in connection to civil servant status of staff in some systems.  |
| Administrative staff recruitment |  |   | Overall in Europe, the recruitment of senior academic staff continues to be a more regulated staff category than senior administrative staff.  |
| Academic staff salaries          | Regulated, with overall ceiling on staff expenditure. Public universities may only decide on salary top-up. <b>JSC / private universities: internal decision</b> | Limited margin for manoeuvre, higher autonomy for private universities. Regulations on salaries could be relaxed / simplified | Universities in Europe are generally not entirely free to set the salaries of their senior academic or administrative staff members. In over half of the systems, salaries are set or framed (via salary bands) by an external authority. These tend to correspond to countries where most senior university staff has civil servant status. Salaries of senior administrative staff are slightly less often regulated than for senior academic staff. |
| Administrative staff salaries    |  |   |  |
| Academic staff dismissal         | Decision of university   | Autonomy enabler  | Less than a third of analysed systems do not include specific regulations for university staff dismissals, with again a slight difference between senior academic staff and senior administrative staff, the latter being less often subject to special rules.   |
| Administrative staff dismissal   |  |   |  |
| Academic staff promotion         | Decision of university   | Autonomy enabler  | Universities can decide on promotion procedures for academic staff in less than half of the systems considered, and only barely more in the case of administrative staff. In most other countries, promotions are only possible when positions at a higher level exist, since there is still frequently a form of control over the overall number of publicly-funded posts by the state.   |
| Administrative staff promotion   |  |   |  |

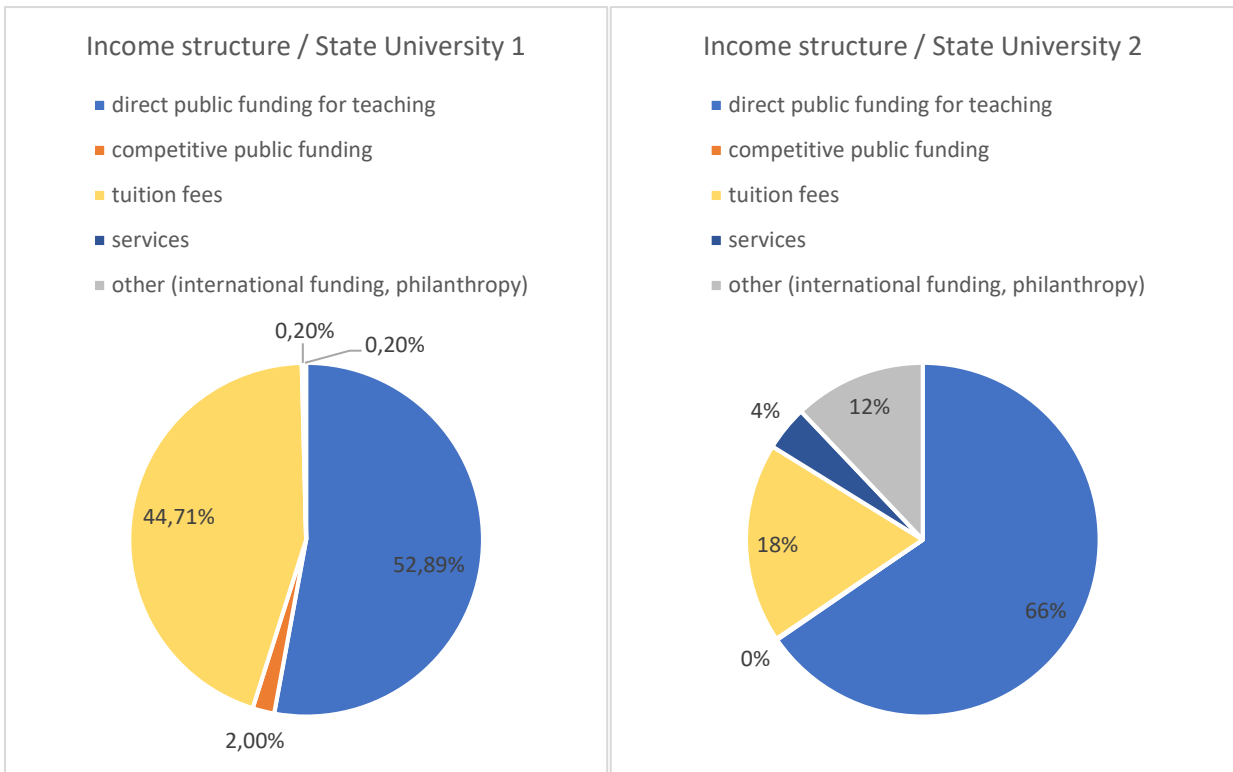
<sup>10</sup> Green: autonomy enabler; yellow: significant constraints; red: important lack of autonomy

## Income structures of universities

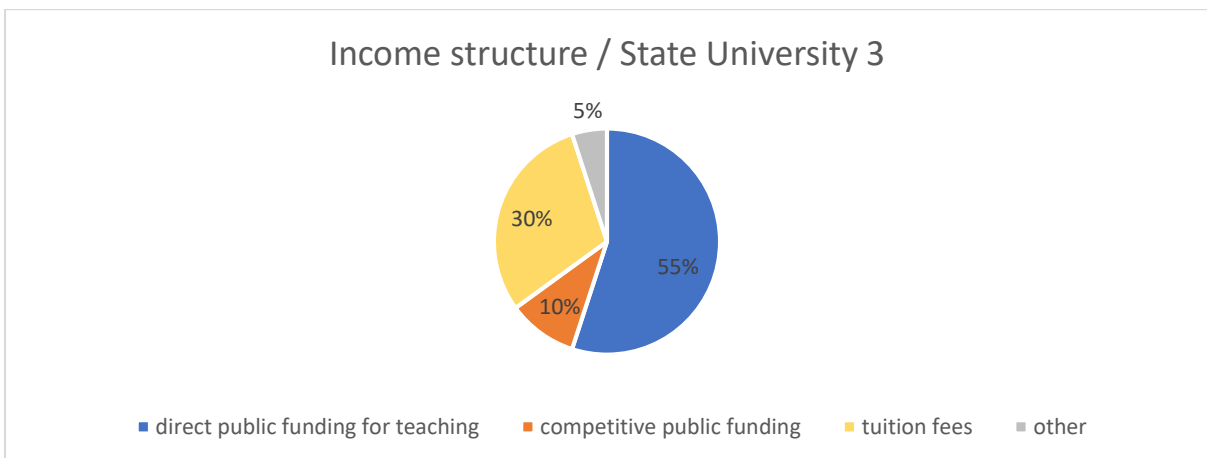
The survey submitted to national universities included questions on the average income structure, which allowed to reconstruct the following cases:



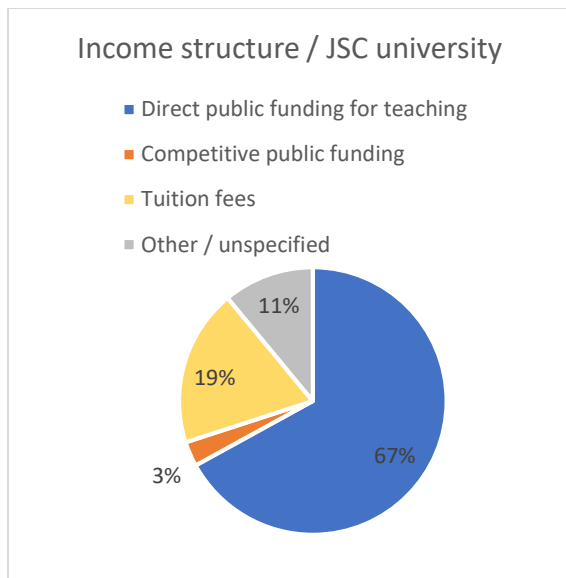
The two examples show that the income of national universities is derived primarily from the public funding for teaching activities, for which there is no possibility of strategic allocation. The rest of the income structure comes from competitive funding for research – in the absence of recurrent public funding for research activities – and tuition fees from self-supported students. The extent to which national universities attract research funding appears to vary significantly.



Although the income structure is not directly related to the legal status of the university, for state enterprise universities one can underline the limited share to quasi-inexistence of competitive public funding, a feature that is connected to the limited research activity carried out in these institutions. Data collected on the side of medical universities shows that this trend is not valid in this sector (see chart for State university 3). The varying shares of tuition fees (i.e., fees from self-supported students) against direct public funding (mostly composed of “state grants” for state-sponsored students) relate in part to the academic profile of the institution. State grants are allocated per discipline/programme and seek to align with the needs of the labour market. Therefore, institutions that have a greater focus on social sciences and humanities will have a larger share of self-supported students than institutions focusing on STEM disciplines.



The income structure of this JSC university relies mainly on state-sponsored study places. Interpretation is limited due to the large share of unspecified income and the expected high variability of income structures for universities with JSC status.



## Section 2: Challenges and opportunities

### 1. Organisational autonomy: Challenges / Areas for reform

| Challenge                                      | System-level  | Institution-level  | Indicate feasibility level <sup>11</sup> and timeframe |
|--|---|--|--|
|  | Action proposed   | Action proposed  |  |
| Modernising selection of university leadership | Adapt selection procedure in law with balanced committee and remove need for external validation  | Develop criteria for rector adapted to institutional profile   |  |
|  | Allow universities to decide on selection criteria  |  |  |
| Evaluation of university leadership            | Reduce external authority involvement in evaluation of leader – consider involving other stakeholders (use supervisory board)   | Develop in statutes clear tasks and assessment procedure for rector. Develop policy on term of office (duration, option to renew or not)   |  |
|  | Allow universities to introduce rules for term of office of university leader   |  |  |
| Modernisation of governance bodies             | Rationalise governance model in law by limiting the rules to 2 main bodies (senate and board) while allowing universities to establish additional consultative bodies (decision-making should be limited to the 2 main bodies to avoid fragmentation) | Develop internal guidelines clarifying the respective roles of the governing bodies and the roles of advisory bodies<br>Develop guidance / induction material for external members |  |
|  | Limit rules regarding size and composition of bodies to basic parameters  |  |  |
|  | Board: Limit involvement of Ministry and broaden rules for inclusion of external partners, to foster the participation of representatives of civil society and business in board  |  |  |

<sup>11</sup> According to the following logic : 1 – short term ; 2 – medium term ; 3 – long term

## Organisational autonomy: Opportunities to explore

|                              |   |
|------------------------------|---|
| Internal academic structures | The capacity to decide on internal academic structures and to create independent legal entities enable universities to implement their strategies in a flexible and adequate way and hence to carry out their main missions.<br>The creation of separate legal entities may allow universities to generate and invest income in a more flexible way, enter in partnerships, and better frame specific missions/tasks of the institution (for instance for the delivery of continuing/lifelong learning activities). |
| Creation of legal entities   |   |

### Autonomy cluster

The level of organisational autonomy of Kazakh universities is comparatively **low** and Kazakhstan may therefore join the **fourth cluster** of countries for this dimension (the four clusters are: high / medium high / medium low / low). Considering and implementing the steps outlined above could lift it up, in the medium term, to “medium low”, if the state control over the university leadership and governing bodies is significantly relaxed. The move towards joint-stock company status is a step in the right direction but the Ministry cannot be sole shareholder.

## 2. Financial autonomy: Challenges / Areas for reform

| Challenge   | System-level   | Institution-level   | Indicate feasibility level <sup>12</sup> and timeframe |
|---|--|---|--|
|   | Action proposed  | Action proposed   |  |
| Inadequate funding modalities   | Replace line-item budgets with block grants  | Get engaged in a dialogue on the selection of criteria to ensure fitness for purpose  |  |
|   | Incorporate a small number of output-related criteria into the calculation of the block grant to incentivise performance |   |  |
|   | Permit universities to internally allocate block grant without restrictions  | Develop financial planning and budgeting strategy, as well as principles, formulae and sums available for internal allocation |  |
|   | Develop recurrent funding for research activities  |   |  |
| Restricted ability of universities to manage their own assets and financial affairs   | Give universities full control over renting and selling property   | Recruit or train staff to develop capacities  |  |
|   | Provide funding for staff development in facility management   |   |  |
|   | Permit universities to keep surpluses  | Develop a long-term planning for investment   |  |
| Lack of income diversification  | Introduce tax incentives to encourage business investment  | <i>Draft guidelines for diversifying university income streams</i>  |  |
|   | Provide incentives to institutions to attract income from other sources (for example indicator in block grant)           | Recruit or train staff to develop capacities for this   |  |
| <p>Note: the 2018 reform allows universities “to attract additional sources of financial and material resources for the implementation of statutory activity”. It also foresees the possibility for universities to create endowment funds. As state universities become non-commercial joint-stock companies, it may become possible for them to acquire/sell real estate.</p> |  |   |  |

<sup>12</sup> According to the following logic : 1 – short term ; 2 – medium term ; 3 – long term



## Financial autonomy: Opportunities to explore

|                          |   |  |
|--------------------------|---|--|
| Capacity to borrow money | The capacity to borrow money enables universities to access additional funds for strategic investments, in particular for the development of infrastructure (teaching facilities; research equipment; student accommodation). | In most European systems, universities may borrow funds (most often subject to restrictions). This possibility is usually connected to ownership of buildings that can then serve as collateral. Systems. Strategic borrowing also requires specific skills within the institutions to practically exploit opportunities related to borrowing. |
|--------------------------|---|--|

### Autonomy cluster

The level of financial autonomy of Kazakh universities is comparatively **low** and Kazakhstan may therefore join the **fourth cluster** of countries for this dimension. The most critical aspect is the incapacity for universities to manage public funds autonomously. The transfer of state universities to non-commercial joint-stock companies may bring limited improvements, including relaxing constraints on borrowing money and allowing for more meaningful real estate management. The possibility to create endowment funds is also a positive development. More autonomy to deal with public funding internally is necessary to move to the third (medium low) cluster. This can be done by for instance allowing universities to manage funds internally within larger categories.

### 3. Academic autonomy: Challenges / Areas for reform

| Challenges   | System level  | Institution level   | Indicate feasibility level <sup>13</sup> and timeframe |
|--|---|---|--|
|  | Action proposed   | Action proposed   |  |
| No influence of universities on student intake and selection | Negotiate overall student intake with universities  | Take more active role in student intake planning  |  |
|  | Involve universities in state-sponsored student selection   | Plan autonomous student selection processes   |  |
|  | Note: the 2018 reform plans for greater role of universities in fixing admission rules.   |   |  |
| Excessive Ministry control over academic affairs             | Rely on strong institutional accreditation procedure (remove need for programme accreditation)  |   |  |
|  | Remove provisions prescribing mandatory study content in curricula and pass complete control to universities  | Plan for transfer of increased responsibility over academic course planning<br>Review content of study programmes |  |
|  | Note: the 2018 reform addresses the issue of programme content development but foresees differentiated rights depending on the status of the institution. |   |  |
| Limited scope for internationalisation                       | Consider expanding public funding to cover English-taught programmes  |   |  |

<sup>13</sup> According to the following logic : 1 – short term ; 2 – medium term ; 3 – long term

## Academic autonomy: Opportunities to explore

|  |  |  |
|--|--|--|
| Capacity to select Quality Assurance agency  | National universities can select the quality assurance agency to carry out the accreditation process and may contract with foreign EQAR-registered agencies.   | According to EQAR, there are currently seven EQAR-registered foreign agencies operating in Kazakhstan, mostly from Germany. The Institutional Evaluation Programme (coordinated by EUA) is also registered in Kazakhstan and has carried out an evaluation of Nazarbayev University.   |
| Public funding for English-taught programmes | The situation is changing as Kazakh universities may receive public funding for English-taught programmes in some cases. Further expanding public funding to support international-oriented activities of national universities will enhance their attractiveness and inclusion in international networks. | In most European systems, universities are able to decide on the language of instruction without negative consequences on public funding (except for Latvia and Croatia, where universities will not receive public funding for these programmes). Restrictions to this capacity include a cap on the number of programmes delivered in foreign languages or the necessity to offer similar programmes in the national language(s).<br>Generally speaking, European systems are disconnecting public funding from individual programmes, allowing for more flexibility in the internal allocation of funds (allowing therefore cross-subsidies within the institution, making it possible to develop new programmes such as programmes taught in foreign languages, to meet the demand). |

### Autonomy cluster

Academic autonomy is comparatively very limited and therefore considered “**low**” in Kazakhstan. This is mainly due to the heavy control operated by the Ministry on admission and degree programmes. The 2018 reform may generate changes of a greater scale in this regard, as it intends to let universities organise admission and decide on a larger part of the programme content. Actual implementation of the reform will reveal whether Kazakhstan could be re-evaluated as part of the “medium-low” cluster

#### 4. Staffing autonomy: Challenges / Areas for reform

| Challenge  | System-level   | Institution-level  | Indicate feasibility level <sup>14</sup> and timeframe |
|--|--|--|--|
|  | Action proposed  | Action proposed  |  |
| Enhance flexibility for strategic recruitment  | Consider removing student/staff ratio and take a more qualitative approach           | Develop strategic thematic portfolios of responsibilities for vice-rectors     |  |
| Modernisation of Human Resources practices / excessive administrative burden on academic staff | Allocate targeted funding to develop Human Resources skills across university sector | Draft tailored salary and promotion processes to incentivize staff development |  |
|  |  | Recruit and train staff to develop capacities                                  |  |
|  | Remove the three-year contract duration limit for academic staff from the law        | Develop strategic institutional staffing policy                                |  |
| Limited ability to compete on salaries   | Allow greater flexibility in salary setting  |  |  |

<sup>14</sup> According to the following logic : 1 – short term ; 2 – medium term ; 3 – long term

## Staffing autonomy: Opportunities to explore

|                                    |  |  |
|------------------------------------|--|--|
| <p>Recruitment of senior staff</p> | <p>In principle Kazakh national and state universities have freedom to recruit senior staff according to their own rules. Reports that a faculty to student ratio applies nevertheless bring an important caveat (particularly considering the limited say universities have on determining the number of students they enrol). The use of student numbers as a basis for determining staff numbers has limited value, in particular for staff profiles less directly connected to student activity (for instance, emerging staff profiles including research support or innovative financial management) There is a possibility for universities to top up salaries on the basis of own funds. There is therefore potential for universities to compete for highly skilled staff.</p> <p>Nevertheless, low levels of funding can significantly harm the actual capacity of universities to attract and retain high-level staff.</p> | <p>Practice regarding staff recruitment and salary setting are particularly diverse in Europe. Civil servant status may be granted to (part of) the university staff in several systems.</p> <p>There are strong connections between staffing and financial autonomy. The lack of capacity to allocate funding internally in a strategic way prevents universities from exploiting the potential offered by a comparatively high level of staffing autonomy. The fact that universities receive only exceptionally public funding for English-taught programmes is another hindrance. Finally, limited time contracts of maximum 3 years undermine attractiveness and constitute an obstacle to sustainable career paths. As a result of these limitations, universities are unable to realise their potential in terms of international competitiveness because they are in a weaker position to compete with universities in other countries for academic staff.</p> |
|------------------------------------|--|--|

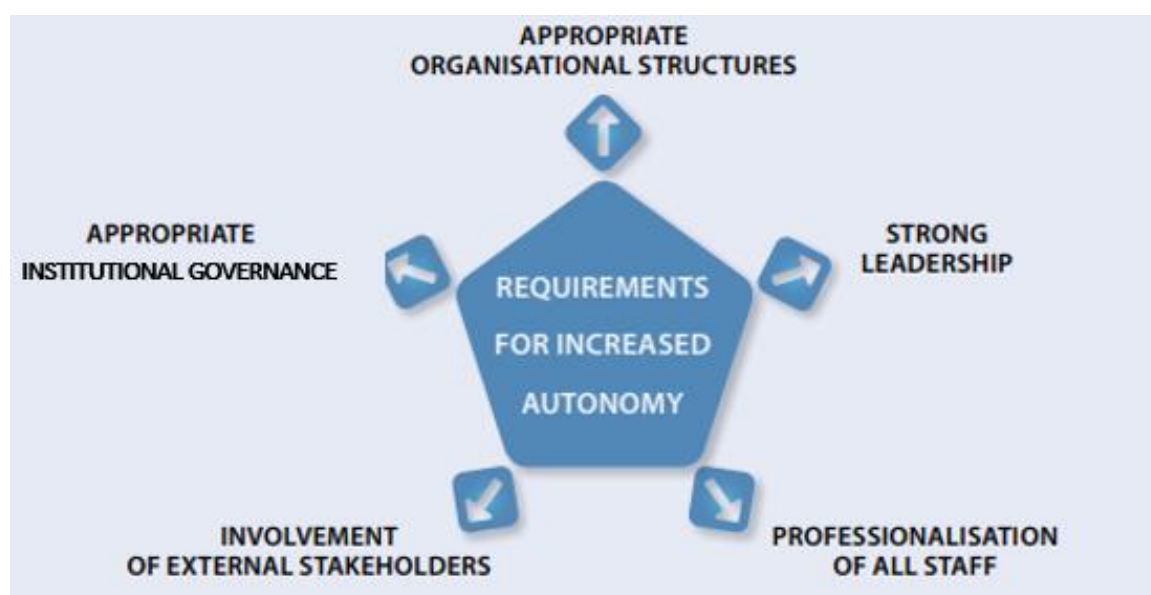
### Autonomy cluster

Staffing autonomy is set at a higher level than the three other dimensions for Kazakh universities. When considering purely the indicators of the Scorecard, Kazakh universities may belong to the “medium high” cluster, because while they are technically free to decide on recruitment, promotions and dismissals, a number of constraints remain, including student/staff ratio, rules on salaries, and the lack of financial flexibility which reduces attractiveness. In practice, human resources management is underdeveloped. The move towards non-commercial joint-stock company status should lead to greater autonomy on salaries.

### Section 3: Key messages and recommendations

Based on the challenges and opportunities identified in the previous sections, this final section aims to provide recommendations to stimulate reform towards greater autonomy in the Kazakh higher education system.

- The first part of this section summarises key findings from the analysis.
- The second part presents core principles that should be pre-requisites for the reform process. These are actions that revolve around building mutual trust and establishing an atmosphere of cooperation in order to ensure that all stakeholders are committed to the process.
- The final part identifies key steps EUA believes require attention both at system as well as at institutional levels in order to improve and develop university autonomy. These recommendations also draw from EUA's experience in advising public authorities and universities on higher education governance reform.



#### *Key findings*

**Public funding to higher education in Kazakhstan remains insufficient** to achieve sustainable change and modernisation over the entire sector. Funding is also highly polarised and concentrates heavily on fostering the development of Nazarbayev University, which accommodates about five thousand students, out of an overall student population of roughly half a million individuals (the immense majority of whom are enrolled in Bachelor's programmes). Funding for research activities at Kazakh universities remains scarce and is only provided to the national research universities.

Higher education as it stands in 2018 is **critically over-regulated**; legal provisions foresee a variety of statuses that in practice have little impact on the capacity of universities to act upon the different indicators of autonomy considered in the analysis. Strict Ministry control extends to governance, financial management and the academic offer. Universities have more leeway in staffing matters but have limited capacity to attract and reward staff due to the way funding comes into the institution.

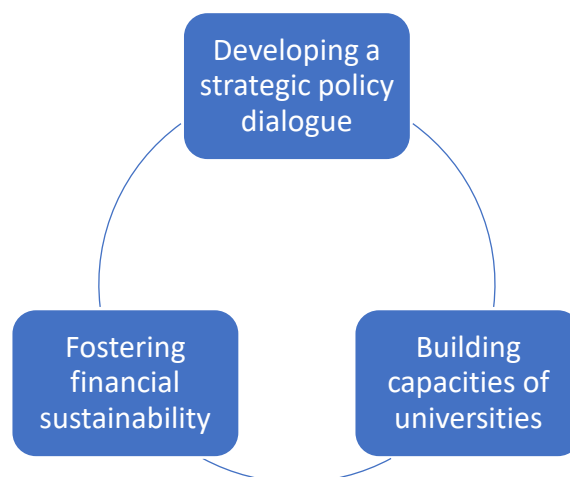
A major exception in this regard, Nazarbayev University benefits from a specific regulatory framework that significantly enhances the level of autonomy it can operate with in practice. Nevertheless, the gap between the regulatory and funding conditions for Nazarbayev University, as an academic champion for Kazakhstan, and the rest of the sector is exceptionally wide; there is **thus limited potential to transfer** the practices experimented in this specific case to other Kazakh universities.

This is particularly related to **the “top-down” nature of higher education governance** and reform processes in Kazakhstan so far, a characteristic that is explained by historical factors as well as by a general lack of trust between public authorities and universities. This leads to over-regulation, opacity, micro-management and complexity, which in turn make university practitioners “implementers” rather than partners in designing and developing new governance models for the Kazakh higher education sector. The OECD refers to this phenomenon when deploring “non-critical compliance” from the universities to the legal framework.

Combined with underfunding, such features explain why, in the areas where universities benefit from some autonomy, there is **little to no strategic approach to exploit the available opportunities**.

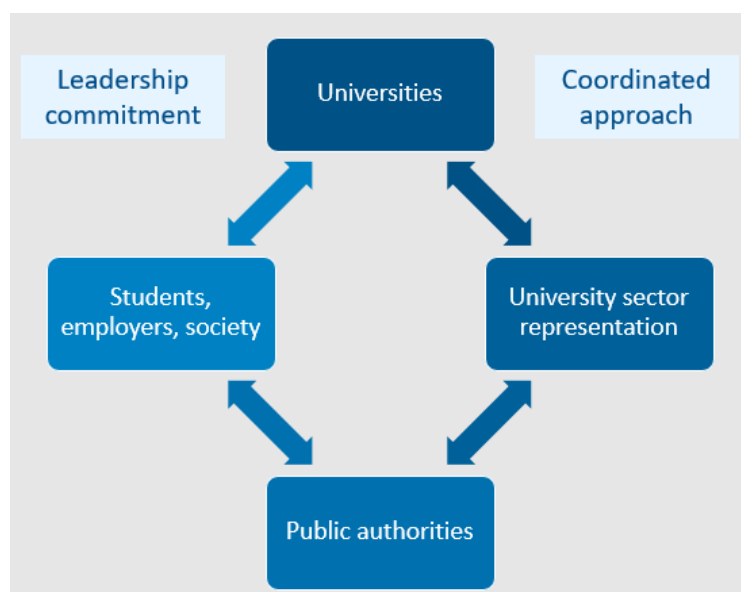
#### *Core principles*

The reform process which the government has embarked on must therefore consider three core principles:



## Developing a strategic policy dialogue

- Establishing a climate of trust between public authorities and universities requires time and effort. This can start with setting up a regular framework for dialogue between the Ministry and sector representatives, to ensure that decisions are fit for purpose and to increase the quality of subsequent implementation. It is therefore recommended to **strengthen the role of the National Rectors' Conference** to make it an adequate negotiation partner for the public authorities. The Rectors' Conference should in turn develop thematic committees to articulate a common sector position on the different matters of relevance to universities.



- Developing a coherent policy frame** for reform is paramount. Once discussed and agreed with the sector, objectives and steps to achieve the goals must be transparent and well communicated. Not only is this crucial for reform implementation, but it also avoids insecurity among stakeholders – universities and students must understand the change and be able to plan according to it.
- The reform must have as one of its objectives to **streamline and simplify** rules and regulations; it shall be possible for higher education experts and leaders to have an overview of the regulatory framework, and to understand the logic and objectives behind it. In many cases, this also helps bridge the gap between theoretical autonomy and autonomy in practice (where for instance universities may be technically free to decide on something, but do not do so in practice because of other related complexities / limitations or because of the lack of funding).
- The reform shall seek to strike an appropriate **balance between autonomy and accountability** – autonomy is not the absence of rules or control. Nevertheless, accountability regimes also evolve: accountability towards society may be approached via reporting and involvement of societal stakeholders in university governance, for example.
- Any reform process involves a design stage and an **implementation phase**. Implementation is dependent on the quality of inclusive nature of the design stage, as seen above; it also requires a clear timeline, steps and priorities. The tables outlined above propose to identify priority actions and the associated timeframes.



## Building up the capacities of universities

- There is a need to generate a new, strategic approach towards university management in Kazakhstan. The **steering function of the leadership team** is under-developed, notably because it essentially lies with the public authorities. Moving towards more autonomy requires that the leadership is trained according to its new tasks. University leaders today must fulfil more complex roles:

|                   |   |
|-------------------|---|
| STRATEGIC ROLE    | <ul style="list-style-type: none"> <li>■ LONG-TERM VISION</li> <li>■ CHANGE MANAGEMENT</li> <li>■ ACADEMIC DEVELOPMENT</li> </ul>   |
| EXECUTIVE ROLE    | <ul style="list-style-type: none"> <li>■ IMPLEMENTATION OF INSTITUTIONAL STRATEGIC PLAN</li> <li>■ ACCOUNTABILITY</li> <li>■ FINANCIAL SUSTAINABILITY</li> <li>■ STAFFING POLICY</li> </ul> |
| COORDINATION ROLE | <ul style="list-style-type: none"> <li>■ OVERSEEING OF RELATIONSHIPS WITH PARTNERS (BUSINESS, SOCIETY, POLICY MAKERS)</li> <li>■ INTERNAL COMMUNICATION</li> </ul>                          |

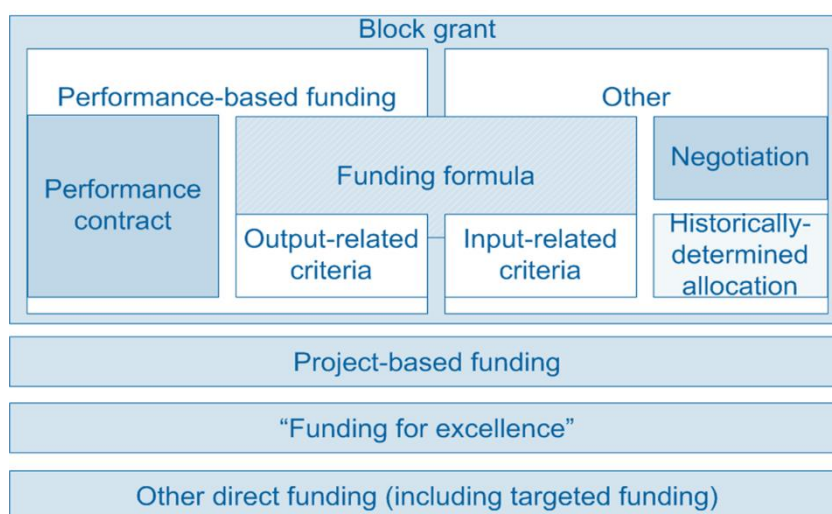
- Equally important, and supporting this new role of the university leadership, is a **modern intermediate level of management** at central level, allowing to overcome excessive fragmentation in the university structure. “Central services” should offer higher quality support to the different constituencies of the university. It should collect and analyse the data necessary to take evidence-based decisions at the leadership level. A specific caveat identified in the data validation process, the under-development of human resources departments must be addressed and properly resourced. Human Resources in universities today encompasses a variety of activities which will require training and transformation in the case of Kazakh institutions:

|                                    |                              |                                      |
|------------------------------------|------------------------------|--------------------------------------|
| Recruitment / Selection            | Staff planning               | Work with trade unions               |
| Retention                          | Succession planning          | Managing bureaucracy                 |
| Job evaluation                     | Managing poor performance    | Legal advice                         |
| Performance management / Rewarding | Providing advice to managers | Terminating contracts / Redundancies |

- In connection to the above, Kazakh universities should be placed in a situation where it becomes possible to offer **attractive career paths** for the young generation, both for academics and administrators – a sine qua non condition for sustainable change and modernisation of university operations.
- This axis for reform (capacity-building) shall be best supported by **specific funding to train leaders and managers**, exposing them to regular practice in the universities of other European higher education systems, as well as by refinancing of public universities and incentives for income diversification.

### Fostering financial sustainability

- Any reform seeking to reduce state control and foster university autonomy must be accompanied by a **reflection on the funding model**, as it directly impacts on the actual capacity of universities to act upon their autonomy.
- The funding model should establish an appropriate balance between public and private funding, first and foremost by **increasing public funding** to ensure a higher degree of sustainability of university operations.
- Public funding should be based on **clear, transparent, stable and therefore predictable allocation mechanisms**. This is a condition for long-term financial planning and decision-making by universities. Frequent remodelling or adaptation of allocation mechanisms outside of planned reviews is highly disruptive.
- The funding model should be **related to costs** to ensure a reasonable level of stability. This in turn means that there should be a basic knowledge of the costs incurred, and that therefore universities are able to generate the data on costs on a regular basis.
- Beyond reflecting costs, the funding model should make room for **incentives** (steering effect) – notably to push universities to attract complementary funding from partners such as business (incentive schemes include for instance tax exemptions for business; competitive bonus for universities; autonomy to generate and use income freely).
- The different mechanisms and funding modalities should be considered in a holistic way to achieve a balance that reflects the need of the Kazakh sector.



- Finally, the funding model should include **appropriate accountability mechanisms**, privileging ex-post audits to ex-ante control, in order to allow for effective financial autonomy of universities while ensuring that public funds are properly managed.

**a) Actions and objectives on a system-wide level**

The following actions are proposed by EUA as primary objectives for any future reform programme:

- 1) Streamlining and simplifying rules and procedures for universities
  - a) A single legal status and legal code to govern public higher education institutions
  - b) Less bureaucratic and restrictive procurement processes
- 2) Updating the modalities through which public funding is dispensed by introducing a modern cost weighting system for different subject areas and output criteria
- 3) Raising the level of public investment in higher education, particularly in research activities
- 4) Creating incentives to stimulate diversification of income sources and create a higher education policy climate in which businesses are welcomed as investors and partners
- 5) Reducing the prominence of the role of public authorities in the running of universities by limiting participation of public authorities in university boards
- 6) Revising student selection mechanisms in a way that fosters cooperation between the Ministry and universities, and relaxing restrictions on courses
- 7) Giving universities the freedom to design course content, supported by a fully developed national qualification framework
- 8) Providing support to institutional human resource development through specific funding and supporting the establishment of “training academies”
- 9) Evaluating the agreed reform plans with the inclusion of independent international experts
- 10) Reinforce the coordination role of the National Rectors’ Conference in the policy dialogue

**b) Actions and objectives at an institutional level**

Work is also required at institutional level to help ensure that universities themselves can benefit from future reforms.

- 1) Developing and building institutional capacity and human resources:
  - a) Introduce a more strategic approach to university management
  - b) Build leadership and managerial skills, including middle management level
  - c) Develop the finance function to address also strategic aspects of financial planning
  - d) Create better defined career paths with a focus on fostering young talent
  - e) Develop a long-term succession planning and create an environment to encourage young staff to get involved in management and governance
- 2) Adopting full costing as a principle for financial planning
- 3) Improving internal allocation models
- 4) Balancing centralisation with decentralisation
- 5) Making a concrete action plan for change including an evaluation of its success (institutional roadmaps)

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The European University Association (EUA) is the representative organisation of universities and national rectors' conferences in 48 European countries. EUA plays a crucial role in the Bologna Process and in influencing EU policies on higher education, research and innovation. Thanks to its interaction with a range of other European and international organisations EUA ensures that the independent voice of European universities is heard wherever decisions are being taken that will impact their activities. The Association provides a unique expertise in higher education and research as well as a forum for exchange of ideas and good practice among universities. The results of EUA's work are made available to members and stakeholders through conferences, seminars, website and publications.