

# **The Implementation of the Singaporean Model in Kazakhstan: Applying or Appealing?**

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## **Introduction**

The use of the Singaporean model was adopted by the government of Kazakhstan in 1995 with the approval of the Second Constitution, partially due to the ideas of Nursultan Nazarbayev, who considered this model to be beneficial to the post-independence state development.<sup>1</sup> The Singaporean model is based on the Japanese model of “Iron Triangle”, i.e. the mixture of formal and informal networks fusing bureaucracy, politics and private sector.<sup>2</sup> This implies heavy government intervention in the market, authoritarian regulations of the legal and private sectors, as well as central planning.<sup>3</sup> The economy itself relies on three major aspects, such as geostrategic locations, manufactured export, and foreign direct investments. The state is run by a neo-patrimonial government, formed around Lee Kuan Yew, and, after his death, around his son and current prime minister Lee Hsien Loong. On the other hand, the social welfare is operated by the means of co-optation, as the Lee Kuan Yew administration introduced semi-socialist measures, such as public housing and healthcare, which is believed to balance the authoritarianism and silence opposition. The success of the model can be observed in the economic indexes, like Singapore, while being a city-state and 176th biggest country in the world, in 2019, had the 8th largest GDP per capita of \$64 thousand, 0.935 Human Development Index, and the 11th largest foreign exchange reserve.<sup>4</sup>

The appeal to the Singaporean model by Kazakhstani authorities, as it was mentioned before started in 1995, and has been used extensively since then. In the official database of official speeches of Presidents, there are 112 mentions of Singapore, all of which present the

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<sup>1</sup> Nazarbayev, N., & Butler, J. (2010). *The Kazakhstan way*. Almaty, Kazakhstan: Zhibek Zholy, p. 36.

<sup>2</sup> Colignon, R., & Usui, C. (2001). The Resilience of Japan’s Iron Triangle. *Asian Survey*, 41(5), p. 877.

<sup>3</sup> Huff, W. G. (1995). What is the Singapore model of economic development? *Cambridge Journal of Economics*, 19(6), p. 737.

<sup>4</sup> World Economic Outlook Database. (2019). *International Monetary Fund*; Official Foreign Reserves. (2020). *Monetary Authority of Singapore*; Human Development Index Ranking. (2019). *United Nations Development Programme*.

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country as a role model and strategic partner. However, the model is weakly employed in social services (which started to change in 2019 with the Tokayev's presidency) and anti-corruption strategies while being extensively used in the foreign investment and economic policies, as well as in the power-sharing model. Hence, it is unclear whether the exploitation of the image of the Singaporean model emerges from a genuine desire to implement effective world practices or simple manipulation of popular opinion and propaganda. Moreover, the Singaporean Model is often criticized for the justification of authoritarianism, which Kazakhstan also exhibits, thereby the question arises of whether the appeal to this model serves a means of power consolidation.<sup>5</sup>

The research will attempt to cover the various literature, including both official and academic sources, as well as both primary and secondary ones. The use of different types of sources allows research to cover a wider variety of opinions and build an argument with minimal bias. The paper will start with the analysis of three core areas where the Singaporean government focused its reforms extensively and will compare them to the Kazakhstani counterparts. These areas include the anti-corruption policy, the approach to social welfare, as well as the question of foreign investments. The paper will proceed with the actual analysis of speeches and writings of Kazakhstani officials, looking for the intentions behind the appeal to the Singaporean model via comparing it to the background behind the speeches, namely, existing political and economic crises. The expected conclusion is that Kazakhstan actually did not adopt the policies which distinguish Singaporean model from other states, but extensively appeals to the model because of its justification for authoritarian regimes, as well as to demonstrate that the economic challenges are temporary and the government is working on solving them, and to create an image of a developing state, following the best world practices.

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<sup>5</sup> Irishev, B. (2016). Загадки сингапурской модели: успехи в экономике оправдывают авторитаризм [The puzzles of Singaporean model: the economic success justifies authoritarianism].

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The paper will end with the discussion of why this model does not apply to Kazakhstan and then will attempt to provide several recommendations and implications basing on its findings. Thus, the following research will argue that the Singaporean model has been weakly employed by the government of Kazakhstan in the process of policy-building during the post-independence era, while the rhetoric on this issue was exploited as a tool of propaganda and justification of undemocratic governance, especially, during the economical downshifts and political crises.

### **The overview of Singaporean Model and Core Reforms**

Singapore became independent in 1965 with Lee Kuan Yew as a prime minister, whose administration put significant emphasis on the necessity of economic growth, support of private sector, manufacturing and foreign investment. In order to achieve these aims the government launched the transformation of Singapore from a former-British colony to a strong international trade actor whose economy relied on the export of finished goods. The cost of these changes was the authoritarian style of leadership, high level of press censorship and oppression of the civil liberties.<sup>6</sup> Moreover, the state was run on a neo-patrimonial basis, as the key figures in the state apparatus were directly appointed by Lee and were the relatives or friends of the prime minister. Lee was succeeded by Goh Chok Tong after his resignation in 1990, while, in 2004, Lee's son Hon Lee Hsien became the head of the government, however, Lee Kuan Yew received the position of "Senior Minister" which granted him significant powers, as the critics claimed that the position allowed him to remain behind the leadership of the country.<sup>7</sup>

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<sup>6</sup> Lee, K. (2012). *The singapore story: memoirs of Lee Kuan Yew* (Vol. 1). Marshall Cavendish International Asia Pte Ltd., p. 44.

<sup>7</sup> Gordon, U. (2000). Machiavelli's Tiger: Lee Kuan Yew and Singapore's Authoritarian Regime. *Singapore Window, March, 18*, p. 2.

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Nursultan Nazarbayev, in turn, being the former Communist party leader in Kazakhstan, became the President of Kazakhstan in 1990, while, following the dissolution of the Soviet Union in 1991, Kazakhstan became the last to gain independence on December 16, 1991. In 1995, the referendum extended his term until 2000, while, in the 1999 and 2005 elections Nazarbayev was re-elected. In the 2007, the Constitutional amendment allowed Nazarbayev to run for an unlimited number of presidential terms, while in 2010 the Parliament granted Nazarbayev the title of Elbasy – “The Leader of the Nation” granting authority independent of the status of the President (coordination of the developed initiatives on the main directions of the state's internal and foreign policy).<sup>8</sup> Also, in accordance with the amendments, he and his family members are completely exempt from criminal liability. On March 19, 2019, Nazarbayev resigned from the presidency, and the speaker of Senate Kassym-Jomart Tokayev was appointed as president of the country. However, Nazarbayev currently heads the major Nur Otan Party, kept his post at the Constitutional Council, as well as continued to serve as chairman of the Security Council – the positions granting Nazarbayev the overwhelming control of Kazakhstan’s domestic and foreign politics.<sup>9</sup>

Hence, while the leadership styles of Singapore and Kazakhstan have several major aspects in common, such as the neo-patrimonial leadership and the process of resignations, it is important to compare the reforms implemented in both states. The reforms introduced by Lee Kuan Yew implied the changes in several core fields, which he believed to be the major pillars of the country’s development and stability. These fields included the reforms in anti-corruption politics, social welfare, and foreign investments.<sup>10</sup>

### ***Anti-corruption measures***

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<sup>8</sup> Glas, O. (2019). New president, old authorities. *New Eastern Europe*, 39(6), p. 71.

<sup>9</sup> *Ibid.*, p. 75.

<sup>10</sup> Lee, K. (2011). *From third world to first*. New York: Harper Business, p. 35.

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Despite that Singapore is believed to be governed in a neo-patrimonial manner which allows elites to extract resources for personal benefit, the country itself is ranked highly by the international observers, as the WJP Rule of Law Index ranks Singapore on 12<sup>th</sup> place with 0.79 Rule of Law index, implying high order and security, low corruption levels, as well as a high level of civil and criminal justice.<sup>11</sup> Transparency International, in turn, ranks Singapore to the 4<sup>th</sup> place with a score of 85 on the Corruption Perception Index Scale, implying the existence of well-functioning practices in the anti-corruption field, including the policies addressing police-related corruption, pork-barreling, and procurement corruption.<sup>12</sup> The anti-corruption measures introduced by Lee Kuan Yew implied a radical break from the preexisting colonial laws and included the establishment of the special agency responsible for the development of anti-corruption politics, the introduction of legislative reforms, issuing more severe punishments for corruption cases, as well as reformation of the government services and the work of public servants.<sup>13</sup>

As Lee Kuan Yew later mentioned in his book, the anti-corruption politics was one of the most prioritized tasks of his administration: “from the very first day we were in power in June 1959, we made sure that every dollar that came into the budget was properly accounted for and reached its recipients to a single cent, without sticking to anyone's hands along the way. From the very beginning, we paid special attention to those activities where power could be used for personal gain and strengthened our control to ensure that this does not happen”.<sup>14</sup> The main institution opened in the 1960s was the Corrupt Practices Investigation Bureau which was responsible for the investigation and prevention of the corrupt activities in the highest echelons

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<sup>11</sup> Rule of Law – Singapore. (2020). *World Justice Project*.

<sup>12</sup> Corruption Perception Index. (2019). Singapore. *Transparency International*.

<sup>13</sup> Lee 2011, p. 56.

<sup>14</sup> *Ibid.*, p. 62.

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of power, while the corruption among the low-level public servants was aimed to be eradicated by the simplification of the procedures and elimination of bureaucracy.

The CPIB was a separate body subordinate to the entire government as a whole, rather than to a specific official.<sup>15</sup> The result was that investigations could be opened against any officials, including Lee Kuan Yew himself (the case against him was opened because of a discount given to him for buying a house by the developer. Lee Kuan Yew was justified since such discounts were provided regularly as a marketing move). In other words, the success of Singapore's anti-corruption policy is explained by two factors: the lack of immunity for top-level civil servants. The second factor was a decrease in the influence of public servants on many processes: licensing was simplified, decisions on issuing permits were made collectively, anonymously, and so on. However, the analysis of the institutional framework of the anti-corruption politics of both Singapore and Kazakhtan is limited by the factors such as the existence of informal ties and control. It is necessary to note that despite the legislation granted the anti-corruption organization to investigate the activities of the government authorities on paper, the actual situation could potentially be different due to the informal power ties, e.g. clans or families, and the organization could follow only the orders of Lee Kuan Yew.

On June 13, 2019, President Tokayev, in accordance with the constitutional law of the Republic of Kazakhstan "On the President of the Republic of Kazakhstan", introduced the transformation of the National Bureau for Anti-corruption into two separate institutions - Agency of the Republic of Kazakhstan for Civil Service Affairs and the Anti-corruption Agency of the Republic of Kazakhstan, while both agencies became directly subordinate and accountable to the President of the Republic of Kazakhstan.<sup>16</sup> The new anti-corruption agenda aims at the increasing of the country's investment attractiveness and its competitiveness, while

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<sup>15</sup> Ibid., p. 67.

<sup>16</sup> National Report on Anti-Corruption. (2019). *The Anti-Corruption Agency of the Republic of Kazakhstan*.

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administrative barriers that make it difficult for businesses to operate and for people to receive public services are claimed to be eliminated.<sup>17</sup> Hence, the recent developments of Kazakhstan's anti-corruption policy, in general, are comparable in terms of goals and execution tools to the Singaporean counterpart, as the creation of separate agency is similar to the reforms introduced by Lee Kuan Yew. However, the fact that the agency is accountable to one person – president, is opposite to the Singaporean model, where, as it was mentioned before, the whole government, i.e. Cabinet of Ministers was responsible for the CPIB, as it will be later demonstrated, the appeals to the Singaporean anti-corruption politics had been made long before the actual changes in Kazakhstan, thereby it is important to consider the political situation in Kazakhstan during the anti-corruption reforms of 2019, which will be introduced in the later sections.

Secondly, in 1960, Lee Kuan Yew's administration initiated the series of amendments to the 1937 Anticorruption Law introduced by the colonial authorities.<sup>18</sup> The amendments extended the definition of corruption from solely financial bribery to presents, reciprocal services, extrusion, nepotism, influence peddling, etc. Moreover, the amendments granted authority to the anti-corruption agencies to arrest the financial accounts of all relatives of a suspect. Furthermore, the direct legislative proof was not necessary for the arrest, as “excessive luxury” started to be proof of the corrupt activities among the public servants. Hence, a change in the anti-corruption law introduced transparency in the work of public servants. The CPIB had the right to request tax returns not only for the officials but also for members of his family. A striking example is a civil servant of one of the ministries who owned a car, the cost of which was equal to thirty of his wages.<sup>19</sup> Given the fact that the income of his relatives also did not

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<sup>17</sup> Anti-Corruption Strategy of the Republic of Kazakhstan for 2015-2025. (2019). *The Anti-Corruption Agency of the Republic of Kazakhstan*.

<sup>18</sup> Lee 2011, p. 77.

<sup>19</sup> Ibid., p. 78.



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allow the purchase of this car, the agency found the official guilty of taking a bribe, without having any other physical evidence. Later, the official made a deal with the investigation and pleaded guilty, in order to mitigate the punishment.

Kazakhstan's anti-corruption procedures exhibit partially compatible aspects to the Singaporean model, as the mandatory declarations on individual income tax and property in accordance with paragraph 2 of article 363 of the Tax Code, is submitted by the members of regional and state parliaments, judges and, generally, political (category A) civil servants.<sup>20</sup> At the moment, annual declarations of civil servants and their spouses are submitted to the State Revenue Committee.<sup>21</sup> Moreover, when investigating corruption cases, the anti-corruption agency has the legal right to request these declarations for investigation. However, when compared to Singapore, these declarations cannot be used as the main proof of the defendant's guilt. Moreover, there is no mandatory declaration of income of other relatives of the official, such as parents, children, siblings, etc. Lastly, Kazakhstan has never adopted the most effective part of the Singaporean Legal System in the anti-corruption area, as the "Unexpected Wealth" cause is not outlined in the laws and not legally practiced.

Lee Kuan Yew genuinely believed that one of the main causes of corruption was the low income of public servants: "The government of Singapore can only remain clean and honest if honest and capable people are willing to fight elections and hold official positions. To do this, they must be paid a salary comparable to that which a person of their ability and integrity could earn by holding the position of Manager of a large Corporation or by engaging in private legal or other professional practice".<sup>22</sup> By 1970, the average salary of a minister

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<sup>20</sup> Кодекс Республики Казахстан № 120-VI «О налогах и других обязательных платежах в бюджет. (2017), [Code of the Republic of Kazakhstan No. 120-VI " on taxes and other mandatory payments to the budget].

<sup>21</sup> Ibid., para. 3, article 363.

<sup>22</sup> Lee 2011, p. 80.

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increased from 2500 to 4500 dollars per month.<sup>23</sup> The income increases were annual, as the salaries were attempted to be equal to the wages in the private sector. The increase was possible due to the rapid economic growth of Singapore, as the GDP grew at the rate of 9%, on average, as well as due to the limited number of state employees.<sup>24</sup> It is necessary to mention that Kazakhstan, in comparison, simply cannot afford such measures both due to the large number of civil servants (in 2019, the unofficial data counted this number to be approximately 90 thousand people excluding law enforcement employees, courts' workers, and workers of quasi-stati organizations), as well as limited financial resources.<sup>25</sup> In 1994, the law on the public servants' wages was signed as the payment increases became automatic and connected to the annual inflation rate.<sup>26</sup> Moreover, according to the law, the salary of the public servant could not be lower than  $2/3$  of the annual salary for a similar position in the private sector.

Setting public employees' salaries at the same level as the private sector was a solution to two goals. First, equal pay has helped attract the most capable employees from the private sector, thereby serving as a motivation for work. Lee Kuan Yew believed that low pay as an official would be an "anchor" since the most capable people would work in the private sector, while the public service would employ people who did not end up in high-paying positions in the private sector. Secondly, low salaries, coupled with a high degree of responsibility and broad powers, pushed officials to corruption. Low pay for their work, according to Lee Kuan Yew, with equal abilities to their colleagues from the private sector and a greater burden of responsibility, created dissatisfaction with their financial situation, and, as a result, led to bribery.

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<sup>23</sup> Ibid., p. 88.

<sup>24</sup> World Bank. (2019). Singapore - Overview. *The World Bank*.

<sup>25</sup> Abilmazhitova, A. (2019). How many state servants are there and how much do they make? *Tengrinews*.

<sup>26</sup> Ibid., p. 89.

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According to the Minister of national economy Dalenov, in 2019, " the average increase in the salary of civil servants will be 25% on average. For example, the average salary of a chief specialist was 84 thousand tenge, but now it will become 100 thousand tenge".<sup>27</sup> The total average monthly salary of private sector specialists in Kazakhstan in the first half of 2019 reached the level of 168,489 tenge.<sup>28</sup> Thus, on average, the salaries of civil servants are one and a half times lower than the salary in the private sector, even though such positions impose significant powers and responsibilities on the employees, thereby, the Singaporean model is not applied in Kazakhstan in this field.. According to the theory of Lee Kuan Yew, the payment difference affects the formation of a corrupt environment, and also leads to poor quality of work of public servants. Hence, the reforms in the field of anti-corruption politics are compatible between Singapore, however, the most important reforms proposed by Lee Kuan Yew were not implemented by the government of Kazakhstan, such as the "Unexpected Wealth" procedure as evidence of a felony, equal pay in public and private sectors, the accountability of the anti-corruption agency to the whole government rather than a single person, and the necessity to submit declarations for all of the public servant's family members. The appropriated reforms in the field of anti-corruption are mostly the general, "encyclopedic" measures, which despite the existing official rhetoric on the similarities between two systems, demonstrate the absence of actual implementation of Singaporean ideas in Kazakhstan in this field of reforms.

### ***Social Welfare***

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<sup>27</sup> Seleznyova, I. (2019). The average salary of employees of budgetary spheres will be 90 thousand tenge-Dalenov. *Kazpravda*.

<sup>28</sup> Average Monthly Payment. (2019). Ministry of national economy of Republic of Kazakhstan - Statistics Committee

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The largest number of reforms introduced by Lee Kuan Yew was implemented in the field of social welfare and included the improvement of the education system and motherhood support, as well as reform of retirement system and housing loans.

The first major change in social welfare was implemented in 1967 and aimed at the increase of population density, as the population of Singapore was 2 million people at the time of independence.<sup>29</sup> The proposed solution implied the provision of special tax benefits for women with higher or secondary special education, with additional tax cuts for women with more than three children. Lee Kuan Yew believed that such social benefits would increase the level of female education and reduce the gender gap, as well as grant a stable population growth. As a result of these reforms, goals such as increasing population density and improving the education system have been achieved. Benefits for married women and mothers allowed them to focus on raising children and allowed them to allocate a significant portion of their income to children's education.

In Kazakhstan, after a child is born, a one-time allowance is provided, the amount of which depends on the order of birth of the child. In 2019, the amount of the allowance for the birth of the first, second, or third child was 95,950 tenge, for the fourth child - 159,075 tenge.<sup>30</sup> Over the past 3 years, the amount of this benefit has increased by 38%. Also, social support is provided for the care after a child up to 1 year, which is provided to both working and non-working mothers. If the mother of the child does not work, then after the birth of the child, she is assigned a childcare allowance for up to 1 year, which is paid every month. The amount of the benefit varies from 14,544 tenge to 22,473 tenge depending on the region.<sup>31</sup> Large families with 4 or more minority-age children are paid a special state allowance. In schools, children

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<sup>29</sup> Lee 2011, p. 136.

<sup>30</sup> Akimat of Nur-Sultan city. (2019). What payments are made to large families from the state budget.

<sup>31</sup> Ibid., p.1.

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from large, low-income families are provided with financial assistance. However, in 2019, the protest wave of women who have many children spread across the country. The protests started after a fire Nursultan in February, when five girls from the same family were killed in a temporary shelter. Hundreds of mothers with many children in different cities made demands to strengthen social support, increase benefits, and provide them with housing, which implies that aforementioned social benefits have not been sufficient.<sup>32</sup>

Thus, in the Republic of Kazakhstan, there is systematic support for mothers, and, in particular, large families, which includes benefits, targeted assistance, free kindergartens, and schools, etc. Moreover, there are numerous grants for training in secondary special and higher education institutions. However, unlike in Singapore, there is no legal normative guaranteeing free higher education for children from large families, as children from large families enter higher education institutions on a competitive, merit basis. Moreover, in contrast to Singapore, there is no provision of tax benefits for women with post-school education, however, the absence of this regulation can be explained by the different social landscape, as the problem of the low level of female education is not as prominent in Kazakhstan, as it used to be in 1960s Singapore.

The second initial step in the social welfare reformation introduced by Lee Kuan Yew was the creation of the Central Social Security Fund, which was responsible for the accumulation of pension savings of Singaporeans. The employees paid 5% of the salary each month and were initially allowed to receive the accumulated funds by 55.<sup>33</sup> At the same time, the first housing reform was introduced, as the citizens could apply to housing loans with low-interest rates and 25% installment loans.<sup>34</sup> The scheme did not receive support, as many could

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<sup>32</sup> Asylbek, M. (2019). "People are tired". Protests in 2019: causes and consequences. *Radio Azattyq*.

<sup>33</sup> Lee 2011, p. 210.

<sup>34</sup> Ibid., p. 212.

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not collect the initial 25 percent installment payments. In 1968, the modified scheme for housing loans was introduced, as the government decided to distribute public income not through the generally accepted system of consumption subsidizing, but through the accumulation of property.<sup>35</sup> Workers were allowed to use the savings accumulated in the CSSF to pay the initial 25 percent contribution and housing loan payments. As a result of this policy, the vast majority of Singaporeans got their housing, as the share of rental housing fell from 75% to 7-8%.<sup>36</sup>

At the moment, the Republic of Kazakhstan has a system of mandatory pension contributions to the United Accumulative Pension Fund, which is 10% of the salary.<sup>37</sup> In March 2018, the program “7-20-25” was adopted as a part of the implementation of the 2017 Address of the President of the Republic of Kazakhstan, Nursultan Nazarbayev. The “7-20-25” program is a mortgage program with a low-interest rate on the loan – 7%, the initial payment is set at 20% of the cost of housing, and the loan repayment period is set on 25 years, which are the conditions similar to the first scheme proposed by Lee Kuan Yew in 1967.<sup>38</sup> The reform allowing the withdrawal of funds from the retirement fund was proposed by President Tokayev in his first annual Address to People in September of 2019.<sup>39</sup> Currently, the legislation is in development within the President’s Office and Ministry of Labor and Social Security. However, the first drafts were published in January 2020, which stated that only the citizens who reach the required level of “sufficiency threshold”, i.e. the amount of savings equal to the equivalent of minimal retirement benefits for life (determined by the government) would be institutionally allowed to apply for withdrawal of funds. As a result, it was estimated that

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<sup>35</sup> Ibid., p. 212.

<sup>36</sup> Ibid., p. 216.

<sup>37</sup> United Accumulative Pension Fund of Kazakhstan. (2020). Payments.

<sup>38</sup> "Kazakh Fund of Stability". (2020). "7-20-25" Program.

<sup>39</sup> Tokayev, K. (2019). President of Kazakhstan Kassym-Jomart Tokayev’s State of the Nation Address.

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approximately 230 thousand of Kazakhstani citizens would be able to withdraw their money from the fund, which is less than 1.5% of the total population.<sup>40</sup> These numbers demonstrate that despite the fact that the reform's general idea was 'inspired' by the Singaporean model, its actual implementation is limited and the reform itself serves rather propagandist rhetoric. In other words, the actual outcomes of the proposed reforms carried a function of co-optation, giving promises of significant social changes to the general population instead of actual implementation and reformation.

### ***Foreign Investments***

Another important field of reforms proposed by Lee Kuan Yew which is believed to affect the economic prosperity of the country is the development of a foreign investment environment, which created favorable conditions for international enterprises driving the development of the state's economy.

Lee Kuan Yew's administration formed the Department of Economic Development in August 1961, which was the agency whose goal was to interact and cooperate with foreign investors.<sup>41</sup> The Agency was designed as a single institution replacing the traditional department within the ministries in order to maximize the efforts in investments' attraction. DED focused on four core areas for foreign investments: ship disassembly and repair, mechanical engineering, chemical manufacturing, and electrical equipment and appliances. Investors were granted tax exemption for a period of 5 years, after which the exemption was extended to 10 years. By 1985, at the time of Singapore's economic boom, when there was high competition in the market, the benefits were abolished. However, investors were willing to work in this market due to high infrastructure development. Moreover, the success of foreign

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<sup>40</sup> Zhulmukametova, Z. (2020). Who can use their retirement savings and how? *Ministry Of Labor Project. Inforburo*.

<sup>41</sup> Lee 2011, p. 61.

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investment attraction was caused by the government playing a key role in attracting investment, as investors were approached by government officials who offered any assistance in the development of investment plans.

Kazakhstan has attempted to create an institution compatible with the Singaporean DED in 1998 when the Council of Foreign Investors for the President of the Republic of Kazakhstan was established in Kazakhstan. The main aim of the institution was to work on the issues related to the internal investment activities and improvement of the investment climate. The major results of the CFI's work were the eradication of the CAT on losses, liberalization of the legislative of licensing and working permits for foreign companies and the implementation of appropriate tax policy.

The second attempt of creating a compatible institution occurred in April 2019, when the Minister of Finance Smailov proposed a new concept for attracting investment. The cornerstone of the new architecture was the Coordinating Council for attracting investment, chaired by the Prime Minister of Kazakhstan, assigned the authority to provide special conditions for the implementation of strategic investment projects at the legislative level.<sup>42</sup> The creation of the coordinating Council is considered to be a significant step in the development of the investment environment. Furthermore, President K.K. Tokayev at Government meeting in July 2019 directly mentioned the Singaporean approach to the foreign investments, when he ordered the officials to read the memoirs of Lee Kuan Yew and appropriate the approach to the investment environment "sometimes I watch on TV how you receive delegations of entrepreneurs and investors. This is no good. You sit at the head of the table, place them at a distance of two, three, four meters, behave like the leaders of some principalities. As if you are

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<sup>42</sup> Khabar24. (2019). Alikhan Smailov spoke about the principles of the coordinating Council for investment. *24.kz*.



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not interested in attracting investment, but they are”.<sup>43</sup> Hence, it can be seen that the Singaporean model was adopted in the field of foreign investment attraction, however, the process has started only in 2019, while the rhetoric was at the place before that. Thereby, as it will be discussed in the later sections, it is necessary to look at the political and social environment within Kazakhstan at the time of the reforms. Moreover, it should be taken into account that such experience worked in Singapore, a city-state, which, in turn, would be unrealistic in Kazakhstan, as the power is distributed across the hierarchy of executive powers starting from the state government to the auls’ administrations. The limitations of the Singapore model’s applicability to Kazakhstan will be further discussed in the later sections.

### **The Crises in Kazakhstan and Appeals to the Singaporean System**

Hence, the previous section of the research provided a brief description of what Singaporean ideas Kazakhstan have implemented in its public policy in the post-independence era. However, the actual changes are significantly lower in numbers than the number of appeals to the Singaporean models in the official speeches of Kazakhstani authorities. The list of mentions includes but not limited to: speech by the Head of State K. Tokayev at the Government meeting in 2019, speech by the President of Kazakhstan N. Nazarbayev at an expanded meeting of the Government of the Republic of Kazakhstan in 2014, the speech of the President of Kazakhstan N. Nazarbayev at the Youth Forum “With the Leader of the nation - to new victories in 2015, speech by the President of the Republic of Kazakhstan, Chairman of the Nur Otan Party N.A. Nazarbayev at the XV Party Congress in 2013, the speech of the President of the Republic of Kazakhstan N. Nazarbayev at the Anti-Corruption Forum of the

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<sup>43</sup> Токаев, К. (2019). Выступление Главы государства К. Токаева на расширенном заседании Правительства [Speech by the Head of State K. Tokaev at an extended meeting of the Government]. Akorda.

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Nur Otan in 2008 and others. Overall, in the official database of speeches, telegrams and official letters of Akorda, 112 documents mention Singapore and its model of development.<sup>44</sup> Furthermore, Singapore is named to be one of the major strategic partners of Kazakhstan, as bilateral meetings take place regularly, both on the domestic levels, such as official visits of state authorities, as well as during international summits. Hence, as the major hypothesis of the research is that the appeals to the Singaporean model are exploited in propagandist aims in times of political and economic difficulties in the country, it is necessary to develop the framework with major dramatic developments in Kazakhstan in the post-independence era allowing to establish connections between the appeals to the model and background of the speeches.

### *Economic Crises*

The first major economic crisis in Kazakhstan took place in 1991 and continued until 1993, when the average weighted monthly inflation rate reached 30.1%, peaking at an annual level of inflation of 2265% in 1993, whilst GDP was dropping by 9.2% on average.<sup>45</sup> The crisis was connected to the dissolution of the Soviet Union, as the former Soviet Republics achieved independence but had to restore economies after the collapse of the USSR and rebuild the systems from the Moscow-operated command chain to the actual independent governance and economies. This crisis was not followed up by the Singaporean-style reforms or public appeals to Lee Kuan Yew's model but introduced Kazakhstan's aspiration from Singapore and its desire to establish a connection to one of the Asian Tigers. Hence, Nazarbayev, even before the actual independence, invited Lee Kuan Yew to Almaty in September 1991 to lecture the deputies of Kazakhstani Supreme Council. In his speech, Lee Kuan Yew outlined the way

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<sup>44</sup> Official Website of the President of Republic of Kazakhstan. (2020) Search for "Сингапур".

<sup>45</sup> Galiyev, A. (2015). Four global crises in the history of independent Kazakhstan. How was Kazakhstan overcoming the largest international financial crashes? *Tarih-Begalinka*.

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Singapore went through the history of its development, appraised the desire of Kazakhstan to transform its economy from planned to market, as well as named Nazarbayev as a perspective and “wise” leader for Kazakhstan.<sup>46</sup> Hence, the visit of Lee Kuan Yew to Kazakhstan was a move declaring its dedication to becoming a partner and equal to Singapore, as well as granting legitimacy to Nazarbayev himself, both in the eyes of Kazakhstani citizens, the government authorities, and, also, international actors. Furthermore, the visit of Lee Kuan Yew highlights the fact that the idea of using the Singaporean Model was present before the actual collapse of the Soviet Union, as well as suggests that despite Kazakshtan was the last to leave the Soviet Union, the process of independence was planned from much earlier.

The second major crisis was due to the Asian financial market crash in July of 1997, significantly worsened by the Russian economic crisis of 1998 and led to the decrease of Kazakhstani GDP by 2.5% and increased inflated rate by 117%.<sup>47</sup> The production significantly decreased, as the grain production decreased by 360%, livestock production – by 250%, the iron extraction and production rate dropped by 83%, coal production – by 46%, the state debt was reaching the mark of 8 billion dollars, while more than 50% of the working-age population was unemployed.<sup>48</sup>

The response to the crisis was the state program “Kazakhstan-2030”, which was introduced in the President’s Address to the nation in September 1997, which created the notion of the “Central Asian Snow Leopard”, as the President appealed to the Singaporean Model: “Forty years ago, when Singapore became independent, it was one of the poorest countries in the world with a per capita income of less than \$200 a year. Today, Singaporeans have a per

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<sup>46</sup> Baimanov, D. (2017). What did Lee Kuan Yew tell to the deputies of young Kazakhstan. *Kazinform.kz*.

<sup>47</sup> Galiyev 2015, p. 1.

<sup>48</sup> Institute of State's History of the SC Ministry of Education and Science of Republic of Kazakhstan. (2015). Economic Development of Kazakhstan during the international financial crisis, 1997-1998. *E-History.kz*

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capita income of more than 20 thousand dollars. As a result of these successes, these countries are known around the world as Asian Tigers. Are there any reasons why Kazakhstan, with all its capabilities, cannot achieve the same? There are none. By 2030, I am sure that Kazakhstan will become a Central Asian Leopard and serve as an example for other developing countries”.<sup>49</sup> In other words, the President created the idea that Kazakhstan can be as important and as prosperous as Singapore, thereby making an appeal and drawing the connection between his policies and the successful reforms of Lee Kuan Yew. Moreover, the program itself exhibited one of the first major ideas drawn from the Singaporean Model – the focus of foreign investments, development of infrastructure, professional government, and the consolidation of society – the aims also considered to be the pillars of the Singaporean Model, as it was discussed previously. Furthermore, as was mentioned before, the Council of Foreign Investors for the President of the Republic of Kazakhstan was established in Kazakhstan in 1998, which was the direct copy of its Singaporean counterpart.

The next crisis in the history of the Republic of Kazakhstan began on September 15, 2008, after Bank Lehman Brothers (USA) filed for bankruptcy and asked to protect it from creditors. The economic crisis began in the United States rapidly affected the economies of developing countries, including Kazakhstan, as the global economy faltered, banks and businesses could not get funds for further turnover. The crisis replaced the relative economic growth of Kazakhstan, as, in the wave of oil price growth, the exchange rate was stable at 119 tenge for one USD, the GDR grew at an 8.5% annual rate.<sup>50</sup> Starting from 2008, the Singaporean example has become drawn to the public attention more extensively, as 99 of 112 mentions of Singapore, discussed before, are dated from 2008 and onwards.<sup>51</sup> The talks about

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<sup>49</sup> Nazarbayev, N. (1997). Kazakhstan 2030, prosperity, security and ever growing. *Akorda*. welfare for all Kazakhstanis. The official website of the President of Republic of Kazakhstan.

<sup>50</sup> Galiyev 2015, p. 1.

<sup>51</sup> Official Website of the President of Republic of Kazakhstan 2020, p. 8.

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the model included the discussion of Singaporean anti-corruption policies, the creation of a higher education institution (which was also used as an aspiration for the creation of Nazarbayev University, one of whose partners is Lee Kuan School of Public Policy). For instance, in the speech of Nazarbayev at the XVth Party Congress, he appraised the anti-corruption measures taken by the Singaporean authorities: “In Singapore, if a civil servant knew about an impending corruption crime and did not inform the relevant authorities, they are dismissed from their positions. Perhaps this experience should be implemented in our country as well”.<sup>52</sup> Nevertheless, none of the compatible measures were actually enacted in Kazakhstan at the time of the speech.

Hence, the last wave of economic crises in Kazakhstan has begun in 2014 and is believed to be in place to the present day. The 2014 crisis is characterized by the decreasing oil prices, which led to the significant devaluation of Tenge – national currency, the stagnation of financial markets and a decrease in consumption and global trade flows. The situation with Kazakhstani economy was significantly worsened by the economic sanctions against Russia for its interference in the Ukrainian civil war and annexation of Crimea, as the Russian Federation is to the present day is one of the major economic partners of Kazakhstan. The latest dramatic developments with the Kazakhstani economy took place in March 2020, when the currency devalued by 15% in the light of the oil prices falling to the historical minimum, as well as the global economic crisis connected to the COVID-19 pandemic. President N. Nazarbayev put forward a large-scale anti-crisis program in November 2014, as a new economic policy "Nurly Zhol" was proposed majorly basing on infrastructure initiatives. As part of the "Nurly Zhol" program, 1 trillion tenge was allocated from the National Fund to

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<sup>52</sup>Nazarbayev, N. (2013). Выступление Президента Республики Казахстан, Председателя партии «Нур Отан» Н.А.Назарбаева на XV съезде партии [Speech by the President of the Republic of Kazakhstan, Chairman of the Nur Otan Party N. Nazarbayev at the XV Party Congress].

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support economic growth and employment.<sup>53</sup> The main institution in the development and administration of this program was the Samruk-Kazyna Foundation, which was also backed up by the appeal to the Singaporean Model in one of the presidential statements: “The Samruk-Kazyna Fund should contribute to the development of the private sector in the country. Once upon a time, Singapore's Temasek set itself the task of not just managing state assets, but also nurturing new businesses and industries that would strengthen the country's economy”.<sup>54</sup> Singapore's Temasek was created to support the business initiatives and foster the development of economy's private sector via complex system of investment in priority industries and projects. In other words, the major goal of the organization is the search and development of new types of business, the creation of new industries, and the formation of industrial clusters. “The Samruk-Kazyna Fund”, in turn, was designed and created for the completion of the same goals, while Temasek, was in fact, was taken as a model of structure, main mechanisms for work, as well as major tools of business development. However, the core difference between Temasek and Samruk-Kazyna lays in the role of the government in their operations. While Temasek's board of directors are accountable for the budgetary expenses, general-decision making process, as well as the choice of prioritized vectors of development are determined by the Temasek administration.<sup>55</sup> On contrary, the Samruk-Kazyna Fund is both accountable to the government administration, as well as follows the orders of the latter, which implies government setting the agenda of the fund, as well as determining priorities for the investments.<sup>56</sup>

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<sup>53</sup> Galiyev 2015, p. 1.

<sup>54</sup> Nazarbayev, N. (2014). Speech by the President of Kazakhstan N. Nazarbayev at the forum on launching the transformation program of JSC "national welfare Fund" Samruk-Kazyna». The official website of the President of Republic of Kazakhstan.

<sup>55</sup> Elemesov, M. (2017). According to Singapore Patterns. *Liter*.

<sup>56</sup> *Ibid.*, p. 1.

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### *Political Crises*

However, the number of crises when the Singaporean Model was either implemented or appealed to is not limited by the economic downgrades of Kazakhstan, but also include the political struggles, such as political crises of 1995, 2001, and the most recent one that took place in 2019.

The 1995 political crisis started with the 1994 Parliamentary elections, the result of which was the formation of large opposition coalition “Progress” consisting of the members of Federation of Trade Unions, the Socialist Party, as well as the People’s Congress of Kazakhstan.<sup>57</sup> One of the electoral candidates, Kvyatkovskaya filed a case to the Constitutional Court of Kazakhstan, stating illegitimacy of the elections due to the presence of electoral fraud. On March 6, 1995, the court ruled that the elections were illegitimate. In response, the President disagreed with the decision on March 8, on March 9 the head of the Parliament Kekilbayev did the same. As a result, the President dismissed the Government and the Central Electoral Commission, whilst the Parliament dissolved itself. On March 14, 72 members of Parliament disagreed with this decision and declared a three-day hunger strike. On March 16, 22 deputies refused to leave the building of the Supreme Council, stating that the current events were the President’s plan to enhance own powers and eliminate opposition in the legislative branch of government. On April 29, 1995, a referendum was held to extend the term of office of the President until 2000. The new Constitution was approved in August of the same year, establishing a new bicameral Parliament with the elections held in December.

Later, in 2007, Nazarbayev in his press-conference stated that the new electoral system of 1995 was inspired by the examples of Asian Tigers, including Singapore: “as for the proportional system, it has become a common practice. Almost all European States, as well as

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<sup>57</sup> Voloshina, I. (2011). The point of no return. *Voice of the Republic* 46 (222), p. 11.

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South-East Asia –South Korea, Thailand, Singapore, Malaysia, and Japan-have built their political systems on a proportional system. We have thought about this a lot, and I especially, because of the stability of the government and our development depends on it. We have chosen this proven system because any party is always interested in reflecting on the issues that concern voters as much as possible in its election program. The question of their getting into Parliament depends on this”.<sup>58</sup> In other words, although in 1995, there was no officially recorded comparison of Kazakhstani reforms to the Singaporean Model, the change itself was influenced by examples of different countries – including Singapore.

The largest number of reforms and appeals to the Singaporean Model was at a place in 2019, as was demonstrated before, including permission to withdraw pension funds, the creation of the Investment Council, and the rhetorical references to the Singaporean Model in general. These changes coincide in time with one of the largest political crises in Kazakhstan and the increased activity of Kazakhstani civil society, including the groups as Oyan, Democratic Choice of Kazakhstan, Nationwide Social-Democratic Party, and others. The 2019 political crisis in Kazakhstan started with the resignation of the First President of the Republic of Kazakhstan Nursultan Nazarbayev, who was replaced by the head of the upper chamber of Parliament – Kassym-Zhomart Tokayev, followed up by the renaming of capital city Astana to Nur-Sultan and the appointment of Nazarbayev’s eldest daughter Dariga Nazarbayeva as the head of the Senate – which is the second position in the political hierarchy of the country and the first in the line of Presidential succession. The resignation was followed by the Presidential elections, which granted the legitimacy to Tokayev, but were named as illegitimate and unconstitutional by the numerous civil rights groups. The elections were followed by the massive-scale illegal protests in the largest cities of the country leading to the arrests of civil

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<sup>58</sup> Internet conference of the President of the Republic of Kazakhstan N. A. Nazarbayev. (2007). Akorda.



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activists. Moreover, the protests took place regularly on different occasions including the series of protests of mothers asking for the housing, as well as anti-Chinese demonstrations against the construction of joint-run factories.<sup>59</sup> Tokayev's administration, and the government as a whole, faced large legitimacy issue and had to act in response in order to prevent larger-scale demonstrations and civil disobedience.

As a response, President Tokayev announced large-scale economic and social welfare reforms in his Address to the Nation in September 2019. Outlining the efforts to provide affordable housing, quality healthcare, reform legal system and enhance rule of law, diversification of economy and support of Kazakhstani families, and, mothers, particularly, Tokayev's speech was a mere response to the critiques outlined by the activists in the "2019 Summer of Protests". While the speech itself did not contain appeals to the Singaporean model, right after the Address the newspapers and media agencies controlled and loyal to the government, started articulating the notion of President's reforms being compatible with Singapore. For instance, Forbes Kazakhstan, in November 2019, published the article: "Pension Reform in Kazakhstan: why Singapore?".<sup>60</sup> The major message of such articles went along the official lines and explained that the reforms proposed by the new President are based on the best practices from Singapore, with only differences – using the experience of the latter, Kazakhstani policymakers enhanced the model and minimized possible negative outcomes. Similarly, the press extensively focused on another speech of Tokayev, made earlier in July, when the President outlined the necessity to put efforts in foreign direct investment attraction.

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<sup>59</sup> Amrin, A. K., Kaliyeva, S. A., & Alzhanova, F. G. (2020). Migration Processes in Kazakhstan in the Context of the Formation of the Silk Road Economic Belt. *Journal of Population and Social Studies [JPSS]*, 28(2), p. 171.

<sup>60</sup> Temirkanov, M. (2019). Pension Reform in Kazakhstan: why Singapore? *Forbes Kazakhstan*.

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The articles with this quote were put on the first pages of the printed press, while the most popular news website circulated these words for a long period.

### **Applicability of the Model**

The structural and fundamental differences between Kazakhstan and Singapore would make the implementation of the latter's model ineffective and irrational, as well as impossible to achieve. The first major difference lays in the geopolitical location of both countries. Singapore, having access to seas is connected to the global sea trade routes allowing it to develop an export-based economy. Such location allows Singapore to become an important actor in the global trade market, as well as become a liaison in the trade processes between the Western World and South-East Asia. Kazakhstan, in turn, is a landlocked country, whose trade partners are mainly its neighbors and allies with the Eurasian Economic Union. Currently, Kazakhstan is involved in the "Belt and Road" initiative – the construction of a trade route connecting China and Europe, large part of which will be located on the territory of Kazakhstan. However, there is no certainty on Kazakhstan's role in future trade between the regions, as well as the role of the initiative is not certain in the light of the existing Trade War against China, as well as the propagandist nature of the project. Moreover, geostrategically, Singapore does not have a shared border with any of the Great Powers, and thereby it is hard to say the country is a part of any one's sphere of influence. On the contrary, Kazakhstan is heavily influenced by Russia, as it is tied to the latter by economic, political, cultural, and military means.<sup>61</sup> While the discussion of Kazakhstan's dependence on Russia is a topic for separate research, in general, the Tenge is closely tied to the ruble, and the rapid development of the Kazakhstani economy would be impossible without the growth of Russian economy.

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<sup>61</sup>Laruelle, M., Royce, D. & Beysembayev, S. (2019). Untangling the puzzle of "Russia's influence" in Kazakhstan. *Eurasian Geography and Economics*, 60:2, p. 233.

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Similarly, political reforms and social changes would be opposed by Russian authorities and blocked via the EEU or CIS regulations in order to maintain the status quo.<sup>62</sup>

The second difference is the question of immigration. Singapore promoted external immigration, attracting foreign workforce as a response to the brain drain. Singapore faced the wide-scale emigration from the country in the 1960s, when 5-to-10% of the citizens left the country annually.<sup>63</sup> Lee Kuan Yew's administration, in response, formed the committee working with Singaporean embassies across the world offering jobs and education scholarships for the foreign citizens. By the 1990s the influx of foreigners was three times higher than the annual rate of emigration, thereby allowing Singapore to create a large expat community.<sup>64</sup> The expat community, in turn, created an environment friendly for the investors adding up to the factors attracting foreign capital. Kazakhstan, on the other hand, while attempting to propagate the image of a multinational country, attempted to increase the proportion of Kazakhs in the population, via the Oralman program – supporting the return of ethnic migrants. By 2016, more than 1 million repatriates returned to Kazakhstan and were resettled predominantly to Northern regions.<sup>65</sup> The foreigners, in turn, are rarely attracted to the country by the governmental institutions, the only exceptions are Nazarbayev University, several oil companies, and joint enterprises, which have failed failing to create a sufficiently large expat community, especially outside of two largest cities – Nur-Sultan and Almaty.

Lastly, Singapore is a city-state with no natural resources being extracted. The fact that Singaporean model is a Japanese Iron Triangle model with the adjustments to the reality of a city-state makes the model specific and tuned to the Singaporean realities, as, for instance, most

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<sup>62</sup> Sullivan C.J. (2019) End of an Era? Kazakhstan and the Fate of Multivectorism. In: Caron JF. (eds) Kazakhstan and the Soviet Legacy. Palgrave Macmillan, Singapore, p. 32.

<sup>63</sup> Lee 2011, p. 233.

<sup>64</sup> Ibid, p. 233.

<sup>65</sup> Saktaganov, N. (2009). "Nurly Kosh" - Action program. *Zakon.kz*.

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of the institutions are directly subordinate to the government, while, in Kazakhstan, divided to the regions, regional centers, villages, and cities has a vertical hierarchy consisting of numerous institutions, making the chain of command 'loose'. Secondly, the infrastructural changes, like building roads and communications, is significantly easier in the Singaporean realities, and cannot be achieved easily in the remote regions of Kazakhstan. Moreover, Singapore's main goal was the development of industry and manufacturing, as it was pointed by Lee Kuan Yew himself, due to the absence of natural resources. Kazakhstan, in turn, is an example of Dutch Disease, as its economy is dependent on the oil exports, and the extraction of natural resources in general.<sup>66</sup> The state officials have outlined the necessity of economic diversification numerous times, as the state development programs extensively focused on the development of oil refinery, heavy- and light industry, as well as implementation of innovations in production and agriculture. However, the oil exports used to be significantly more profitable for the state economy than the development of manufacturing, which led to the slow and unmotivated changes. However, with the oil prices dropping in 2019 and 2020, combined with the economic crisis caused by the COVID-19 outbreak, the importance of diversification received larger attention by the government, as the authorities started criticizing pre-existing situation with the dependency on oil. The proposed measures include the extensive subsidizing of light manufacturing and local agricultural enterprises, as well as increasing investment in micro-, and small- business. However, no conclusions can be made at the current time, since there is no certainty on the nature of the proposed changes, and if they are a propagandist rhetoric or a fixed roadmap for government reforms.

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<sup>66</sup> Egert, B. & Leonard, C. (2006). The Dutch Disease in Kazakhstan: An Empirical Investigation. *Focus on European Economic Integration, Oesterreichische Nationalbank (Austrian Central Bank)*, issue 2, p. 86.

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Hence, the Singaporean model could not work in Kazakhstan theoretically. Moreover, the limited efforts from the government itself could be observed. The major reason for the appeals to the Singaporean model, is, in fact, rooted in the idea of soft-authoritarian state developed by Schatz. According to Schatz, a soft-authoritarian state, as Kazakhstan is, is aimed at the persuasion of both domestic public and international community, rather than coercion. By carefully crafting and propagating images of prosperous state and society, as well as developing plausible public narratives about the provision of public goods, the idea of the Singaporean model continually outflanked political opponents of the ruling elites.<sup>67</sup>

### **Why Singapore?**

Kazakhstani policymakers, in fact, saw the differences between two states; however, they chose the appeal to Singapore as one of the major propaganda devices. As it is seen from the speeches of the Kazakhstani officials, the appeal was extensively focused on the areas of social welfare, anti-corruption, and foreign investment attraction, i.e. the economy. This can be interpreted in a way, that the suitable model for the appeals would need to be a state with relative economic growth and stability, high level of prosperity of the general population, diversified economy and stable political arena, which would allow justifying the necessity for the neo-patrimonial and authoritarian rule. At a first sight, in order to promise prosperity and stability to its citizens, for Kazakhstan, it would be obvious to pick a Western country, as a model to be exploited in the propagandist aims. The United States or Canada could not be chosen because of the foreign policy of Kazakhstan, as the country is highly dependent on Russia and is located in its close sphere of influence. The country is militarily, economically

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<sup>67</sup> Schatz, E., & Maltseva, E. (2012). Kazakhstan's Authoritarian "Persuasion. *Post-Soviet Affairs*, 28(1), p.51.

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and politically allied to Russia via numerous organizations and treaties, such as the European Economic Union, Shanghai Cooperation Organization and CSTO. Hence, as Russia's ideological 'enemy' is the United States, the neighbor's appeal to its model would be considered as a violation of the existing order and significantly damage Kazakhstan.

The European countries, in turn, could not be picked as the models for development and propaganda due to several core reasons. Firstly, similarly to the U.S., European countries mostly allied with the United States and appeals to their models of development would significantly damage the allied relationship between Russia and Kazakhstan. Secondly, the European States, which could potentially be employed as propaganda models, do not exhibit the history of post-colonialism or recent independence. Lastly, the European States, as well as many other developed states, like Japan or South Korea, for instance, are built around the ideas of democracy and liberalism, civic freedoms of their citizens, and transparent governance. Hence, an appeal to such states by Kazakhstan would provoke the requests for liberalization and a large critique of neo-patrimonial and authoritarian governance. Thereby, an authoritarian state had to be chosen for the model to appeal to.

Russia, despite being an authoritarian state, could not qualify for a propaganda device, as the country itself cannot be considered as an example of a prosperous state, the image of which could motivate the citizens to support the implementation of the model. As Kazakhstan's economy is closely interconnected to its Russian counterpart, most of the economic crises took place in both countries simultaneously. The political challenges faced by the Kazakhstani elites, on the other hand, could be also observed in Russia, starting from the 1995 Constitutional Crisis, as well as the wave of Moscow protests in 2019. Hence, an appeal to the model of a country experiencing the same challenges would be not only ineffective but could potentially foster the protest and opposition. Moreover, the history of being the Soviet Republic, while appealing to its direct ancestor – Russia, could also cause irreversible damage. Firstly, the

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appeal to the Russian model could trigger opposition from the nationalist groups, as the history of oppression and semi-colonial past in the Russian Empire, combined with the fears of separatism and Ukrainian scenario in Northern Kazakhstan, would create a retrospective vision on the Kazakhstani politics. The fear of Ukrainian scenario also led to the new direction of Kazakhstan's foreign policy – proactive multivectorism since the country currently attempts to “loosen Moscow's grip” via maintenance of diplomatic relations with all of the large powers and work on the joint project not only with Russia but with China and the United States.<sup>68</sup> In other words, appeal to the Russian model and the multisectoral foreign policy, combined with fears of separatism and nationalist opposition, would be a counter-productive measure and contradictory.

The last possible model that could fit the most was China, whose economy is a mixture of capitalism and socialism, which would suit Kazakhstan's case, as the economic changes in the 1990s implied the transformation of the country from the planned, socialist model to the free market. Furthermore, the country is authoritarian, which could potentially also fit in the idea of prosperity and development compensating for the absence of civic freedoms for the citizens. However, two important aspects made the Chinese model inapplicable to Kazakhstan. Firstly, despite being an authoritarian state, China is not a neo-patrimonial case, as the party overweighs any political figure. That being said, Nazarbayev could not grant his powers to the party, risking his position, even only in the public message conveyed to the general population. More importantly, the appeal to the Chinese model was not possible due to existing Sinophobia among Kazakhstani citizens. Sinophobia has been present in Kazakhstan since the beginning of the 2000s, as the Kazakh nationalists widely oppose the Chinese migration to the country, as well as the joint projects. These fears are based on the rumors widely distributed beginning

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<sup>68</sup> Sullivan 2019, p.32.

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from late 1990s in the media on the Chinese expansion to Kazakhstan and attempts to acquire lands on the state's territory. The anti-Chinese sentiment has been elevating during the past decade, peaking with the demonstrations in 2019 against the construction of 55 joint-run factories across Kazakhstan. The opponents of the construction argued that these projects would undermine the independence of the country and strengthen its dependence on Chinese investments.<sup>69</sup> Secondly, the issue of Chinese reeducation camps and discrimination of the Muslim minority further has been boosting Sinophobia since 2019. The so-called educational centers for Kazakhs, Uighurs, and Dungans were reported to be the labor camps aimed to contain the Muslim opposition and injection of Han values.<sup>70</sup> This peak could potentially be predicted by Kazakhstani policymakers basing on initial Sinophobia of 1990s, thereby, the Chinese model was not chosen. Moreover, with the increasing level of partnership between Kazakhstan and China, the Chinese model of development could not be taken as a substitution for the Singaporean one, as the government potentially doesn't want to be seen by the public as changing course by embracing another model, since, as long as Singapore's economy and society is stable, there is no reason to stop using it as a propaganda tool.

The model suitable for the appeal was Singaporean. The idea of Singapore being a prosperous country, which could achieve unprecedented economic growth extracting no natural resources in the first decades of independence has been an idea that frequently circulated among the general population of Kazakhstan. In fact, by the end of the 1960s, Singapore transformed into a high-income country having one of the highest GDPs with economic growth of 7.7% on average.<sup>71</sup> The economic growth allowed Singapore to reach one of the highest human development indexes, implied long life expectancy, high-quality

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<sup>69</sup> Amrin, Kaliyeva and Alzhanova 2020, p. 163.

<sup>70</sup> Ibid., p. 14.

<sup>71</sup> World Bank 2019



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education and healthcare, affordable housing and a decent standard of living. However, more importantly for the appeal was the fact that Singapore remained authoritarian during the process of its development and modernization. Hence, the Singapore model demonstrates that a successful economic modernization and rapid growth can be achieved in a single-party state with an authoritarian approach to governance. In other words, the history of Singapore conveys the message that the prosperity of the country and its successful development is independent of market liberalization and democratic reforms, because there is an “alternative authoritarian route to the modern world”<sup>72</sup> Lastly, the appeal to Singaporean model went in accordance with Kazakhstan’s approach to foreign policy – multivectorism, as the choice of Singapore would not affect the state’s relations with Great Power, because Russia would not consider it as a threat to its sphere of influence, China itself maintains a strategic partnership with Singapore, while the United States would see the appeal to the free market model preferable to its own goals in the region.

Thus, as Kazakhstani officials appealed to the Singaporean model in the times of economic and political crises, while the actual changes were merely implemented both due to the incompatibility of Kazakhstan to the model itself, and limited efforts from the government, the appeal can be interpreted as a tool of propaganda aimed at legitimizing authoritarian and semi-patrimonial rule, as well as an act of co-optation without granting actual benefits, but simply giving promises instead. This phenomenon can be clearly observed in the case of the 2019 political crisis, as the appeal to the Singaporean model was a response to the critique and opposition to the government blaming it for its authoritarianism, absence of civic freedoms and illegitimacy.

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<sup>72</sup> Ortman, S., & Thompson, M. (2018). Introduction: The “Singapore model” and China's Neo-Authoritarian Dream. *The China Quarterly*, 236, p. 931.

## **Limitations, Further Implications, and Conclusion**

The paper focused on the historical background of the implementation of the Singaporean model in Kazakhstan in the areas of anti-corruption initiatives, social welfare, and economics. In turn, the limits were set to the number of reforms to be compared, as the research did not cover the political reforms, the changes in legal systems, as well as the questions of education and foreign policy. Hence, the further research might cover the aforementioned areas and contrast them to their Kazakhstani counterparts, and whether these reforms were implemented in Kazakhstan, or, as well, were used only for the appeal and propaganda. Secondly, the research limited itself in the level of changes in Kazakhstan, as only the initiatives of the central government apparatus were discussed and the speeches only of central figures in Kazakhstani government were analyzed for the number of appeals, while the future studies can investigate the initiatives of city councils and speeches of Akims and Ministers on the subject of appeals. Lastly, future research can focus on the sociological study of whether the appeals actually worked on the general population, as they believe that Singapore is a prosperous country and Kazakhstan can potentially be a “Singapore” of Central Asia is widely circulated in media.

In conclusion, the Singaporean model has been a propaganda device used to appeal to in the times of crises by Kazakhstani authorities. The choice of Singapore for propaganda can be explained by its neo-authoritarianism successfully fusing with economic growth, the prosperity of the general population and general image of a “successful” country gained independence relatively lately. While the geopolitical, economical and sociological factors, as dependence on Russia, Dutch Decease, and low population of foreigners, would not allow a successful implementation of the model in Kazakhstan, the Kazakhstani authorities exploited the appeals to the model in order to boost support from the population, legitimize itself and create an image of the prosperous and perspective country, especially in the times of crises,

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both political and economic. This phenomenon can be clearly observed in the case of the 2019 political crisis in Kazakhstan, when, in response to the opposition, protests and growing critique of the government, the latter launched the series of “Singapore-style” reforms, which failed to be successfully implemented. However, the message itself was appealing to Singapore, attempting to convey the idea that Kazakhstan tries its hardest to provide its citizens with prosperity and social welfare, as well as become a Central Asian Snow Leopard.

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