



Rural Local Government System in Kazakhstan: Recent Issues

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ABSTRACT

Nearly half of the country's population still lives in rural areas, where the development of local government systems is an important issue, given that local government is the basis of political, social and civil changes in the rural community and in village transformation. Kazakhstan made a number of major changes in the lowest tier of the rural local government system toward democracy in 2012 to 2013. Within the framework of these changes, Kazakhstan provided for the election of local rural governors in 2013 for the first time in its history. Using the results of a nationwide survey among the rural population and analysing textual materials related to the topic, I reveal how satisfied rural respondents are with these changes and consider the problematic sides of a rural local government system that warrants further reforms.

Keywords: Rural Local Government System in Kazakhstan, Rural Management, Local Government, Local Democracy, Decentralization, Local Self-government

JEL Classifications: J54, K23, O18

1. INTRODUCTION

In 2012, Kazakhstan's government adopted the 'Conception of local self-government development of the Republic of Kazakhstan' (Adilet), which defined development of the local self-government system of Kazakhstan until 2020. The main reason for the adaption of this Conception was to implement principles of democracy in the local government system. Following this Conception and other government regulation Acts passed afterwards, in 2013 the lowest tier of rural local government bodies heads (akim) were elected. They were given new functions, the number of clerks in the rural local government increased, and some novelties were made in the financing system. These changes were presented by government authorities as 'empowering rural local government and local self-government, extension of independence of lower tier of rural local government before the higher state authorities and development of local democracy' (Astana Times, 2013). The election must have had significant influence; according to the census report of Kazakhstan in 2009, '45.9% population or 7,347,165 people lives in rural areas' (ASRK 2011. p. 13). However, I argue that these changes have not had a large impact on rural communities' life. Rural residents' expectations from authorities when the

Conception was enacted were high regarding the improvement of the rural local government system but those changes would not bring expected results unless further reforms were made.

In this paper, my central argument is that despite the state authorities' presenting these changes as the realization of democratic principles and strengthening of rural local government, the existing rural government system of Kazakhstan needs further reforms to become democratic and transparent. In developing this line of inquiry and analysing the results of my data I will detect the problematic sides of the rural government system that need to be improved to conform to democratic values and form strong local government in rural areas of Kazakhstan.

In this paper, I will use data that I collected in 2013 from all oblyses (the highest local administrative unit) of Kazakhstan, including participant observations, formal and informal interviews and a country-wide survey of rural residents. The country-wide survey was conducted by me from July to August 2013. I visited approximately 40 rural settlements located in all fourteen oblyses. I used various forms transport to move from one rural settlement to another, including trains, buses, different types of cars, and

motorcycles. These rural settlements are located in different geographic areas (ranging from near economic and administrative centres to more than 300 kilometres away from the nearest one), weather conditions, social-economic conditions (rural settlements are made up predominately of people occupied in livestock, agriculture, and railway services) and size. The survey was conducted as door-step interviews with individuals who live in rural areas. 634 people from different ethnic groups, social backgrounds and age groups participated in the survey. During that period, elections of rural local government heads took place for the first time in Kazakhstan's history. Therefore, I had the opportunity to observe the pre-election, election and post-election processes. In addition, I had the opportunity to record rural residents' opinion in each period of these processes.

2. THE LOCAL GOVERNMENT SYSTEM OF KAZAKHSTAN

According to the Law (Adilet 1993): 'The system of administrative-territorial structure consists of administrative and territorial units: Rural settlement (Aul), town (Kent), rural district (Auldyk Okrug), Audan in the city, city, Audan (district) and oblys'. Oblys is highest local administrative-territorial unit, which is divided into several cities and districts. Audan is the local administrative-territorial unit within oblys; there might be Audan in the city and rural Audan consisting of rural districts, towns, and villages that are not part of a rural district. The lowest tier of local government below Audans and oblyses is a town, rural district and village that is not part of rural district formed on rural settlement level. Therefore, these local government bodies formed in rural areas to govern rural communities have rural settlement status. The Law (Adilet, 1993) determines a rural settlement as an 'inhabited locality with a population of at least 50 people; at least half of that population is composed of labourers in agriculture, forestry and hunting, beekeeping, fisheries and aquaculture, and their families and health professionals, social security, education, culture and sport'. As the size of many rural settlements is usually small, several rural settlements are united in one administrative-territorial unit called a rural district. In addition, there are some villages that for various reasons are not included into rural districts; they form administrative-territorial units on their own and are officially known as villages that are not part of rural districts. These local government bodies can range in size from a large settlement with a population of approximately 50,000 (usually in towns) to a single village with fewer than a hundred inhabitants.

'The administrative system of the Republic of Kazakhstan includes 9,825 administrative units consisting of 14 oblyses and two republican-status cities (including the capital city), 160 Audans, 10 Audans in republican status cities, 40 oblys-status cities and 45 towns, five Audans in oblys-status cities, 34 village and 2,474 rural districts, 35 urban and 101 rural villages and 6,905 rural settlements' (ASRK. p. 18). All of these local administrative-territorial units are governed by akims, which head regional administrative bodies of government. The lower tier of a local government body's akim is appointed by higher government

authorities and officials (clerks) of all these administrative bodies, which are appointed by their akims.

Local administrative bodies are controlled on the behalf of people by Maslihat deputies, the representative body of the local government whose members elected by the people. According to the Constitution of the Republic of Kazakhstan (Constitution of the Republic of Kazakhstan, 1995), 'maslikhats - shall express the will of the population of respective administrative-territorial units and with regard to the common public interests shall determine the measures needed for its realization, and control their implementation. Maslikhats shall be elected by the population on the basis of universal, equal suffrage under secret ballot for a 4 years term' (Article 86). As shown in Figure 1, the lower tiers of administrative-territorial units are towns, rural districts and villages that are not part of rural districts and do not have representative bodies of local government.

The lower tier of local government in rural districts, towns and villages that are not part of rural district¹ akims were appointed by Audan akim until 2013. After the normative and legislation changes in 2012-2013 the akims of rural districts were elected by Audan maslihat deputies. The election date changed according to oblyses and took place on 5-9 August 2013.

Why would policymakers not allow rural residents to elect their closest local government heads directly? There are two main reasons that explain their decision. First, government authorities thought that rural residents were not ready to directly elect their rural district akim and were afraid of conflicts between different formal and informal social groups among the rural population. Second, government authorities were reluctant to lose influence over rural district akims. In addition, this was not the only issue that was questioned in this election system; I will consider the election law of rural local government akims in the chapter below.

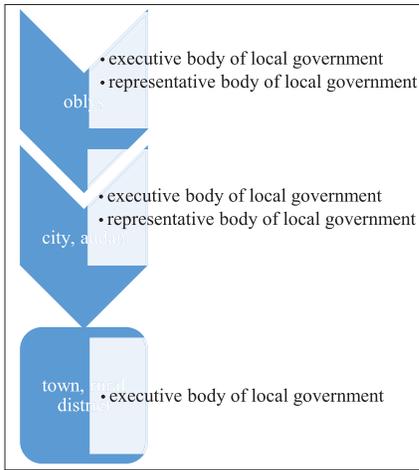
After the election was held the number of employees in rural district akim increased by 1-2 staff members, which aimed to strength the rural government's organizational structure. According to Resolution of the Government of the Republic of Kazakhstan (Adilet, 2004) the number of staff was adjusted according to population size of local administrative unit (Table 1).

Moreover, every administrative-territorial unit has technical staff employees, such as drivers, cleaners, guards, technicians, etc., Their numbers can also be changed according to the size of administrative-territorial units. Usually, their number in rural local government bodies is between 4 and 8 employees.

The next positive thing during this period was allowing rural local governments to generate income from renting local municipality properties. However, municipality properties in rural places would not bring much income, so it was not enough to form a local budget. The formation of the local budget for rural local governments is an important issue that has not been solved for

¹ As the number of rural districts predominates among them, hereafter I will use it to describe all these administrative-territorial units.

Figure 1: Local government system of Kazakhstan



Source: Author

Table 1: Rural local government’s staff

Administrative-territorial unit population	Akims’ staff quantity (unit)	Including deputy of akims (unit)
Town, village, rural district		
Up to 1,500	3-5	
1,500-3,000	5-7	
3,000-5,000	7-8	
5,000-10,000	8-10	1
10,000-20,000	10-15	1
20,000-40,000	15-18	2
More than 40,000	18-20	2

Source: Adilet, 2004

20 years despite the fact that this question was raised several times during the period.

All of the reforms that were made in recent years aimed to strengthen the rural local government and implement democratic values. However, there are still some issues without whose resolution the rural governance system will not adhere to the principles of democracy and allow the rural settlement akim to act independently. The main issues that needed further reform are an improved election system, formation a local budget for rural executive bodies and the formation of a representative body of government at the rural district level.

3. ELECTION

Several aspects of this election system are questioned by society: Nomination of candidates, requirements for candidates and voting rights.

Candidates for rural district akim were nominated by Audan akim. According to the Law (Adilet, 2001), Audan akim should hold consultations with the local community before determining candidates; at least two candidates for rural district akim positions should be nominated. Almost all candidates whom I met during the field research were current rural district akims, local government clerks or workers in rural public institutions, such as schools, kindergartens, libraries, hospitals, etc., (usually heads of those offices). This factor is linked to requirements for candidates.

According to the Law (Adilet, 1993), candidates for rural district akim may be citizens of the Republic of Kazakhstan no younger than 25 years who have active election rights, a higher education and are residents of that oblys. In this system some requirements for candidates give rise to questions. First, the age qualification for candidates, which is 25 years, is high because it excludes young people from becoming rural district akim. Kazakhstan’s youth participation in political and civic life is low, which is worse in rural areas because of low political and civic activity. The Youth Development Index is a global index featuring 170 countries according to five criteria: Education, health and wellbeing, employment, political participation, civic participation. ‘Kazakhstan scores higher than the global averages in terms of “education,” “health and wellbeing,” and “employment.” At the same time “political participation” and “civic participation,” were the lowest scoring domains for Kazakhstan and were lower than the global averages’ (Bukanova et al., 2014F. p. 203). Therefore, lowering the age of candidacy might be effective in the context of the participation of rural youth in local decision-making.

Moreover, the requirement from the rural district akim candidate’s higher education certificate is absurd, as traditionally rural areas have few people who have a higher education certificate. Because of this section of requirement, some people could not run for election. For example, the akim serving in rural settlements located in Karaganda oblys was not happy about education limits. He did not attend higher schools and does not have a certificate and therefore did not have right to participate the election. Another example came from the Kyzylorda region where the chair of a small rural farm also could not run for election. He thinks that the higher education certificate is not important for administering a small rural place; what is important is management ability and the ability to build relationships with people. Actually, the reason that authorities included this requirement in election rights may be to control candidates in the election because in rural areas a person with a higher education usually works in public organizations, such as hospitals and schools. All of these public places are controlled and funded by government institutions, which of course have a huge influence on their employees. Therefore, authorities were able to control candidates, all election processes, and at the end were able to choose ‘right’ candidate, as the election was indirect.

Indeed, building a local government that is based on principles of democracy and transparency requires that local people have rights to direct election. People have the ability to elect the right candidates to their closest tier of government because they know candidates’ skill; rural districts are small administrative units, and almost everyone knows each other. Direct election system give them a chance to democratically elect the right candidate who best knows local problems and is able to dissolve them. These factors will play a second role when rural district akim are elected by Audan maslikhat deputies because the supreme authorities in the first instance try to elect the candidate that better fits with their policy.

In the country-wide survey, respondents were asked, ‘who should elect the rural district akim?’ Based on institutions that might have elected the akim, the list of answers were: (1) The maliskhat

deputies; (2) rural settlement residents; (3) rural district akim should be appointed by Audan akim; (4) there is no difference. Figure 2 shows the results from this question.

The results of survey demonstrate that the vast majority of the rural population wants to elect their rural district akim themselves. This means, that implementing a direct election system of local government in rural areas of Kazakhstan demands modern political challenges and local peoples' intention. Thus, the mechanisms of existing rural district akim's election system needs to be improved to become democratic, transparent and more independent before the highest state bodies.

As mentioned above, the rural district akims election was indirect. To determine respondents' opinion about this indirect election system, respondents were asked 'In your opinion, why did decision-makers gave election rights to the maslikhat deputies instead of rural people?' The answers of this question were selected according to popular reasons that were given by authorities or discussed in society. Figure 2 shows the opinion of rural residents who participated to the survey on this issue.

The survey's result shows (Figure 3) that most respondents believe that the government did not allow them direct election rights because it was afraid of conflicts among rural people. This issue came in first in Kazakhstan when discussions arose about electing local government heads. Therefore, this factor is cited as the main reason that decision-makers were unwilling to give direct election rights to rural residents, i.e., that there was a possibility that election competition could lead to conflicts between formal and informal groups in the rural community supporting their candidates. This is an important issue, as Kazakhstan consists of different ethnic groups. In addition, the predominating ethnic group (the Kazakhs) is divided into different tribes, which among the traditional part of the population (which dominates in rural areas) is a topical problem.

However, a certain part of the rural population does not believe this factor, and they think that authorities do not trust people and that this election was just a show (a window dressing election). Thus, there is the possibility that those who underlined the first and third options, who do not believe in the election system, would remain aloof from local civil and political life. This might actualize the problem of local participation problem, which would accompany questioning the effectiveness of government institutions' activity. In this context, the rural district akim's direct election is important.

What is the possibility that the direct election give rise to conflicts among rural communities? I think this is a question that should be asked of rural residents, as they know the local features better. Figure 4 demonstrates that the majority of respondents do not believe that the rural district akim's election could give rise to conflicts among people. 54% of respondents answered 'no' to the question 'if rural residents elects their akim themselves, is there the possibility that conflicts between ethnic or different social groups will take place?'

However, I cannot exclude that such conflicts can take place in some rural areas, and the survey results prove it; almost 20% of

Figure 2: Who should to elect the rural district akim?

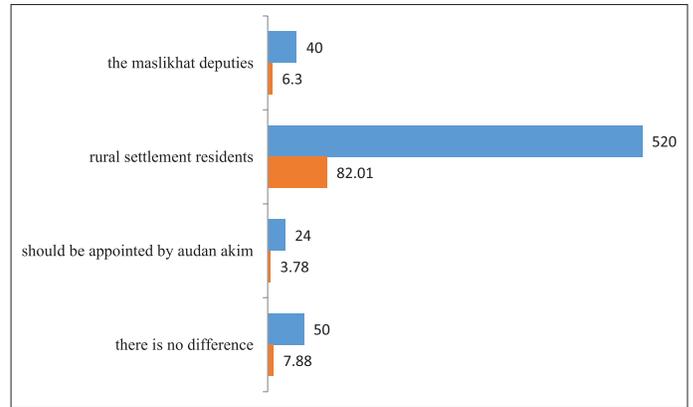


Figure 3: In your opinion, why did decision-makers give election right to the maslikhat deputies instead of rural people?

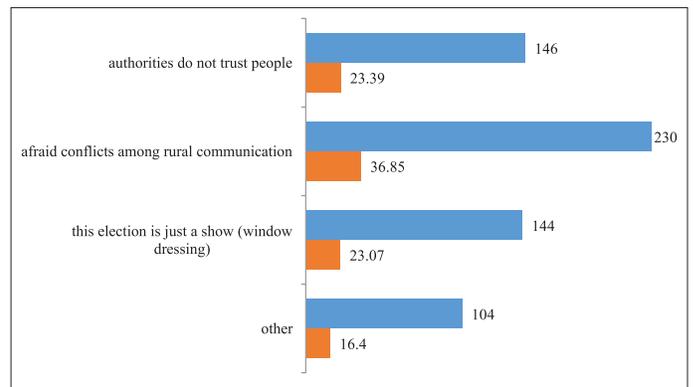
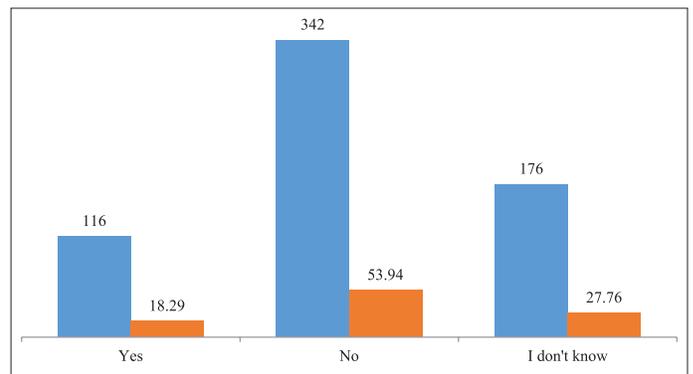


Figure 4: If rural residents elect their akim themselves, is there the possibility that conflicts between ethnic or different formal and informal social groups will take place?



respondents answered "yes." Nevertheless, such a problem is not a reason to avoid direct election and deprive people of their voting rights. On the contrary, government authorities have to take into account and focus their work in areas where such cases occurred in order not repeat it again in the future. In addition, a direct election system could increase political and civil activity in rural places, which may increase the culture of elections and the political literacy of rural residents who would be ready to elect higher local government tiers' akims.

Rural district akims are elected for four years; however, they can be dismissed by resolution of the oblys akim. Unlike the

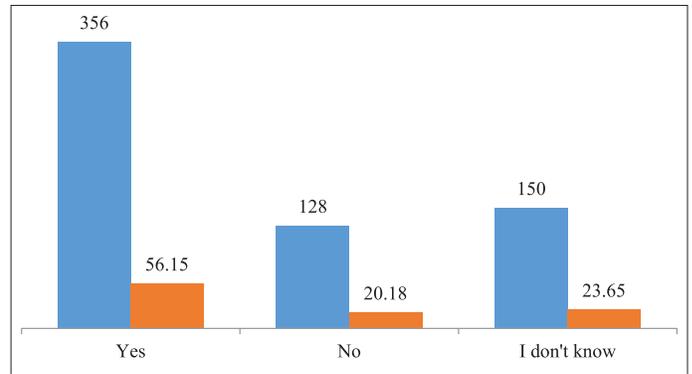
former system when the rural district akim was appointed and dismissed by Audan akim, recent changes might be considered an improvement. However, these changes did not bring the expected results, because the reason that government authorities introduced elections of rural local government akims was democratic values and extension of rural akims' independence. Requirements for rural akim candidates were strict; candidates were nominated by audan akim. The election system is indirect, and because for this reason many rural people who intended to become rural district akim could not run for election. In addition, elected akims may be dismissed from their positions by resolution of the oblys akim. 'Therefore, the elections of akims of such type are characterized by the absence of real competition and practically do not differ from the process of appointment' (NGO Echo 2014. p. 8). Therefore, recent changes have not reached the stated goal because rural residents did not have voting rights and rural districts' akims have continued to depend on higher authorities.

4. BUDGET

The rural district akim does not have a local budget, and all money is allocated by higher government budgets on the basis of planned projects in rural settlements, such as infrastructure maintenance or renovation, cleaning, lightening, etc., The size of allocated finance depends on the amount of the oblys or Audan budget (according to development level of the region), demography and the importance of the rural place, the size of planned projects; thus, every rural district has a different size of budget. In this financing system the rural budget has two problems. First, in some case the budget size depends on the personal relations that the rural district akim has with higher authorities. Second, the rural district akim is deprived of management ability and does not have money for small projects, such as event planning, mending, or dyeing. Thus, the akim just spends the money that is allocated to a planned project. Because of this structure, the rural akim is more concerned with fulfilling higher authorities' requirements than in solving local problems.

The formation of the rural settlement akim's budget has been one of the most discussed local government problems since Kazakhstan's independence, but the issue has yet to be resolved. There are objective and subjective reasons that are impede resolution of this issue. The objective reasons are that rural settlements do not have enough resources, imperfection of financial transaction and power distribution mechanisms between local government agencies, lack of financial transaction experience and, until the mid-2000s, the weak structure of the rural local government. The main subjective reason is the government's overlook policy. The United Nations Development Programme (UNDP, 2002) consultant at the time, Muhamedkarimova (2002. p. 318), who took part in Rural Development Project research in 2002, noted that 'The most urgent problem in rural settlement government is lack of local budget and rural districts' residual principle of financing. This situation is a hindrance to the rural district akim fulfilling its functions, whose political, social status and reputation is discredited, because it always supplicates to the heads of farms and other major ranches. Despite the fact that more than ten years has passed, the issue continues to be relevant. As seen in Figure 5,

Figure 5: Do you support formation a local budget for rural district akim?



the majority of respondents support formation of a budget for the rural district akim.

The rural population believes that a lack of financial sources interferes with the effectiveness of rural district akim and his duties because resources allocated by higher budgets are not enough even to fulfil the duties and functions of rural district akim. Today, 79 duties and functions are imposed on the rural district akim by different laws. Typical activities undertaken by rural district akim include:

- To manage, maintain and rent public buildings
- To manage and maintain public places (parks, green fields, memorials)
- To generate additional income
- To carry out assignments of highest state authorities
- To carry out the national policy in the administrative-territorial unit
- To report allocated financial spends to government authorities
- To help disabled and socially vulnerable residents
- To help to organize sporting, cultural, social events
- To arrange recruiting necessary personnel to the rural district
- To arrange vet service in the village
- To manage and keep order and integrity among the rural community
- To manage and maintain cleanliness, recreation grounds and planting of greenery in the rural district.

Authorities once again attempted to solve this issue beginning in 2013 during the election preparation process. There was anticipation that elected akims would have local budgets. However, authorities gave funding to rural district akim for municipal properties (clubs, libraries and other rural communal facilities) that were located in the administrative unit border and were allowed to rent them. According to the 'Guidelines on local government', which were published in 2013 by the Ministry of Regional Development, elected akims received revenues from renting municipal properties and local fines (The Ministry of Regional Development of the Republic of Kazakhstan 2013).

Rural district akim can spend income from renting municipal property on local problems. This was considered additional income for rural district akim, who can spend this revenue at their discretion for local demands. Because of the small size

of population and social activity in rural areas, the municipal properties would not bring much revenue, so the importance of this change is symbolic. Nevertheless, this change's positive aspect is that the rural district akims will learn the process of forming and spending their own incomes. This will serve as practice for them and make them ready to control their local budgets in the future.

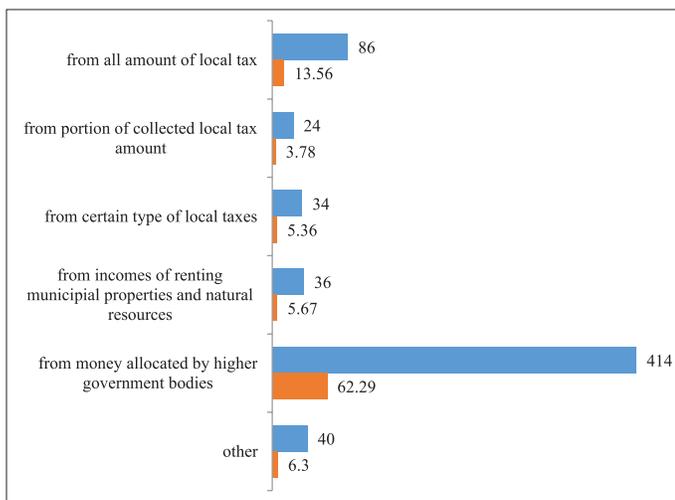
The second source that the rural district akim is allowed to add to his local needs are incomes from local fines. Government Acts allow for rural district akims to introduce penalties to keep local order and the proceeds from these penalties stay with the akim to be used for local needs in consultation with local communities. In fact, this approach of local funding would not bring much money if any at all due to the traditional order and extensive kinship relations of village residents.

The main problem hindering the formation of a rural district's akim budget is identifying the sources. Discussions are developing around this issue. Because many villages do not have sources to form their own budgets as rural areas have limited business activities, undeveloped services, and few entrepreneurs. Therefore, determining the mechanisms of rural district budget's sources have caused many discussions.

Thus, it is understandable that the vast majority of rural residents who participated in the survey think that the rural settlement budget should come from transfers from higher-level budgets. Rural residents understand that local tax incomes are not enough to form a budget; therefore, they want transfers from higher-level budgets, expenditures of which are decided by rural communities according to local needs (Figure 6).

However, formation the rural district akim's budget from higher-level government bodies' transfers would not bring large changes to the existing system. First, the akim will continue to somehow depend on higher state authorities, and in this case, the financial agencies will be able to have influence on rural district akim. Personal relations will continue to play a key role, so there is a risk that finance will become mechanism of intervention in rural

Figure 6: In your opinion, income of rural district budget should constitute



akim's work that the authorities can use. Second, the akim will work only with transferred money and will not be motivated to increase budget revenues. The akim's budget should be formed from local and state based diversification sources and their criteria must be apparent.

The rural district akim's budget income should be formed first from local revenues, local tax, municipal properties rents, natural resource rents or sale, payments from local fines, donations from residents and entrepreneurs and the other sources that a village has. State subsidies might serve as an additional source of income, especially for less developed and low-income rural districts. Another source is credits for important projects that will bring revenue for rural districts that have deposits in the bank.

Local tax could be basic source of income for rural district budgets; budgets can be formed from a certain amount of all local tax that is collected in that administrative unit or may be certain types of taxes, e.g., taxes from small and medium sized businesses. Both of these two methods for the amount of local collected tax; therefore, the akim will be interested in the growth of the tax amounts to increase the income of the rural district and thus the amount of its budget. This might be motivation for rural district akim to attract investors, thereby increasing rural investment and development. In addition, this motivates the akim to report questionable local business structures.

The natural resources that rural settlements have might be important additional sources for the budget. Rent or sale of natural resources (stone, sand, soil, wood, grass, reeds, river, lake, animals, poultry, fruit, etc.) that are located on village territory can actually bring significant income at the local level. Today these resources in rural areas are used freely by foreign inhabitants for different purposes (especially commercially). If decision-makers adopt appropriate law, rural settlements' governments could introduce certain payments by foreign residents who use natural resources commercially. This might provide a certain portion of income for some rural district budgets. The second way that natural resources may bring revenue for budgets is local tourism. Rural settlements located in places that are attractive for local could develop this line and add an additional income source to its budget.

Another source for a rural district's budget might be taxation of local seasonal workers' salaries. Many rural settlements have seasonal workers, such as village shepherds, guards, farmers, etc., who are usually not officially been registered by government agencies. In fact, this source of revenue has symbolic importance, as seasonal workers are few and they do not have high salaries. Thus, this act may give rise to debate in society, as there will be many people who will be against taxing rural seasonal workers' low salaries. This act is actually important with respect to identifying the actual number of unemployed people in rural areas. Therefore, this type of tax should be set as low as possible (or should even be approved as a one-time payment).

Significant income for rural budgets could come from donations by residents and business owners who live in or are native to that rural settlement. The donation services among entrepreneurs

have a good tradition in some areas of Kazakhstan due to community kinship ties. Despite the fact that money is allocated for private business structures' in rural areas to arrange various events, including building or renovating civil and social facilities (schools, kindergartens, medical facilities, etc.), today, donation systems have developed spontaneously and are usually not systematized. Thus, authorities have to systemize donations for rural settlements, which may play a significant role in some rural districts' budgets. The donation rule has to be clear to everyone and precise. In addition, there should be a strict rule that prevents the rural district akim from pressuring local small businesses; otherwise, the donation system may allow for abuse of power. Rural district authorities may resort to abuse of power to pressure local entrepreneurs to donate.

The next type of donation that is widely used in Kazakhstan's rural areas is the practice of funding a project by raising many small amounts of money from village residents (crowd funding). A rural settlement's activist residents raise money from the population for project that has public importance, and this process has been regulated according to traditional conventional conceptions. I think that this phenomenon would have legal status if the government adopts appropriate law that considers this process as a source of a rural district's budget. Actually, this experience is used in many foreign countries' rural areas. For example, in Turkey this process calls "salma," which means tax that is collected from the village population for needs of certain projects (Kavruk et al., 2012. p. 123). To be certain, the tax has to be collected only once a year and families with low income should be exempted from this type of funding. In addition, the amount of this sum has to be assigned by local communities who should control the process of collecting and spending. Giving legal status to this phenomenon may bring a positive effect to rural civil activity and increase the political culture of the population. People will be inclined to know the spending report of the tax that they give to local authorities. This means that people will demand transparency in the work of local authorities. As a result, this may bring openness to work by higher state institutions, which could decrease corruption and abuse of power.

'However, even then, considering the harsh climate and other geographical factors, Kazakhstan's rural communities will remain in need of state policy support' (UNDP, 2002. p. 20). Thus, the next source of rural district budgets might be state subsidies. The mentioned sources of local funding provide an advantage for rural settlements that have geographical resources or are closely located to economic centres and important transport routes. The rural settlements that are located in remote areas or do not have natural resources would suffer to find revenue for their budget. Therefore, government should divide subsidies for rural areas that have a budget lower than the country's average level. To claim the state subsidy an akim should make a project that he intends to realize in that administrative unit and justify its finance. This practice is used in some EU countries. However, to protect the rural district akim from pressure by state authorities this process should be transparent, and in the case of pressure by higher authorities, the akim should have the right to appeal to court. At the same time, not only the villages with low income potential could claim a state

subsidy, every rural administrative unit could make a claim if they have an important project.

Another way to finance important projects in rural settlement might be permission for rural local government bodies to take loans from financial institutions. If rural district akim has a project that brings more money to the budget then they should have the right to take a loan with the permission of the higher state bodies. The rural district that has a deposit in banks in the name of the rural settlement should have the right to apply for loans from financial institutions. This process strengthens management ability and experience of akim.

I think implementation all of these changes allow enough sources for the budget at an amount that is sufficient to carry out the functions and duties of rural local government. In addition, this method allows fair budget scaling among rural settlements, the amount of which first depends on the management ability of the akim. The rural districts' akims would obtain sufficient independence from higher authorities and would focus on solving local problems. This means that rural settlement governments would seek to find additional sources and devote their work to attract investors to increase the income portion of the budget. Thus, forming a local budget promotes rural district akims' work because they will be interested in developing rural areas. Figure 7 shows that rural residents share this opinion.

Forming the budget for the rural district akim raises the issue of 'who has to control the budget?' I think if the state authorities solve the budget problem, then they should trust local communities to control it. There are several useful aspects of such a decision. First, state supervision authorities would not keep extra staff to control a small amount of rural budget. Second, control by

Figure 7: In your opinion, forming the budget stimulates the work of the rural district akim

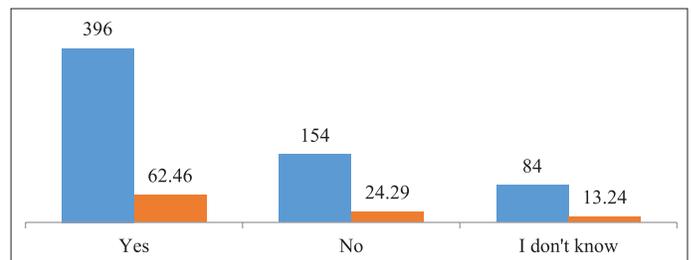
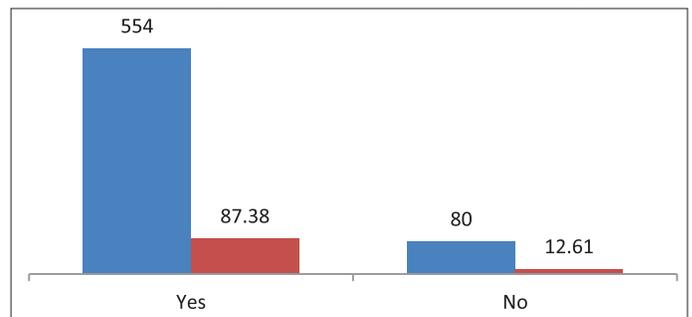


Figure 8: If akims of rural districts are given budgets, do you support the idea of creating maslikhats which would monitor expenses?



people brings transparency for the operations of rural local government. For example, the United Kingdom has established a 'limited assurance' audit framework for small bodies with an annual turnover of up to £6.5 million (Audit Commission, 2011). I think this experience would work for Kazakhstan and adapting this feature from England to the local government system of Kazakhstan might be effective. In actuality, not only the budget but other performance by rural district akims could be controlled by a representative body on behalf of the people. Unfortunately, lower levels of local government in Kazakhstan do not have representative bodies of government. This actualizes the issue a forming a representative body of government in rural areas because establishing a representative body of government allows some local problems to be solved.

5. LOCAL SELF-GOVERNMENT

At the rural district level, Kazakhstan does not have a collective body of government whose members' are elected in direct elections. This is a problem that decreases the control of people in rural local government. The formation of self-government institutions or representative bodies of government has been discussed for twenty years among policymakers and civil society. At the rural district level, Kazakhstan does not have a representative body of government, which is why higher level maslikhat members elected rural district akims. Until 1993, a village council had actually existed in Kazakhstan; the Selskiy Sovet fulfilled this function. Kazakhstan's local government system was based on the former system of local soviets at the beginning of the 1990s. 'According to the law on local Self-Government and Local Soviets in the Kazakh SSR, which was adopted on February 15, 1991, members of the soviets were elected by the citizens. The law established a principle of supremacy of representative bodies. In doing so, it established local executive bodies, and the chair of a local soviet was simultaneously assigned to chair an executive committee. In parallel, the law recognized the soviets as local self-government bodies' (Makhmutova, 2006. p. 275-276). However, the local government act in 1993 disbanded the Selskiy Sovet, and at the rural settlement level, all government functions were charged to rural district akim. Representative bodies (maslikhat) were formed only at the oblys and Audan levels.

The problem might be solved in two ways: Creation of a maslikhat institution at the rural district level or strengthening the work of local communities.

According to the Constitution of the Republic of Kazakhstan, 'The procedure or organization and activity of the bodies of local self-administration [self-government] shall be determined by citizens themselves within the limits of their powers established by law' (Article 89). Today, in rural areas local communities such as councils of elders, youth councils, women's councils, consumer cooperatives and similar non-governmental organizations are undertaking this function. Generally, 1-2 communities work in one rural administrative union; these have been created under the initiative of rural district akims who are interested in establishing window dressing communities so they can report to higher authorities that self-government institutions are working in their

divisions. The members of rural local communities get called together by akims, as according to existing law the functioning of local communities is completely connected to the rural district akim's structure. Because there is no law that determines the relations between rural communities and state authorities or people, their powers, rights, responsibilities and functions are not defined. Therefore, rural local communities work weakly and ineffectively in most areas. Today, the local government system of Kazakhstan regulates according to the Law on Local Public Administration and Self-Government in the Republic of Kazakhstan. However, this law regulates all levels of local government and in the law, local self-government's functions are not determined completely. In my opinion, to create effective local self-government organizations separate laws on local state government and local self-government have to be adopted that clearly define all aspects of activities of these public bodies. Although, separate laws might be adopted for each level of local administrative units, which regulate all public bodies' activities in that hierarchic level.

The weak legislation is the problem that is interfering with the development of local government. This is among the main reasons for the low activity and ineffectiveness of local communities, which is blocking their development. Actually, in Kazakhstan's post-Soviet history there have been several attempts to adopt local self-government law. In 1997, 1999-2001 and 2005-2006 discussions took place on adopting local self-government law and creating effective working self-government bodies. In addition, a draft of the law on a self-government system of Kazakhstan was published, but all those attempts failed for different reasons.

It is not certain when this problem will be resolved. According to the local self-government development Conception, development of local government aimed in two phases – first in 2012-2014 and second in 2015-2020 (Serikbaev, 2002).

In the first period, the Conception aims to expand the capacity of the existing system of local government system. This includes:

- (Rural) village, town, and city levels through local community meetings and social gatherings that address issues of local importance
- Active involvement in the decision-making process of the city's population and the creation of development mechanisms
- Election of akims of towns, rural districts and villages that is not part of rural district
- Expansion of financial independence in lower levels of administration
- Self-management of rights and opportunities in implementing legal literacy of the population on the implementation of measures to improve organization and conduct.

According to the conception, the second period aims for 'the further development of local self-government system. However, unlike the first period, the measures of the conception intended for implementation in the second period are not specified. The Conception states that 'after 2014, the local government and self-government disconnect further between the functions that have been considered, the formation of self-government budget and property, as well as at the level of rural districts will be working

to optimize the administrative-territorial units (fully to increase the potential for forming local self-government)'. From this point, it seems that the measures of the second period are abstract and not clear. For this reason, it is hard to predict which measures policy-makers will plan on in the coming years. However, it is clear that government authorities are planning to implement the measures slowly, year by year, as it is said that 'powers to the local government bodies have to be transferred step by step; otherwise they may not be able to manage their duties' (Adilet, 2012).

I think the easy way to development local self-government at the rural level is to establish maslikhats in rural districts. According to the Law (Adilet, 2001), the malikhat has functions of a self-government institution. As we see in the above scheme about the local government system of Kazakhstan, the representative body of local government maslikhat is limited at the audan level. To establish this government body at the rural level strengthens the rural district administration system and gives rural residents the ability to control the akim's activity by maslikhat members, who are elected directly. In addition, the functioning and activity of maslikhat system is familiar to the people. On the other hand, the election of rural akim by rural maslikhat is not against democratic values, as according to European Charter of Local Self-Government collective bodies may elect their head (Council of Europe, 1985).

If current discussions among policy-makers for forming a budget for rural district akims are resolved, then this actualizes the establishment of a collective body of government at the rural level because the budget must be controlled on behalf of the people by a collective body of government. As result shows (Figure 8), the respondents of the survey supports the idea of creating a representative (maslikhat) body of government if the budget issue is resolved.

Actually, the collective body of government can completely fulfil control over part of the rural district budget. As a result, it would be unnecessary for the government to keep additional staff in supervisory structures to monitor the rural district budget because the amount of this budget is small and projects in rural areas that are financed from this budget are small too. Therefore, there is no reason to send government supervisory structures unless laws are being broken. This is economical and effective; giving control of budget to local collective bodies of government increases its power and responsibility and activates participation of rural residents for local decision-making.

In conclusion, establishment of representative bodies of government at the rural district level is effective, as it helps to resolve structural and organizational problems in the lower tier of government. First, the formation of local self-government would be solved, as Kazakhstan does not have a local self-government body. Representative government may act as a self-government because its members are directly elected by people in democratic elections. Second, the problem of controlling the rural district akim's performance is resolved, as representative bodies of government could control it on behalf of the people. Indeed, if a rural district akim is granted independence from higher authorities, then his performance would have to be controlled by people; a

representative body of government fulfils this function. Third, a representative body of rural district can elect the akim, as according to European Charter of Local Self-Government this is not against democratic principles.

One of the key elements in the development of a democratic society is the participation of citizens in government activities. It is impossible to develop democratic values without effective working local government that allows people to participate in local decision-making. Directly elected local government is the basis of local democracy and open society. Establishment of a representative body of government whose members are elected in direct elections in rural districts positively changes rural political life. Therefore, policymakers in Kazakhstan must pay attention to this issue. Carrying this issue for another twenty years will continue 'dead' political life in rural areas where political and civil participation is low despite the fact that nearly half of the population lives in that area.

6. CONCLUSIONS

All of these statements that local government reforms in 2012-2013 have strengthened the lower tier of rural local government, and expanded rural residents' monitoring of and access to government is questionable. The results of the survey and my participation and observation cause me to conclude that rural residents do not feel these changes yet and remain suspicious about government reforms. Their critical attitude to these changes is acceptable, as authorities are unwilling to expand local self-government bodies and do not plan to share powers with local government. This attitude hinders development of local democracy and democratic values, which is preventing people from participating in local decision-making. Thus, the last changes that aim to bring democratic values tot the local government system did not reach its goal. Nevertheless, I agree that the 634 respondents from rural areas would not completely reflect all rural residents' views; however, the results of the survey show a certain part of peoples' opinion, which is that they wish further reforms in rural districts' governance system.

On the other hand, the rural district akim's apparatus in Kazakhstan is strong compared to that of certain other foreign states. However, rural district akim staff are generally concerned with fulfilling higher authorities' orders than solving local problems. This means that the organizational-structural form of rural district akim allows it to undertake its functions, and it will more concerned with local problems if they are granted more freedom from higher authorities. In this case, the service by rural district akims improves and local people get the chance to monitor their work, which increase political and civil activity in rural areas. However, three things need to be solved for this to happen. The first is the improvement of the election system and requirements for rural district akim candidates. The second is the formation of the budget for the rural district akim, which is based on local sources and government subsidies. The third is the establishment of a representative body of government, members of which are elected in direct elections. Not solving these problems will influence the image of the central government authorities (already, local experts are talking about

low public trust in government institutions). In addition, the rural district akim's failures will affect the image of higher authorities, as people will objectively blame them for appointing the wrong people.

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