

# Objective or perception-based? A Kazakhstani debate on the most ideal corruption measure

*This version: 11 January 2016<sup>#</sup>*

Omer F. Baris\*  
Nazarbayev University  
Graduate School of Public Policy

Saltanat Janenova\*\*  
Nazarbayev University  
Graduate School of Public Policy

Riccardo Pelizzo\*\*\*\*  
Nazarbayev University  
Graduate School of Public Policy

**Abstract:** The purpose of this paper is to discuss several institutions in Kazakhstan decided to develop new measures of corruption. In doing so attention will be paid to the fact that empirical analyses had raised some doubts as to whether and to what extent existing measures of corruption provided valid and reliable estimates of corruption levels in Kazakhstan. After exploring some explanations as to why international measures seemed to provide a proper assessment of corruption in the country, the paper argues that local institutions decided to develop new measures with the hope that could generate better estimates of corruption level across region, across sector and over time.

Key words: corruption, measurement, perception, Kazakhstan

## ***Introduction***

Kazakhstan, usually regarded as a country plagued by high levels of corruption, has adopted several legislative and non-legislative measures to address the problem and curb corruption. In order to assess the effectiveness of the anticorruption policies, several institutions in Kazakhstan – from the Institute of Public Policy of the Nur Otan party<sup>1</sup> to the former Academy of Financial Police of the Republic of Kazakhstan (RK)<sup>2</sup> - have attempted to conceive, develop and apply various methodologies to estimate the level of corruption across sectors and over time. By developing and applying these newly conceived measures of corruption, policy makers believe that they can achieve three basic results: 1) they can assess whether and to what extent anti-corruption policies have generated the expected results and contributed to the reduction of the level of corruption in the country; 2) they can develop a better understanding of the areas/sectors in which anti-corruption policies have been more effective in reducing corruption; and 3) they

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<sup>#</sup> This is currently a working paper. Please do not cite or circulate before authors' approval.

\* Email: omer.baris@nu.edu.kz.

\*\* Email: saltanat.janenova@nu.edu.kz.

\*\*\* Email: riccardo.pelizzo@nu.edu.kz.

<sup>1</sup> The "Nur Otan" Democratic People's Party (from Kazakh "Radiant Fatherland") is the largest political party in Kazakhstan headed by the President of the Republic of Kazakhstan Nursultan Nazarbayev. <http://www.nurotan.kz>

<sup>2</sup> The Academy of Financial Police of the Republic of Kazakhstan was abolished following re-organization of the government bodies in August 2014.

can identify areas/sectors where it is harder to eradicate or at least reduce the level of corruption and where greater anti-corruption efforts are needed.

The search for a new index of corruption has generated a vibrant debate among Kazakhstani policy makers, methodologists, sociologists and criminologists. The debate is centered on whether it would be better to design a new subjective, perception-based index of corruption, such as the one that is currently being developed by the scholars working in the Institute of Public Policy of the Nur Otan Party, or whether it is better to adopt an objective, fact-based index of corruption. In the course of this debate, the former Academy of Financial Police has opted in favor of designing, developing, adopting and using an objective, fact-based index for the reasons that will discuss in greater detail later on, while the Nur Otan Party's Public Policy Institute (NOPPI) has decided instead to develop a new subjective measure of corruption.<sup>3</sup>

In this paper we wish to present the indexes created by the former Academy of Financial Police, and by the NOPPI for three reasons. First, because they represent interesting methodological contributions to the broad question of how measures of corruption can be developed. Second, because they testify to the intellectual debate that is now emerging on corruption and good governance issues in Kazakhstan and, third, because they can be used in the future to assess the validity of other measures and enable the analyst to distinguish the portion of the variance in the level of perceived corruption that is explained by changes in objective, fact-based conditions from the portion of the variance that is explained by other factors.

The paper is divided into five sections. In the first section we provide a brief overview of why corruption matters and of how it has been estimated paying attention to the fact that while some efforts have been made to generate fact-based or objective measures of corruption, the best known measures of corruption are subjective or perception-based. In the course of our discussion we try to present what are the main advantages and disadvantages of each of the methodologies under discussion.

In the second section we present the data collected from a variety of global datasets. By doing so we are able to show that, no matter how the level of corruption is estimated, Kazakhstan is generally regarded as a highly corrupt polity. Building on this discussion, we perform some correlation analyses that raise some questions about the validity and the reliability of the estimated corruption level specifically in Kazakhstan. We find that, the levels of corruption estimated by Corruption Perception Index (CPI), World Governance Indicators (WGI) and Global Competitiveness Index (GCI) are weakly and insignificantly related to one another and are fairly unstable over time.

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<sup>3</sup> Information on the corruption measures developed by the Kazakhstani stakeholders is based on extensive collaboration of the authors with the senior management and staff of the Civil Service and Anti-Corruption Agency, former Academy of Financial Police and Public Policy Institute of the Nur Otan Party.

In the third section, we explore three explanations as to why international measures of corruption seem unable to assess and track the changes in the level of corruption in Kazakhstan. In doing so, we suggest that this anomaly can be explained on the basis of three different reasons, namely that Kazakhstan is so different from any other place that methodologies that work elsewhere do not work in Kazakhstani context, that the methodologies employed to estimate the level of corruption are wrong, and that the information processed to estimate corruption levels in Kazakhstan is misleading. After reviewing the evidence in favor and against each of these explanations, we conclude that the most compelling explanation for why international measures do not work well in the case of Kazakhstan is that they rely on misleading information. This finding is important as, we believe, it is what has provided various institutional actors to gather better information to generate better estimates of corruption levels.

In the fourth section we present the three methodologies devised by institutional actors in Kazakhstan to measure corruption, we discuss the merits and possible shortcoming of each of them, while in the final and conclusive section we draw some tentative conclusions.

### ***Related Literature***

In the last couple of decades, corruption has been an increasingly popular topic in public policy research and other related areas of scientific analysis. Although an unanimous consensus on the definition of corruption has yet to be reached, scholarly research has focused on the determinants and consequences of corruption, on both theoretical and empirical grounds (see Mauro 1995, Aidt 2003).<sup>4</sup> While, the research on corruption was largely descriptive and theoretical at the earlier stages, this was mainly due to the given nature of the topic, and due the difficulties in establishing an objective measurement for corruption and quantifying corruption related activities. Empirical studies have flourished immensely especially after the availability of wider datasets and have extensively explored both the causes and the consequences of corruption. Different theoretical perspectives were used to examine the causes and effects of corruption. In the case of Kazakhstan, researchers focused narrowly on a particular aspect of corruption like rent-seeking behavior (Hug, 2010), and identified a wide range of factors that could be responsible for it. The list of such factors, in the case of Kazakhstan, included the lack of democratic culture (Nichols, 2001; Hug,2010), a weak judicial system (Simonov, 2011; Kaliyeva, 2013), the limited power of civil society (Dzhandosova et al., 2007), the “resource curse” (Bayulgen, 2009), “political inertia” (Knox, 2008), contextual corruption (DeGraaf, 2007; Perlman and Gleason, 2007), psychological effects of rapid ideological and economic transition and high level of tolerance of corruption by the local population (Nezhina, 2014); and the limited access to information on public services (Janenova, 2010).

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<sup>4</sup>For an overall evaluation and summary of literature on corruption see Elliott (1997), Rose-Ackerman (2006), and for an example of an extensive report see Fukuyama (2005).

The need to identify the causes, the consequences, and the possible developmental costs of corruption has generated a rich methodological debate on how corruption could be best assessed. One stream of research has devised objective measures to look at the actual activities related to corruption and are more reliable when the data is available (e.g. United Nations 2006, Goel and Nelson 1998, Fisman and Gatti 2002, Glaeser and Saks 2006, Olken 2006, 2007, Golden and Picci, 2006). The other stream has developed subjective, perception-based measures of corruption (such as the CPI by the Transparency International) whose emergence has made a significant contribution to the empirical research on corruption.

Neither objective nor subjective measures are perfect. Objective measurements appear ideal, but they are difficult to obtain, and above all, make cross-country comparison problematic since corruption has different definitions and meanings in different countries, legal traditions and cultures. Survey-based subjective measures have some intrinsic problems as they rely on perceptions rather than on objective facts, and often they are calculated through a collection of other surveys. Furthermore, they often fail to reflect the details of country-specific conditions, anti-corruption strategies, and implementation of these strategies (e.g. Seligson 2004) and, aside from region-specific sources of measurement errors, perception based measures are hardly comparable across time even for the same country (Rohwer 2009) — which is Knack (2007) suggested that more research is needed to identify country-specific conditions and more appropriate country-level corruption indicators. Finally, subjective measures suffer from an additional critical weakness: they have or may have systematic bias. They measure corruption more accurately in countries where more data are available from a wider range of sources, i.e. developed world where the measurement is more reliable. In developing or less-developed countries, the indexes are based on a smaller number of sources, and less reliable. As a result, they measure corruption more accurately when it is less prevalent and they are less reliable where they are needed the most (Golden and Picci, 2005, Kurtz and Schrank 2007). At the same time, both the exact definition and the measurement of corruption, and differences due to country-specific factors (such as culture, tradition, etc.) still pose a challenge for researchers. Due to these limitations, researchers came up with comparative studies analysis that is more meaningful for high-income countries than for low and middle-income countries. In other words, corruption estimates, that are quite precise in high-income countries, often have problems in terms of validity and reliability in developing countries.<sup>5</sup> In spite of the fact that scholars and practitioners have been aware of the shortcomings of these measures and of the fact that better measures are needed, the perception-based estimates of corruption have been widely employed because it is generally believed that bad data are better than no data.

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<sup>5</sup>Furthermore, as detailed by Kaufmann et al (2009) in response to a number of methodological criticisms, for these indexes to report meaningful differences between countries, the confidence intervals for the scores of these countries should not overlap. Statistically, this condition is rarely met, if not completely overlooked.

Efforts have, however been made to cope, if not solve, some of the above mentioned methodological problems. For instance, a new subjective or perception-based assessment of corruption was developed by asking respondents to indicate whether they had had direct experience of corruption (like the International Crime Victims Survey) instead of asking them to indicate how much corruption they believed to exist in their respective countries. Interestingly, Gutman et al. (2015) demonstrated that the results of experience-based surveys do not correlate with those of perception-based surveys and find that corruption perceptions are biased due to respondent characteristics and country characteristics. As a result, estimates of the level of corruption in a given country are not always precise, efficient, valid and reliable – a problem that has been documented for several countries and that undermines policy makers’ ability to assess whether and to what extent the anti-corruption policies that they design and implement are effective in curbing corruption.

### ***Corruption Measures for Kazakhstan***

The case of Kazakhstan is rather interesting in this regard. Kazakhstan is a young nation, that became independent with the collapse of the Soviet Union, that has experienced a high rate of economic growth for nearly two decades, and that has set forth, in several strategic documents, rather ambitious economic and developmental objectives. The Kazakhstan-2050 Strategy, for example, indicated that Kazakhstan’s objective is to become one of the 30 developed countries in the world by 2050.<sup>6</sup> The Kazakhstan-2050 Strategy also made clear that this ambitious developmental goal should be achieved by improving the level of education and of the public health, by diversifying the economy, by promoting good governance through proper institutional and administrative reforms, by attracting foreign direct investments and by curbing corruption (Aitzhanova, Katsu, Linn and Yezhov, 2014).

Given the importance of reducing corruption, Kazakhstani policy makers need precise analytical tools to track the level of corruption across regions, across sectors, and over time. Yet, as we will show in the rest of this section, some of the best known international measures of corruption not only fail to provide any indication of corruption levels across regions and sectors, but often fail to provide proper nation-wide estimates of corruption that could be used in diachronic analyses.

The best known international measures of corruption are the CPI estimated by Transparency International, Control of Corruption estimated by the WGI, and the Global Competitiveness Index’s estimates of diversion of public funds, irregular payments and bribes, and favoritism in decisions of government officials.

The CPI is computed by aggregating the data collected from twelve data sources and from its creation until 2011 was expressed on a 10 point scale, while from 2012 onward has been

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<sup>6</sup> Annual Message of the President of the RK N.Nazarbayev to the people of Kazakhstan “Strategy Kazakhstan – 2050: New Political Course of the Established State” 14 December 2012, <http://strategy2050.kz>

expressed on a 100-point scale. Low values of this index indicate high levels of or total corruption, while high values indicate low levels or absence of corruption.

The second measure of corruption that is widely used internationally is represented by the Control of Corruption. This variable is one of the six dimensions of governance included in the WGI. It has been computed from 1996 onward (except in 1997, 1999 and 2001) and it ranges from a minimum of -2.5 to a maximum of +2.5. Positive scores indicate a considerable ability to curb corruption and a corresponding low level of corruption, while negative scores indicate that there is little if, sometimes, any ability to control corruption.

The third, fourth, and fifth measures of corruption used in the course of the present analyses are represented respectively by diversion of public funds, irregular payments and bribes, and favoritism in decisions of government officials. Two of these variables have been used in the computation of the Global Competitiveness Index since 2006-2007 and have been included in the GCI's Historical Dataset from that year onward, while the variable concerning irregular payments and bribes has been computed, used and included in the GCI's Historical Dataset from 2011 onward. Each of these three corruption-related variables is expressed on a seven point scale where the highest score means 'best' and the lowest score means 'worst'.

**Table 1. Corruption Index for Kazakhstan**

	value
CPI	26
Control of corruption	-.90
Diversion	3.64
Favoritism	3.29
Irregular payments and bribes	4.02

The data presented in Table 1 provide what appears to be, on face value, a rather coherent picture of the level of corruption in the Republic of Kazakhstan. In fact, no matter how one measures corruption, the Republic of Kazakhstan seems to be characterized by high levels of corruption. Kazakhstan in 2013 scored only 26 of the 100 points on the CPI, it was assigned a score of -.90 in terms of Control of Corruption by the WGI, it was assigned a score of 3.29 in terms of favoritism in government decision by the GCI, a score of 3.64 in terms of diversion of funds and a score of 4.02 in terms of irregular payments and bribes. If the cutoff point –that is what separates corrupt polities from non-corrupt ones - is 50 for CPI, 0 for WGI, and 3.5 for favoritism, diversion of funds and irregular payment and bribes, three indicators place Kazakhstan in the camp of the corrupt countries, while the remaining two indicators barely place Kazakhstan in the camp of the non-corrupt ones. Hence, on the basis of these data, one could be legitimately tempted to conclude that corruption is a pervasive problem in Kazakhstan.

This conclusion would, in its turn, be further corroborated by the fact that, the rankings generated on the basis of each of these indicators reveal that a large number of countries are or at least are

believed to be less corrupt than Kazakhstan. Specifically, 52 countries do better – that is have less- than Kazakhstan in terms of favoritism in government decision, 60 do better in terms of diversion of funds, 79 do better in terms of irregular payments and bribes, 125 do better in terms of CPI and 166 do better in terms of control of corruption.

**Table 2. Kazakhstan in the global corruption rankings**

	Position	Out of
Favouritism	53	144
Diversion	61	144
Bribes	80	144
CPI	126	175
Control of corruption	167	209

While these measures *prima facie* seem to depict a coherent picture – there is a lot of corruption in Kazakhstan and there is more corruption than in many other countries– the quantitative analyses of these variables reveal that the picture is much fuzzier than the data presented in Tables 1 and 2 indicate and that the various corruption measures discussed here may have problems with validity and reliability. CPI, control of corruption, as well as the three indexes devised by the GCI are all believed to have some problems in terms of validity, reliability and predictive power.

**Table 3. Correlation (sig.)**

	CPI	Control of corruption	Diversion	favoritism	Bribes
CPI	1	.056 (.857)	-.710 (.074)	-.267 (.562)	-.902 (.285)
Control of corruption		1	.302 (.511)	-.185 (.692)	.254 (.836)
Diversion			1	.823** (.006)	.542 (.345)
Favoritism				1	.396 (.509)
Bribes					1

The validity of each of these indexes can be tested by correlation analysis. Specifically, each of these measures is validated if the correlation with another measure of corruption yields a positive, strong and statistically significant coefficient and it is not validated otherwise.

The results of the correlation analyses, presented in Table 3, raise several doubts about the validity of these measures of corruption. Only 2 of the 15 correlation coefficients are strong, positive and statistically significant. Three of the remaining correlation coefficients are extremely weak, five of them are negative, and all of them fail to reach statistical significance.

The problems of validity are coupled with problems of reliability as we are about to show. The analysis of the data series constructed for each of the six measures of corruption reveals that they are quite unstable and volatile. Between 2000 and 2013 the CPI scores changed on average by 11.6 per cent a year, alternating remarkable improvements in 2000, 2005 and 2009 to major setbacks (2002, 2007). Between 2002 and 2013 the WGI's Control of Corruption scores changed on average by 6.1 per cent experiencing both major improvements, as in 2004 and 2010, and major deterioration in the ability to control corruption as in 2003, 2005 and 2012. Remarkable that in 2005 when CPI reported a 18.2 per cent improvement, the control of corruption scores dropped by nearly 9.1 per cent.

In order to provide more compelling evidence about reliability/unreliability of each of these six indexes, it is sufficient to correlate the estimates generated in a given year with a given index with the estimates generated with the same index in a different year. If the correlation analysis yields positive, strong and statistically significant coefficient, it demonstrates that the data are reliable whereas it does not otherwise. The result of the correlation analysis, presented in table 4, sustain the claim that the five measures of corruption used to compile global dataset all are not terribly reliable. The correlations between CPI scores in a given year with CPI scores in each of the previous years never yield statistically significant coefficients and in three cases out of six it generates negative coefficient. Hence, the results of the correlation analyses cast serious doubts as to whether CPI scores for Kazakhstan are reliable. By correlating WGI's control of corruption measured in a given year with the control of corruption scores for the previous years, we find that all correlation coefficients are positive but insignificant from a statistical point of view. This evidence once again casts serious doubts about the reliability of these estimates for Kazakhstan. By correlation the scores pertaining to the diversion of fund in a given year with the scores for previous years, we find that four of the six correlation coefficients, one is extremely weak, one is negative. In other words, this statistical analysis does not provide much evidence in favor of the reliability of these data. The correlation of the scores of favoritism in a given year with scores generated in previous never yield statistically significant coefficient and in three cases, the coefficient is negative. Finally, since the collection of data for the bribes variable several years after the data for diversion and favoritism started to be collected, it is possible to correlate the scores generated in one year only with the scores generated in the previous year or two years before. Of the three correlation coefficients, two are positive and statistically insignificant while the third is significant but negative. This evidence suggests that even this series of data has major problems in terms of reliability.

**Table 4. Correlation (sig.)**

	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.23 (.437)	-.27 (.376)	-.13 (.685)
CPI@T-1		1	.22 (.465)	-.29 (.356)
CPI@T-2			1	.18



				(.571)
CPI@T-3				1
	Control of corruption	Control of corruption@T-1	Control of corruption@T-2	Control of corruption@T-3
Control of corruption	1	.41 (.205)	.23 (.481)	.24 (.501)
Control of corruption@T-1		1	.37 (.297)	.24 (.478)
Control of corruption@T-2			1	.41 (.269)
Control of corruption@T-3				1
	Diversion	Diversion@T-1	Diversion@T-2	Diversion@T-3
Diversion	1	.70 (.053)	.01 (.980)	-.76 (.082)
Diversion@T-1		1	.77 (.043)	.18 (.726)
Diversion@T-2			1	.81 (.049)
Diversion @T-3				1
	Favoritism	Favoritism@T-1	Favoritism@T-2	Favoritism@T-3
Favoritism	1	.52 (.188)	-.33 (.467)	-.79 (.060)
Favoritism@T-1		1	.55 (.205)	-.17 (.743)
Favoritism@T-2			1	.64 (.169)
Favoritism@T-3				1
	Bribes	Bribes@T-1	Bribes@T-2	
Bribes	1	.30 (.704)	-1.0 (.030)	
Bribes@T-1		1	.48 (.679)	
Bribes@T-2			1	

The results of the correlation analyses presented in Tables 3 and 4 suggest a simple conclusion: Corruption perception index, control of corruption, as well as the three indexes devised by the GCI seem to be somewhat problematic both in terms of validity and in terms of reliability—which means that while these data can be employed to provide a general picture of the corruption level in Kazakhstan in a rather crude way –there is a lot of corruption – they prove to be remarkably less useful in precisely estimating how much corruption there is actually and in tracking how the level of corruption varies over time.

### *Three Explanations*

Why do international measures of corruption fail to provide a precise assessment of the level of corruption in Kazakhstan? There seem to be three possible answers for this question. The first answer is that Kazakhstan is a somewhat exceptional case where a methodology, that is successfully used to estimate the level of corruption elsewhere, does not work. The second

answer is that international measures of corruption have some inherent methodological flaws and misrepresent the level of corruption in Kazakhstan as well as in any other case. The third answer is that the methodologies employed to estimate levels of corruption are sound but the information/data that they employ to generate the scores are not terribly accurate.

We have then three basic explanations for why the international measures of corruption do not provide terribly valid and reliable estimates of the level of corruption in Kazakhstan. In the remainder of this article, we will critically examine the evidence in favor and against each of these explanations.

### ***Kazakhstan: is it exceptional?***

There are several reasons why one could think that Kazakhstan may be a somewhat exceptional case. Kazakhstan's colonial legacy, Soviet rule, size and economic success make it quite a peculiar case. Kazakhstan is emerging as the most dynamic economic and political actor in Central Asia (Dave 2007). It is the ninth largest country in the world but with one of the lowest population densities in the world, it is at the cross-roads between the East and the West as it links the large and fast growing markets of the People's Republic of China and South Asia with the Russian Federation and Western Europe by road, rail and ports on an internal sea, the Caspian. Furthermore, it has rich natural resources, particularly oil and gas reserves (the country ranks 12<sup>th</sup> in the world in terms of oil reserves and 19<sup>th</sup> for natural gas reserves), which attract an increasing flow of direct foreign investments, and it has experienced rapid economic growth for most of its post-Soviet history. Finally, Kazakhstan managed to join the Organization for Security and Co-operation in Europe in 2010 and has more recently joined World Trade Organization (WTO). Over the past decade, the country has made important policy strides, progressed towards developing a rule-driven fiscal framework, strengthened public management and its business climate, and allocated resources for improving social services and critical infrastructure to sustain growth (World Bank, 2012).

Kazakhstan saw significant improvements in social development indicators between 2000 and 2013, including the Gender Inequality Index, which gained more than 30% over a decade, and the Human Development Index, which ranked Kazakhstan 70<sup>th</sup> out of 187 countries in 2013 (among some developed countries), an improvement from 80<sup>th</sup> place in 2005.<sup>7</sup>

These achievements and successes has been achieved in spite of the fact the country has been plagued, if international indicators are to be believed, by high levels of corruption.

In fact, analysts suggest that in spite of remarkable recent transformation, Kazakhstan is facing a number of challenges which undermines sustainability and reputation of the country. These challenges include growing regional disparities in wealth distribution, a persistently high poverty

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<sup>7</sup> United Nations Development Program, *Human Development Report, 2014: Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience*, <http://hdr.undp.org/en/content/human-development-report-2014>

rate, particularly in rural areas, limited human capital, uneven implementation of the rule of law and democratic processes, limited citizen participation in policy processes and excessive corruption (OECD, 2014). As such, implementing governance reforms to advance effective functioning of government institutions, strengthening quality of democratic institutions and rule of law and reducing corruption are critical for the country to implement its ambitious vision and objectives (Emrich-Bakenova, 2009; Knox, 2008; Perlman and Gleason, 2007; Schatz, 2004).

Given this wide range of challenges, Kazakhstan has made and continues to make efforts to modernize the public sector and to make a wider use of information and communication technologies (ICT) for provision of services and inclusion as evidenced by the launch of the One Stop Shop (OSS) (Public Service Centers) - innovative organisations which provide services of different government bodies through one location - and e-government policies since 2004 (Janenova, 2008; World Bank, 2006). Over a decade access to the information on public services has been significantly improved, alternative service delivery channels were introduced via face-to-face OSS, e-government, mobile technologies (Janenova, 2010). According to the United Nations E-Government Survey 2014 Kazakhstan has improved its position in the rating from 81<sup>st</sup> position in 2008 to 28<sup>th</sup> position out of 193 in 2014. In terms of the e-participation index Kazakhstan now holds 2<sup>nd</sup> position together with Singapore. Conditions were created for the citizens and businesses to inform about corrupt offences through call centers and blogs of the government bodies. Adoption of the Law “On Public Services” has led to the reduction of the number of permits and licenses for various business activities and improving access to the public services.<sup>8</sup>

More importantly, policy makers in the country have repeatedly indicated that fighting corruption is a priority. President Nursultan Nazarbayev, upon ordering the adoption of the Anti-Corruption Strategy of the Republic of Kazakhstan before the end of 2014, made clear that “the state should create condition under which it will be impossible to use official powers for personal gain”.<sup>9</sup>The Kazakhstan-2050 Strategy defines “corruption” as a direct threat to national security, and appeals to the state and society to fight together against this scourge.

The Kazakhstani government authorities recognize the challenge of corruption and have taken major steps to develop measures for reducing the level of corruption in the public sector. Kazakhstan has been one of the first countries among CIS countries to adopt the Law on Fighting Corruption in 1998 and the Civil Service Law in 1999. The explicit mandate to eliminate corruption was assigned to the Agency for Civil Service and Fighting Corruption which was created by merging the Civil Service Agency and former Agency for Fighting Economic and Corruption Crimes during re-organisation of the government in 2014. In December 2015 the new

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<sup>8</sup> Law of the Republic of Kazakhstan “On Public Services” No 88-V dated 15 April 2013, <http://adilet.zan.kz/rus/docs/Z1300000088>

<sup>9</sup> President charges to adopt Anti-Corruption Strategy until 2025 before year end, Kazinform International News Agency, <http://inform.kz/eng/article/2692903>.

Ministry for Civil Service was established which included the National Bureau for Anti-Corruption with functions of prevention, detection, suppression, and investigation of corruption offenses.<sup>10</sup>

In view of changing values and attitudes in the society, the new Ethics Code was introduced in December 2015 which replaced the former Code of Honor of civil servants of Kazakhstan.<sup>11</sup> The new Code of Ethics extends the standards of conduct with situational conditions of activity of civil servants, elaborates on the behavior of civil servants in the cases of conflict of interests.

The new position of the Ethical Commissioner has been introduced in the government bodies since January 2016 to perform monitoring of the compliance of the government officials with the Ethics Code as well as support anti-corruption measures and education.<sup>12</sup> The new Law on Civil Service adopted in November 2015 has introduced an open competitive recruitment, competency-based career development, and performance-based remuneration system.<sup>13</sup> The Law on Civil Service aims to reduce conditions for protectionism, nepotism and patronage in civil service.

The new Law on Fighting Corruption introduces a new vision of the corruption offenses defined by the authorized body in the field of anti-corruption.<sup>14</sup> The document discloses the concept of "corruption", "anti-corruption policy", "corruption risk" and also introduces new anti-corruption measures: anti-corruption restrictions, anti-corruption monitoring. Anti-corruption monitoring will be carried out by all actors combating corruption, which include the authorized body on anti-corruption and its territorial divisions, public authorities. The results of the monitoring of anti-corruption are the basis for the analysis of corruption risks. The subject of the analysis is to identify corruption risks and the possibility of studying the causes and conditions conducive to the commission of offenses of corruption and offenses. The law also reinforced the measure countering corruption as financial control by the declaration of natural persons, the declaration of assets and liabilities and income of the property.

The Anti-Corruption Programme for 2011-2015 states that “the most corrupted areas are <...> public procurement, use of mineral resources, land matters and construction, customs and taxation, where there has been a significant growth in the resulting damage over the recent

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<sup>10</sup> Decree of the President of the RK “On Establishment of the Ministry for Civil Service of the Republic of Kazakhstan” No. 128 dated 11 December 2015, [http://www.akorda.kz/ru/events/akorda\\_news/akorda\\_other\\_events/ukaz-glavy-gosudarstva-ob-obrazovanii-ministerstva-po-delam-gosudarstvennoi-sluzhby-respubliki-kazahstan](http://www.akorda.kz/ru/events/akorda_news/akorda_other_events/ukaz-glavy-gosudarstva-ob-obrazovanii-ministerstva-po-delam-gosudarstvennoi-sluzhby-respubliki-kazahstan)

<sup>11</sup> Decree of the President of the RK “On Measures for further improvement of ethics rules and behavior of the civil servants of the Republic of Kazakhstan” No.153 dated 29 December 2015, <http://www.zakon.kz/4766805-utverzhdjen-jeticheskijj-kodeks.html>

<sup>12</sup> “The new post of Ethical Commissioner will appear in Kazakhstan”, I-News.kz, 23 September 2015, [https://i-news.kz/news/2015/09/23/8130046-v\\_kazahstane\\_poyavitsya\\_novaya\\_dolzhnost.html](https://i-news.kz/news/2015/09/23/8130046-v_kazahstane_poyavitsya_novaya_dolzhnost.html)

<sup>13</sup> Decree of the President of the RK “On Civil Service of the Republic of Kazakhstan”, No. 416-V dated 23 November 2015, [http://anticorruption.gov.kz/rus/pravoprimenenie/zakony\\_rk/](http://anticorruption.gov.kz/rus/pravoprimenenie/zakony_rk/)

<sup>14</sup> Law of the RK “On Fighting Corruption” No.410-V dated 18 November 2015

years”.<sup>15</sup> In his address on 27 January 2012, the President Nursultan Nazarbayev instructed the Government to draft a new comprehensive anti-corruption program. The presidential address “The way of Kazakhstan-2050” dated 17 January 2014 emphasized that continued efforts to develop and implement a new anti-corruption strategy was an urgent priority.<sup>16</sup>

Two parallel anti-corruption programs have been elaborated following the President’s instruction: the Anti-Corruption Strategy for 2015-2025 developed by the Agency for Civil Service and Anti-Corruption in cooperation with the representatives of key government stakeholders and international experts<sup>17</sup>; and the Anti-Corruption Program of the Nur Otan Party for 2015-2025 that was developed in consultation with international experts and the public.<sup>18</sup>

The key directions outlined by the Anti-Corruption Strategy for 2015-2015 are: 1) fighting corruption in civil service; 2) introduction of public monitoring institute; 3) fighting corruption in quasi-government and private sectors; 4) fighting corruption in court and law enforcement bodies; 5) building anti-corruption culture; and 6) development of international cooperation on the issues of fighting corruption. Improvement of the country’s position in the international corruption ratings including the CPI rating of Transparency International is indicated as one of the key performance indicator of this program along with other indicators such as quality of public services; public trust to the government; and the level of legal literacy among the population.

The Concept of Legal Policy of the Republic of Kazakhstan for 2010-2020 stipulated severe responsibility for corrupt activities.<sup>19</sup> The new Criminal Executive Code introduced a lifetime ban to return to the civil service for persons who have committed corruption crimes.<sup>20</sup> Anti-corruption legislation provides the norms on confiscation of property obtained by criminal means and introducing personal responsibility of the heads of the public organisations for anti-corruption cases within their organisations. Government officials are regularly trained in anti-corruption. The reputation of Astana EXPO-2017 which is the President’s effort to showcase the country to the world has been undermined by the corruption scandal involving some of its top managers. The former chairman of “Astana EXPO-2017” – a state-owned joint stock company,

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<sup>15</sup> Resolution of the Government of the RK No 308 dated 31 March 2011 “On Approving the Sectoral Programme for the Fight Against Corruption in the Republic of Kazakhstan in 2011-2015”

<sup>16</sup> [http://www.akorda.kz/kz/addresses/addresses\\_of\\_president/page\\_215751\\_kazakhstan-respublikasynyn-prezidenti-n-a-nazarbaevty-n-kazakistan-khalkyna-zholdauy-2014-zhylhy-17-kantar](http://www.akorda.kz/kz/addresses/addresses_of_president/page_215751_kazakhstan-respublikasynyn-prezidenti-n-a-nazarbaevty-n-kazakistan-khalkyna-zholdauy-2014-zhylhy-17-kantar)

<sup>17</sup> Presidential Decree No 986 dated 26 December 2014, [http://anticorruption.gov.kz/rus/nac\\_antikorruptcionnaya\\_strateg/](http://anticorruption.gov.kz/rus/nac_antikorruptcionnaya_strateg/)

<sup>18</sup> Resolution of the political board of the Nur-Otan Party No 001 dated 11 November 2014, <http://nurotan.kz/ru/programma-protivodeystviya-korruptcii-partii-nur-otan-na-2015-2025-gody>

<sup>19</sup> Presidential Decree #858 dated 24 August 2009 “On the Concept of Legal Policy of the Republic of Kazakhstan for 2010-2020”, <http://prokuror.gov.kz/eng/prosecutors/standard-legal-acts/legal-policy-concept-2010-2020>

<sup>20</sup> The Criminal Executive Code #226-V dated 3 July 2015 (enacted since 1 January 2015), <http://prokuror.gov.kz/eng/state/new-codes/criminal-executive-code-republic-kazakhstan>

Talgat Yermegiyayev embezzled around \$22.4 million dollars.<sup>21</sup> There have been many cases of convicting top officials for cases of corruption, including at the central level (in particular, the cases of ex-Prime-Minister; ex-chairmen of the Statistics and Antimonopoly Agencies; ex-vice-ministers of Agriculture, Defense, Education, Environmental Protection) and regional level (in particular within the oil-rich area of Atyrau and Mangistau), although there are some concerns that some of these measures were applied for political reasons.<sup>22</sup>

Punishments for corruption crimes were strengthened and the definition of a “government official” was extended to managers of companies in which the government holds more than a 35% stake under the Law on the Fight against Corruption in December 2009. Whistleblower protection was reaffirmed, and punishment of state officials who failed to report corruption cases was introduced. Whistleblowers can access hotlines of different government bodies including the Agency of the Republic of Kazakhstan on Civil Service and Fighting Corruption to anonymously report acts of corruption. However, in practice, whistleblowing is considered taboo and a breach of corporate loyalty (Global Integrity, 2010).

Although there have been several anti-corruption programs<sup>23</sup> enacted since 2001, it is hard to evaluate the effect of anti-corruption measures solely from the number of measures implemented which have different impact weights on various areas. Despite numerous anti-corruption measures, protectionism, nepotism and business protection are still flourishing in Kazakhstan according to some analysts (see for example, Jandosova et al, 2002; Jandosova et al., 2007; Nezhina 2014; Oka, 2013; Satpayev 2014). Several surveys by the Sange Research group (Jandosova et al., 2007) shows that high levels of corruption existed in law enforcement, justice, and penitentiary systems. The agencies with justice enforcement functions outperformed on corruption measures even the distributive agencies, such as local municipalities, housing and land registration agencies, control and licensing agencies - customs, traffic police, and tax inspections. In the recent report of the Research Holding ROMIR which conducted a phone survey (CATI) on public opinion in Kazakhstan (sampling: 1,000 respondents), 34% of respondents reported that they had given bribes to get public services.<sup>24</sup>

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<sup>21</sup> “EXPO in Kazakhstan: Nepotism and Corruption Revealed”, in *The Diplomat*, by Paolo Sorbello, 22 July 2015, <http://thediplomat.com/2015/07/expo-in-kazakhstan-nepotism-and-corruption-unveiled/>

<sup>22</sup> The Report by Freedom House states that “High-level officials in Kazakhstan typically only face charges after they have fallen out of favor with the regime. In 2012, multiple administrators in Atyrau were sacked and investigated for misappropriating more than \$100 million, and the country’s prosecutor general stepped in to dismiss the regional prosecutor for his slow-footed response to the scandal. In addition, the regime continued to pursue corruption charges against former officials who have fled the country”, <https://freedomhouse.org/report/nations-transit/2013/kazakhstan>

<sup>23</sup> Law of the RK “On Fighting Corruption” in 1998; Anti-Corruption Programmes for 2001-2005; 2006-2010; 2011-2015; two anti-corruption programmes for 2015-2025; Presidential Decree of the RK No 1550 dated 14 April 2005 “On Measures of strengthening fighting corruption, discipline and order among government bodies and officials”

<sup>24</sup> “Corruption will leave if the public trusts the government”, in *NewsHeadline*, 12.07.2013 [http://news.headline.kz/politics/korrupsiya\\_otstupit\\_esli\\_obschestvo\\_poverit\\_vlasti.html](http://news.headline.kz/politics/korrupsiya_otstupit_esli_obschestvo_poverit_vlasti.html)

On 6 May 2015 the President announced the plan of the nation “100 concrete steps to implement five institutional reforms” which includes “ensuring the rule of law” and “transparency and accountability of the state” among key priority areas.<sup>25</sup> Several steps are aimed to strengthen the fight against corruption such as implementation of new standards through the development of a civil service code of ethics overseen by a special commissioner; establishment of a special unit in the Agency dealing with systemic prevention and measures against corruption; adoption of a new Civil Service Law which will be applicable to employees of all state agencies, including law enforcement bodies; and comprehensive performance reviews of all civil servants and introduction of a new result-based payment system.

In the light of what we have said so far it should be clear that Kazakhstan is a very complex case, it is very unique, and one could be tempted that the reason why international measures do not seem to do a terribly good job in tracking corruption in the country is simply because Kazakhstan with its history, legacy, economic success, and reforms is truly exceptional.

If Kazakhstan’s exceptionalism were the reason why the international measures of corruption fail to provide valid and reliable estimates of how much corruption there is in the country, then the international measures should provide valid and reliable estimates of corruption levels in other jurisdictions.

#### ***Faulty method or faulty data?***

The analysis of the data, however, show that international measures of corruption can be problematic also in other cases both in terms of validity and reliability.

With regard to the validity, the results of our correlation analyses reveal that the corruption levels estimated on the basis of CPI are only weakly and insignificantly related to corruption levels measured on the basis of the Control of Corruption Variable computed by the WGI.

The problem of validity of the corruption estimates can be observed in the case of Kazakhstan, that was previously discussed, can be observed in other successor states (Russia, Uzbekistan), but it can also be detected in countries with different legacy such as the Gambia and Ghana.

The correlation analysis reveals in fact that, though properly signed, the correlation between CPI and Control of Corruption estimates failed to yield statistically significant coefficients with the exception of Moldova and Indonesia—which are the only cases in which these corruption scores are cross-validated.

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<sup>25</sup><http://www.kazakhembus.com/content/100-concrete-steps-set-out-president-nursultan-nazarbayev-implement-five-institutional>

**Table 5. Correlations (sig.)**

		CPI					
		Gambia	Ghana	Moldova	Russia	Uzbekistan	Indonesia
	Gambia	.399 (.224)					
Control of Corruption	Ghana		.292 (.332)				
	Moldova			.610 (.027)			
	Russia				.466 (.109)		
	Uzbekistan					.527 (.064)	
	Indonesia						.700 (.008)

With regard to the reliability of the data, the results of the correlation analysis presented in Table 5, make it quite clear that CPI estimates are somewhat unreliable in the Russian case, where three of the six correlation coefficients fail to reach statistical significance, and they are very unreliable in Moldova where all the correlation coefficients are statistically insignificant. While the unreliability of CPI estimates in Kazakhstan, Russia and Uzbekistan, that are all successor states, could lead one to believe that the problems with which CPI estimates are confronted with in the post-Soviet countries may be due to what could be considered a common, regional effect, the fact that the CPI estimates are very unreliable in the Gambia testifies to the fact that the reliability problems affecting CPI estimates are not the result of a regional effect but are due either to the fact that the methodology with which such estimates are generated is not terribly good (Knack, 2006) or to the fact that a good methodology is applied to bad data to generate estimates on the level of corruption.

If CPI estimates were unreliable in each country in the world, their global unreliability could sustain the claim that the methodology is responsible for generating unreliable estimates. Yet, while in the case of Kazakhstan, the Gambia, Moldova and, to a lesser extent, Russia, CPI estimates are unreliable, there are several other cases in which CPI estimates are very reliable and stable over time. The results of the correlation analyses presented in Table 6 reveal, in fact, that CPI estimates can be highly reliable both in countries with a Soviet legacy, such as Uzbekistan, as well as in countries, such as Ghana or Indonesia, without such a legacy.

More importantly, the fact that in some countries CPI are highly reliable fails to corroborate or falsifies the claim that the methodology employed to generate CPI estimates and scores is wrong



for, if this were the case, the corruption scores should be problematic in each and every case—which is not what our data analysis reveals.<sup>26</sup>

**Table 6. Reliability of CPI. correlations (sig.)**

The Gambia				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.576 (.063)	.141 (.698)	-.266 (.488)
CPI@T-1		1	.577 (.081)	.126 (.748)
CPI@T-2			1	.577 (.081)
CPI@T-3				1
Moldova				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.494 (.061)	.338 (.237)	.327 (.276)
CPI@T-1		1	.412 (.143)	.193 (.528)
CPI@T-2			1	.412 (.143)
CPI@T-3				1
Russia				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.591 (.020)	.119 (.686)	-.406 (.168)
CPI@T-1		1	.555 (.039)	.018 (.953)
CPI@T-2			1	.555 (.039)
CPI@T-3				1
Uzbekistan				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.804 (.000)	.582 (.029)	.387 (.191)
CPI@T-1		1	.798 (.001)	.570 (.001)
CPI@T-2			1	.798 (.001)
CPI@T-3				1
Ghana				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.766 (.001)	.777 (.001)	.619 (.024)

<sup>26</sup> Our argument takes the basic form of a modus tollendo tollens, so that: If the methodology were wrong, all the scores should be wrong/unreliable. Some of the scores are not wrong/unreliable, and therefore the methodology is not wrong.

CPI@T-1		1	.650 (.012)	.661 (.014)
CPI@T-2			1	.650 (.012)
CPI@T-3				1
Indonesia				
	CPI	CPI@T-1	CPI@T-2	CPI@T-3
CPI	1	.977 (.000)	.969 (.000)	.981 (.000)
CPI@T-1		1	.972 (.000)	.961 (.000)
CPI@T-2			1	.972 (.000)
CPI@T-3				1

Obviously international measures of corruption are problematic in terms of validity and reliability but the fact that in some cases, such as the Indonesian, they can generate both valid and reliable estimates suggests that the problem is not so much in the methodology or in the methodologies employed to generate such scores but rather in the data or in the information that these methodologies process to generate the scores.

Our findings have three sets of implications. First of all, they suggest that in most countries international measures fail to provide a proper indication of whether and to what extent corruption levels have changed over time and, as a result, should not be used to judge whether and to what extent anti-corruption policies were actually successful in curbing corruption. Second, our findings suggest that in order to be able to properly assess corruption levels and changes thereof, it is essential to rely on more than one measure. Three, that analysts need to develop and/or get access to better, more reliable, more precise data in order to be able to generate good and credible estimates of corruption. And since we know that in some cases, international measures of corruption have problems of validity while in other cases they have problems of reliability, some attention will have to be paid to why the data/information processed to generate corruption scores is not valid in some settings and not reliable in others.

***Measuring Corruption: Three Kazakhstani solutions***

In order to bypass both possible and documented problems, various Kazakhstani institutions have developed new methodologies to measures and track corruption. In this section we will review two such approaches – one the former Academy of Financial Police which attempts to measure corruption in objective terms, while the third, developed by the NOPPI, attempts to measure the perceived level of corruption.

The Academy devised a new, objective measure of corruption.<sup>27</sup> This measure of corruption is estimated in the following way. First, the analyst has to quantify the total number of employees in a given state body. This number, which is coded as Po, indicates the total number of persons authorized to perform state functions.

The second step is to identify and count the number of persons that have committed corruption-related crimes, the number of persons involved in administrative offences, and the number of people subjected to disciplinary measures and penalties for corruption-related activities. The number of people committing a corruption related crime is coded as Ly, the number of people committing administrative offense is coded as a La, while the number of people subjected to disciplinary measures is coded as Ld.

Since corruption related offenses are more serious or severe than administrative offenses and disciplinary matters, they receive a higher coefficient. Specifically, corruption crimes receive a score of 3, administrative offences receive a score of 2, while disciplinary matters receive a score of 1.

After computing the percentage of corrupt individuals out of the total number of employees in a state body, these percentages are multiplied by the coefficient. The overall index of corruption for a given state body (Pk) is then computed by adding the three numbers generated in this way. see table 5.

**Table 7. Computation of Corruption Index of Public Institutions**

State authority	Corruption related crimes	Administrative offenses	Disciplinary matters
Total number of employees	Po		
Number of employees committing offenses	Ly= number of employees committing a corruption related crime	La=number of employees committing an administrative offense	Ld= number of employees committing a disciplinary violation
% of corrupt employees out of the total number of employees	$Ky = (Ly/Po) * 100$	$Ka = (La/Po) * 100$	$Kd = (Ld/Po) * 100$
Coefficient	3	2	1
Corruption score	$Pk = (Ky * 3) + (Ka * 2) + (Kd * 1)$		

This formula can be used to calculate the level of corruption of several state bodies to identify which of them are more exposed to corruption or, for the sake of simplicity, more corrupt.

<sup>27</sup> Presentation by Dr. Sarkytbek Moldabayev, ex-Rector of the Academy of Financial Police at the workshop on “Development of the National Corruption Perception Index” of the NU GSPP and NOPPI, Astana, 1 April 2015

**Table 8. Corruption in the public sector**

	Office of public prosecutor	Ministry of internal affairs	Judges	Armed forces	Customs	Tax agency	Financial police
n. of people who committed a corruption related crime	3	341	15	22	60	49	7
Number of civil servants	5474	103496	2176	83000	6000	8860	3383
Corruption coefficient	0.16	1.25	2.07	0.08	3.0	1.66	0.62

The former Rector of the Financial Police Academy computed the level of corruption on the basis of the data collected for 2013. The evidence presented in Table 8, taken from the Rector's presentation, illustrates that the number of corruption offences ranges from a minimum of 3 in the office of the public prosecutor to a maximum of 341 in the ministry of internal affairs. Once we account for the number of employees in each of these bodies and we compute the level of corruption, we find that the corruption index ranges from a minimum of 0.08 in the armed forces to a maximum of 3.0 in customs. Specifically, the higher incidence of corruption is found in customs, followed by the judiciary, by the tax agency, the ministry of internal affairs, financial police, office of the prosecutor and armed forces.

By adding up the corruption scores for each sector, we find that the public sector for Kazakhstan in 2013 had an overall corruption coefficient of 8.84.

By performing a similar analysis for the following years, the Academy of Financial Police believes that it will be able to track quite precisely not only the overall level of corruption in the country, to assess whether and to what extent anti-corruption measures introduced by the government are effective in curbing corruption, but will also be able to monitor how corruption will vary across sectors and over time.

The Public Policy Institute of the Nur Otan Party has adopted a rather different approach and decided that instead of measuring corruption on the basis of objective measures, it should devise an index of perceived corruption - that in the early stages of the project was tentatively called *National Corruption Perception Index*.<sup>28</sup>

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<sup>28</sup> "Development of the National Corruption Perception Index raised interest among international experts – S.Nurbek", by Murat Zhakeyev, Kazinform, 2 April 2015, <http://www.inform.kz/rus/article/2761899>; "National Corruption Perception Index will be developed in Kazakhstan", by Kseniya Voronina, Kazpravda, 2 April 2015, <http://www.kazpravda.kz/rubric/obshchestvo/metodologiu-natsionalnogo-indeksa-vospriyatya-korruptsii-budet-sformirovan-v-ka/>

This index, which can be used to assess the perceived level of corruption, across regions and sector and that could, eventually be employed, to track variation in the level of corruption over time is computed on the basis of survey data.<sup>29</sup>

The survey that was prepared to collect the relevant information asks respondents to indicate a) how much corruption they believe there is in the country/region, b) how much corruption there is in a variety of sectors, and c) how pervasive they believe various forms of corruption (nepotism/clientelism/favoritism; abuse of resources/embezzlement; bribery).

The first set of data provides an indication of the perceived level of corruption across the 16 subnational units in the Republic of Kazakhstan, that is the 14 regions and the cities of Astana and Almaty. The second data provides an indication of the perceived level of corruption across various sectors, while the third set of data provides an indication of the pervasiveness of three distinct forms of corruption that closely resemble the indicators employed in the computation of the GCI.

After recoding the responses, into 5-point scales, the index is computed based on the following root-mean-square formula and rescaled to 100-point scale:

$$NCPI = 20 * \sqrt{\frac{X_1^2 + X_2^2 + X_3^2}{3}}$$

where  $X_1$  is ten average of the responses concerning the level of corruption in the regions,  $X_2$  is the average of the responses on the level of corruption in the various sectors, and  $X_3$  is the average of the responses on the incidence of three different forms of corruption.

It is impossible, at the moment, to say whether and to what extent the methodologies devised by the Academy of Financial Police and by the Nur Otan Public Policy Institute will generate better estimates, in terms of validity and reliability, than those generated by the International Organizations. But it is nonetheless a positive development that in a country, often criticized for allegedly having high levels of corruption, there is a genuine commitment to estimating corruption, understanding its causes, identifying the areas in which corruption is more pervasive, and assessing the impact of the anti-corruption measures adopted by the government. Even more remarkable is the fact that in a country, generally not known for its pluralism, there has been a vibrant, and theoretically informed, methodological debate and a plurality of perspective on how corruption levels could and should be estimated.

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<sup>29</sup> The draft of the National Corruption Perception Index was presented by the NOPPI for foreign and local experts' discussion at the workshop at NU GSPP, 1 April 2015, <http://nurotan.kz/en/news/8634>

## *Conclusion*

The most unambiguous conclusion of the present analysis is methodological: when the methodologies devised by international organizations such Transparency International or the World Bank are applied in the case of Kazakhstan to estimate the level of corruption in the country, the corruption estimates generated seem to provide a somewhat inadequate picture of the level of corruption in the country. In fact, the estimates generated in this way are somewhat inconsistent with one another and seem to indicate major upward and downward swings in corruption levels that may not adequately capture the real level of corruption in Kazakhstan. A second and, in our view, more important conclusion is that this analysis also identifies a previously neglected ‘explanation’ for the failure of these estimates in assessing the proper level of corruption. These estimates ‘fail’ not because of Kazakhstan is an exception or because the methodologies devised by international organizations are inherently problematic, but because the data they analyze to estimate corruption are, in the case of Kazakhstan but possibly in other cases as well, rather problematic.

Given the problems that international measures of corruption seem to encounter in the case of Kazakhstan and given the origin of such problems, several institutions in Kazakhstan have developed new approaches to estimating corruption. The former Academy of Financial Police of Kazakhstan, using what was regarded as a ‘criminological’ approach, created an index of corruption that is objective or fact-based in the sense that it infers the level of corruption of various sectors, and subordinately of the whole set of government institutions, from the incidence of criminal, administrative and disciplinary sanctions administered to punish relevant violations. The Public Policy Institute of the Nur Otan Party, Kazakhstan’s ruling party, using what the Academy regarded as ‘sociological’ approach, created a National Corruption Perception Index to assess the incidence of various forms of corruption across regions and sectors and, subordinately, in the country as a whole.

There are at least four reasons why the methodological exercises undertaken by Kazakhstani institutions represent a positive development. First of all, they testify to the fact that Kazakhstani institutions are genuinely committed to studying, countering, and reducing corruption. Second, since these methodologies are locally produced with locally collected data, there is every reason to believe that the data they employ are more precise than those utilized by International Organization to estimate corruption levels. Third, the corruption levels estimated with the methodology devised by the former Academy of Financial Police and by the NOPPI could represent a valuable benchmark against which to test the validity of the international measures. Fourth, and in our view more importantly, the fact that Kazakhstani institutions have devised both fact-based or objective and perception-based or subjective measures of corruption will enable scholars and practitioners to explore whether and to what extent perception of corruption relate to or are affected by the real incidence of corruption. By doing so, it will be possible to develop a better understanding of the factors responsible for the perception of corruption, by

exploring whether variation (across sectors, across regions, and over time) is a function of changes in the objective level of corruption or whether such variation should be ascribed to other (cultural, cognitive, normative,...) factors that provide citizens with a sort of perceptual lenses through which they look at reality and that, by doing so, influence what citizens are able to see—a contribution that would be quite interesting not only for Kazakhstani policy makers, but also for a wide range of comparative politics specialists.

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