

IS THERE FUTURE FOR LIBERAL IDEAS IN KAZAKHSTAN?



KIMEP Central Asian Studies Center
in cooperation with
Friedrich Ebert Foundation in Kazakhstan
presents

IS THERE FUTURE FOR LIBERAL IDEAS IN KAZAKHSTAN?

SUMMARY OF THE ROUNDTABLE DISCUSSION

Almaty
2015

Date: Friday, 20 February 2015
Time: 15:00-18:00
Venue: Hall#3, New Building
KIMEP University

Is there future for liberal ideas in Kazakhstan?

Roundtable summary

Program:

Moderator:

Nargis Kassenova, CASC Director

Speakers:

Alessandro Frigerio, KIMEP University
“Liberalisms”

Aidos Sarym, political scientist
“The Liberal Idea in Kazakhstan: Past, Present and Future”

Anuar Ushbayev, Tengri Partners
“The Role of Liberalism in Economic Progress”

Roundtable participants included individuals from:

Kazakhstan Institute of Strategic Research / Public Policy Research Center / Institute for Development and Economic Affairs / Political Studies Association / Association of Kazakhstani Economists / Institute of Economic Forecasting, German Society for International Cooperation (GIZ) GmbH / Friedrich Ebert Foundation Kazakhstan / Barcelona Centre for International Affairs / Eurasia Net / British Council / Goethe Institute Almaty / Business New Europe / Suleiman Demirel University / US Consulate / Kazakh National University Al - Farabi / Expert Kazakhstan / Institute of Sorbonne-Kazakhstan

Speaker biographies:

Alessandro Frigerio is Assistant Professor at the Department of International Affairs and Regional Studies. He received his PhD in Political Studies with a specialization on Normative Political Theory from the Università degli Studi di Milano, Italy. His main areas of research include: Political Theory in Central Asia, Responsibility to Protect, and the Political Impact of New Technologies.

Aidos Sarym is Head of the Sarsembayev Foundation and coordinator of Abai.kz project. He held a number of positions in the government working for the Ministry of Culture and Information (1997-2001 and 2004) and Presidential Administration (2002-2003), worked as deputy Editor-in-Chief of “Zhas Alash” newspaper (2004-2007), and participated in politics as Advisor to the Democratic Party of Kazakhstan “Ak Zhol” (2003-2004) and Democratic Party of Kazakhstan True “Ak Zhol” (2005-2006). He is a well-known publicist and blogger.

Anuar Ushbayev is Managing Partner of Tengri Partners. After receiving MA in applied mathematics and finance from the Imperial College London, he worked for Goldman Sachs and Societe Generale banks, where his areas of responsibility included statistical arbitrage, structuring derivatives and alternative financing in emerging markets. Currently he is enrolled in a PhD program writing a dissertation on financial mathematics.

Summary

Alessandro Frigerio, "Liberalisms"

In his presentation Dr. Frigerio provided a review of the core concepts of liberalism, highlighting: the plurality of its interpretations (liberalisms), the values, practices and institutions liberalism stands for and against, the liberal dichotomies, and different interpretations, misinterpretations and even abuses of liberalism in different places.

He started the presentation with a review of the conceptual variety of liberalisms - classic liberalism, high liberalism, neoliberalism, neoclassical liberalism, value liberalism, contract liberalism, perfectionist liberalism, political liberalism and libertarianism.

Then he spoke about the abuses of liberalism, and the political distortions of the concept, when liberalism is used for justifying practices and actions that are not inside the liberal family. Using the example of Michel Foucault who, speaking of the Soviet Union and communism in general, clarified how the GULAG (government agency that administered Soviet forced labor camp systems during the Stalin era) was an internal part of the communist political system and not an exceptional appendix, he asked whether liberalism also includes historical aberrations that are inherent to its own practice.

Further, the speaker provided a review of four contestable spaces of liberalism (because, while analytically they can be separated, they function together).

Liberalism as a political theory/philosophy was analyzed as the main part of the presentation. Liberalism as an economic theory is usually attached to private property, free markets, laissez faire; thus, economic development is left mostly to free entrepreneurship and market self regulation. Anyway, the economic theory is much wider than it is usually understood. It ranges from libertarianism and its strong emphasis on

individual rights as side-constraints (Nozick) leading to a minimal state, to utilitarianism as a doctrine for promoting social welfare (Mill), to the difference principle (Rawls) declaring that differences in wealth are justified only as long as they promote the welfare of the worst-off and even further with Sen's idea of functionings and capabilities.

Liberalism as a political practice

Apart from political associations (for example, the American Civil Liberties Union), there are political parties, but there are gigantic differences in them. In the United States to be called a liberal means to be interested in the promotion of social welfare. In Europe there are liberal and centrist parties, but there are also abuses of liberal ideas. For example, the Freedom Party of Austria, a strongly nationalist party who used liberty as a marketing tool for attracting votes; or in Italy "Forza Italia", at a certain point called the Party of Freedoms, which tried to justify personal interests through the term "liberty". Russia is an even more interesting example: on one side, liberalism is negatively considered a western idea, on the other the most nationalist party, lead by Zhirinovskiy, is called Liberal-Democratic though there is nothing liberal in it.

Liberalism as a theory of international relations

Starting with the concept of Perpetual Peace among republics (Kant) liberalism evolved into the idea that communications, institutions and interdependence would generate a more peaceful world. Anyway, most of the misunderstandings of liberalism come from this sphere today. For example, the idea of human rights is perfectly linked to liberalism. The Universal Declaration of Human Rights and the Covenant were signed by countries, even those who are not respecting them, so none should question human rights. But the problem is the use by the USA of human right as a justification for wars that were actually dictated by other reasons: the invasion of Iraq in 2003 being a turning point, although the separation between a moral legitimacy against legality started at least

from the intervention in Kosovo.

The basis of Liberalism is the primacy of the individual and his/her freedoms, which come either from a value based or a contractual justification, where individuals are equal.

Liberalism: what it is against and what it favors.

Liberalism is against authority based on traditions and in favor of authority justified by reason and/or contract. It is against despotism and later totalitarianism as forms of government that conflate the private and public spaces, and it supports the separation of the private from the public space with a primacy of the former. Liberalism is against absolutism and the concentration of power, and it favors a division of powers – executive, judiciary, legislative (Constant). Liberalism is against arbitrary rule. For liberalism a government is only entrusted power and only as long as it respects its legitimate goals (the public good as, for example in Locke, individual security, liberty and property) and operates through legitimate means (the rule of law). Liberalism is against the tyranny of majority (Tocqueville): it even introduces antidemocratic stances - if a majority wants to oppress a minority liberalism does not allow it. Liberalism is against tutelary power and social tyranny, and it supports anti-paternalism: the possibility for each individual to develop according to her/his own ideas with the only limit of not harming other persons (Mill). This requires freedom of thought, freedom speech and autonomy. Finally, liberalism is against discrimination (for example, on the basis of religion) and it favors tolerance (Mill) and a separation of the state and religion. Religion is a private issue, therefore the state has no right to interfere, and, at the same time religion cannot be used in the public space as a justification, but there is the requirement of referring to public reason (Rawls) for supporting one's ideas.

Further, the speaker illustrated some dichotomies of liberalism highlighting that a positive side of liberalism is its ability to be self-reflective and to recognizing its tensions.

Referring to concepts of liberty and security, it was said that both came together as being instrumentally valuable for each other. Liberty is instrumentally valuable for safeguarding the security of an individual and at the same time security generates the framework that allows the exercise of liberty. The dichotomy gets intense during emergencies, as it can be illustrated by the USA after 9/11. The speaker further referred to positive and negative liberties, where the classical idea of liberalism focuses on negative freedom as non-interference by others, unless my action creates harm to someone else., Moving the discussion of Neutrality and Commitment to the Q&A part, Dr. Frigerio concluded with the Universalism – Particularism dichotomy saying that it is a major issue because it addresses the tension between the liberal recognition of different cultures and values and their possible conflict with the safeguard of individual rights (as in the case of a group which would promote the exclusion of women from attending schools)

Aidos Sarym, "The Liberal Idea in Kazakhstan: Past, Present and Future"

Aidos Sarym made a brief excursion into the history and development of liberal ideas in Kazakhstan. He started his presentation by stating that the words in Kazakh language that express the concepts of freedom and liberalism best are 'kazak' and "kazakshylyk". The steppe itself and nomadic lifestyle are the epitome of freedom as it was very difficult to establish the dictatorship over the vast territory. Individualism, personal freedom, "cult of the word" were important features of Kazakh culture, as well as dependence on clan and tribe. All the elements of freedom of speech and spirit, and unwillingness to submit to the authority were present in the Kazakh steppe. The creating of the Kazakh state itself has been the act of disobedience and unwillingness to submit to the tyranny of the Khan. In the middle ages there was the institute of diffidation first mentioned in the 11-12 centuries, when the vassal could relinquish or renunciate his relationships with suzerain and move out or resettle - "kazakshylyk zhasau" until interests were reconciled. Thus, there were two contradictory ideas - individualism, a great degree of personal freedom, as well as responsibility and dependence on family and tribe.

Mr. Sarym argued that the problem of the Kazakh liberalism is largely connected with the Russian history, where the problem of liberalism was in its elitist nature being put forward by a small, educated stratum of society, which, in turn, led to the opposition of the so called Westernizers and Slavophiles. According to the speaker, this model of liberalism was to some extent transferred to Kazakhstan.

In the beginning of the 20th century liberalism in Russia was institutionalized, and the first liberal-democratic parties, most importantly Constitutional Democrats (Kadety), appeared. Of great importance were the events leading up to 1905, when the best of the Kazakh elite, educated in Russia, who pioneered the formation of the movement and the party "Alash", were integrated into the Constitutional Democratic Party, headed by Milyukov.

From the end of the 19th century the formation of the Muslim liberal wing, the cultural and educational stream, commanding considerable authority and promoting enlightened Islam and the first liberal ideas in education - the so-called Jadidism, took place. The representatives of this movement, well-known figures from the Muslim faction, constituted the majority in the Kazakh delegation to the first State Duma. In their political aspirations they were close to the Cadets and to the ideas of freedom and democracy.

Unfortunately, the speaker noted, liberalism ends where the national question begins, when in the past and in the present educated people take the imperial position. This gave rise to the first collision between Kazakh Democrats, led by prominent members of the Kazakh society - Alikhan Bukeyhanov, Akhmet Baitursynov, Mirzhakip Dulatov, and Russian democrats.

According to the analyst, the contribution of this galaxy of public figures, writers and journalists was immense cultural and educational work, which resulted in the publication in 1909 of poems of Abay, in the appearance in 1913 of the first liberal democratic newspaper "Kazakh" published in 100 copies (which was closed three times and twice arrested). The publication was financed by private donations from Astrakhan to Xinjiang. Representatives of the local elite supported Alikhan Bukeyhanov while he was in custody. That means that there was solidarity and support in Kazakh society for these Kazakh elite.

Along with the growth of patriotism in Russia, the chauvinism was also on the rise, and there appeared reactionary organizations suppressing national liberation movements and the Muslim faction. As a result, by 1917 there was a split between the Russian and Kazakh constitutional democracy activists.

In 1917 Alikhan Bukeikhanov wrote an article about the exit from the Constitutional Democratic Party in which he outlined the main reasons behind the split, including the issues of religion, land use, and the question of national autonomy posed by Kazakhs to get more rights to self-

government and in the judicial system.

The flowering of democracy did not last long and was interrupted by the outbreak of war, as a result of which a significant part of Alash Orda party supported Kolchak. A ceasefire agreement was signed later, but the Bolsheviks realized the particular ideology, strength of spirit and values of this outstanding group, so the subsequent brutal repression crippled the nation's elite, and Alash Orda was defeated.

Later, during the Soviet era, the Soviet ideology was dominant, and it became part of our history. However, liberal ideas and ideals are not lost; the descendants of Alash Orda continued to carry these ideas, the next generation of their supporters appeared in Moscow - the movement "Zhas Tulpar". To support national spirit and national pride the "Kyz-Zhibek" movie was made. However, the events of 1986, which were the result of the Soviet imperial policy and a gesture of despair of Kazakhs, and the subsequent repressions slowed down many political processes in our country that were similar to those taking place in other post-Soviet countries, and inhibited the emergence of new opposition forces. The historical collision is that, unlike in Russia, where liberalism became part of the political system, in Kazakhstan the Kazakh nationalism ran into a contradiction with the administrative discourse. Although there was understanding among the authorities of the necessity of responsibility and freedom for business, and today's banking system is the result of past liberal reforms. The next rise of liberal ideas in the country is connected with the emergence of the Democratic Party of Kazakhstan, the events of 2001 and the creation of parties "Azamat" and "Ak Zhol", gravitating toward liberal ideas. But the separation of economy from politics led to semantic ruptures, a mismatch between the people and time.

Further speaker said that one of the major problems of our mentality is misperceptions and negative connotations associated with the concepts of nationalism and liberalism, when liberalism is equated with homosexuality, and so on. According to Aidos Sarym there is the need to reconcile liberal political ideology with national values. The future of our

country is associated with the idea of freedom.

Aidos Sarym finished his speech with the wishes to go beyond the limiting consciousness of the past, to study, debate and gain a new understanding of our identity and our history. He referred to Milton Friedman's saying that liberal ideas are in demand in a hard times, and expressed a confidence that the time for real reform will come in the near future, and soon we will have a real liberal party, which will not separate politics from economics, and which will be supported by the whole society.

Anuar Ushbayev. "The Role of Liberalism in Economic Progress"

Anuar Ushbaev began his presentation by quoting a well-known saying of Victor Hugo that we (humanity) can resist the invasion of armies, but cannot resist the invasion of ideas.

The first part of his presentation was devoted to counter-intuitive examples. The speaker noted that at the beginning of the last century, physics was divided into two sub-disciplines - quantum mechanics, which explained the dynamics of atomic and subatomic particles, and special general theory of relativity, which explained the dynamics of celestial bodies. English physicist Paul Dirac first tried to find an equation, which would be consistent with both the principles of special theory of relativity and quantum mechanics. Finding solution to the Dirac equation was a problem for physicists of the time, because it admits the possibility of states with negative energy - until then not empirically observed and explained. Later, in 1932, Carl Anderson discovered the positron (particle with the mass equal to the mass of an electron, but with a positive electric charge), thus, the idea found its use.

According to speaker, liberalism in the economy is always at the intersection of economics, political philosophy and pragmatic policy, and most clearly it was manifested in the former communist bloc and Eastern Europe, where the collapse of the planned economy was an integral part of the liberalization of society. In economics, liberalism has been mostly promoted by the Chicago School of Milton Friedman. Pupils of Friedman offered interesting counter-intuitive ideas. For example, the solution to the problem of negative externalities (negative externalities of economic activity) traditionally has been government regulation and taxation on the basis of Arthur Pigou's principle, but Ronald Coase suggested the third solution - appropriation of private property rights. George Stigler put the decision as follows: if property rights are clearly defined and transaction costs are zero, then the allocation of resources (production structure) will remain unchanged and effective regardless of changes in the distribution of property rights. It means that economic

growth and development of the country largely does not depend on the type of the existing government if the costs of transactions in the economic and political spheres are equal to zero. However, when transaction costs are positive, then the distribution of power within the country and the institutional structure of its rule-making institutions are the most important factors in its development.

Talking about the size of government and economic freedom, he noted the traditional argument that greater size of government reduces economic freedom, because growth of taxes and government economic activity reduces motivation of the private sector, and the increase of the state apparatus is accompanied by the growth of corruption and regulation, and the weakening of property rights.

But in most real-life situations, the speaker noted, transaction costs are small enough to let Coase's theorem work in the original wording, which underlines the necessity and importance of social and economic institutions in the development of society. Based on research findings, the importance of choice of determining the size of a government between tax revenues and government spending. As an explanation, a political model of "fiscal contract" is proposed in which concessions in the institutional architecture and socio-economic policy are obtained in exchange for their transfer to the state budget.

The second part of the presentation was dedicated to the opposition of the "Washington" consensus versus "Beijing" consensus in the economic development. The "Washington Consensus" gives central role to the development of the country's GDP and market liberalism while financial independence becomes a by-product of the general liberal development. It is being often criticized for too rapid liberalization that could lead to economic instability in the context of global capital transactions. The "Beijing Consensus" focuses on a more sustainable growth and equal distribution of resources as well as financial independence. However, according to the speaker, the "Beijing Consensus" is silent on issues such as the role of exploitation of human labor as a significant factor in the development of China.

The speaker concluded by Milton Friedman's sayings: "There is an enormous inertia of the tyranny of the status quo in the private and especially the governmental arrangements", "Only a crisis, actual or perceived, produces real change" and "The greatest advances of civilization, whether in architecture or painting, in science and literature, in industry or agriculture, have never come from centralized government."

Thank you!

We would like to thank all the contributors to the discussion, and, of course, we are indebted to the Friedrich Ebert Foundation for moral and financial support of this roundtable.

Friedrich-Ebert-Stiftung (FES) is a part of the regional project Friedrich-Ebert-Stiftung Regional Cooperation in Asia that strives to promote values of social democracy in the region. It was founded in 1925 as the political legacy of Germany's first democratically elected president, Friedrich Ebert. Since the beginning of the foundation's work in South, Southeast and East Asia nearly 40 years ago, the Friedrich Ebert-Stiftung has been focusing on promoting democracy and strengthening the social dimension of economic development. In the past years, FES has promoted international dialogue within Asia as well between Asia and Europe. Here, the priorities refer to the social dimension of Asian cooperation and integration as well as to the issue of conflict prevention with regards to the processes of the Asia-Europe Meeting (ASEM), the Association of Southeast Asian and the South Asian Association of Regional Cooperation (SAARC).

In its work, the FES cooperates with a number of governmental institutions, trade unions, political parties, social movements, NGOs, media and scientific institutions, as well as international and regional organizations.

Central Asian Studies Center (CASC) has been launched in November 2010 with the aspiration to become a hub for academic and research on Central Asia. The goals of the center are generating and disseminating research through public lectures, roundtables and conferences on various issues pertinent to the region, facilitating international research projects and graduate study programs, and developing networks among foreign and local scholars working in the field of Central Asian Studies.